



**REPORT TO: PERFORMANCE & AUDIT COMMITTEE – 27 SEPTEMBER 2023**

**REPORT ON: DUNDEE INTEGRATION JOINT BOARD INTERNAL AUDIT PLAN PROGRESS REPORT**

**REPORT BY: CHIEF FINANCE OFFICER**

**REPORT NO: PAC37-2023**

**1.0 PURPOSE OF REPORT**

1.1 This paper provides the Performance and Audit Committee (PAC) with an update on progress against previous internal audit plans as well as 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 Dundee IJB.

**2.0 RECOMMENDATIONS**

It is recommended that the Performance & Audit Committee (PAC):

2.1 Notes the progress of outstanding internal audit reviews and progress against the 2023/24 internal audit plan.

**3.0 FINANCIAL IMPLICATIONS**

3.1 None.




**4.0 MAIN TEXT**

4.1 The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor (CIA) reports periodically to the Audit Committee (the PAC in the case of Dundee City IJB) 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.

4.2 Internal Audit D05/22 Viability of External Providers has now been issued in final (See Report PAC32-2023 on this agenda). Whilst not yet finalised, fieldwork on D06/23 Operational Planning is substantially complete. In addition, as previously reported to this Committee, work has already been undertaken on non-discretionary elements of the 2023/24 Internal Audit Plan. Progress on plans is set out in Appendix 1.

4.3 Working with our partners in Dundee City Council, we are committed to ensuring that internal audit assignments are reported to the target Performance & Audit Committee. The full 2023/24 Internal Audit Plan is presented to this Committee for approval at a separate agenda item. The plan sets out how we intend to shift the timing of audit work within the annual cycle and make more efficient use of the available time and ensure timely assurance reporting to the Committee.

4.4 Following a suggestion at the September 2021 PAC (Article VIII of the minute of meeting of this Committee of 29th September 2021 refers) the progress of each audit has been risk assessed and a RAG rating added showing an assessment of 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>

4.5 An update on the progress of all the IJB's Internal Audits is shown in Appendix 1. Resources to deliver these audits are provided by NHS Tayside and Dundee City Council Internal Audit Services.

4.6 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 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
T06&07/24 NHS Tayside Annual Internal Audit Report 2022//23	N/A	<p>The Chief Internal Auditor concluded that:</p> <ul style="list-style-type: none"> <li>• The Board has adequate and effective internal controls in place.</li> <li>• The Accountable Officer has implemented a governance framework in line with required guidance sufficient to discharge the responsibilities of this role.</li> </ul> <p>The following key themes were highlighted within the report:</p> <ul style="list-style-type: none"> <li>• Governance arrangements including risk management were considered robust.</li> <li>• The importance of overall Strategy to achieve long term sustainability and the update to all strategies to reflect changing demands.</li> <li>• Strong performance against the Scottish average for national targets such as cancer waiting times.</li> <li>• The pressures on long-term financial sustainability have increased even further and faster than anticipated. The three year financial plan overtly states that financial sustainability needs to be at the core of any decisions made.</li> </ul>

		<ul style="list-style-type: none"> <li>• The NHS Tayside Medium Term Financial Plan 2023/24 to 2025/26 projects a financial challenge of £87.2 million in 2023-24. Traditional approaches to making efficiencies were producing declining savings, and new solutions will be required to ensure that services are sustainable. NHS Tayside will need to ensure that it has the capacity and capability required to identify, develop and implement these solutions whilst maintaining business as usual.</li> <li>• NHS Scotland as a whole is predicting significant requirements for brokerage by 2025-2026. NHS Tayside's cumulative 3 year financial gap, at a total of £182m, is significant in this context and there is a risk that not all required brokerage may be available when needed. NHS Tayside should prepare contingency plans accordingly.</li> <li>• It is essential that workforce planning effectively supports the achievement of the Board's operational, financial and strategic objectives.</li> <li>• Assurance reporting continued to improve.</li> <li>• Mental Health and Drugs and Alcohol Recovery are considered to be Strategic risks for the IJBs, not for the Health Board. A Drugs &amp; Alcohol strategic risk is in place for Dundee IJB, but the Perth &amp; Kinross IJB Strategic risk on Whole system Mental Health remains under development. Given the significance of these risks, this potential gap in assurance reporting to the Care Governance Committee should be addressed as soon as possible.</li> <li>• Key recommendations to provide clarity on the affordability of the Digital Strategy and risk mitigation, and identify the impact of any elements which will not be delivered, have not been implemented to date as agreed.</li> </ul> <p>The summary report was presented to the NHS Tayside Audit and Risk Committee in June 2023 and can be accessed at page 30 in the following link:  <a href="https://www.nhstaysidecdn.scot.nhs.uk/NHSTaysideWeb/idcplg?IdcService=G ET_SECURE_FILE&amp;dDocName=PROD_368305&amp;Rendition=web&amp;RevisionSelectionMethod=LatestReleased&amp;noSaveAs=1">https://www.nhstaysidecdn.scot.nhs.uk/NHSTaysideWeb/idcplg?IdcService=G ET_SECURE_FILE&amp;dDocName=PROD_368305&amp;Rendition=web&amp;RevisionSelectionMethod=LatestReleased&amp;noSaveAs=1</a></p> <p>The full report, with management responses, was finalised in July 2023 and will be presented to the NHS Tayside Audit and Risk Committee on 14 September 2023.</p>
--	--	--

Dundee City Council reports:

Report	Opinion	Key findings
DCC 2022/23 Internal Audit Annual report	N/A	<p>It is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year to 31 March 2023.</p> <p>The full report can be accessed at page 201 in the following link:  <a href="https://www.dundee.gov.uk/reports/agendas/scr280623(sup).pdf">https://www.dundee.gov.uk/reports/agendas/scr280623(sup).pdf</a></p>
Fire Risk Assessments	The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is	<p>The main areas commented upon in the report are as follows: • The content of the City Development FRA spreadsheet should be verified in order to ensure it is accurate and that all relevant properties are included or archived as required. A formal process for notifying the Fire Safety Officer when properties require to be removed from or added to the FRA spreadsheet should be put in place. In addition, all current FRA's should be uploaded into the GVA system as soon as possible.</p> <p>In order to ensure there is appropriate programming, completion and monitoring of actions in relation to properties which currently fall under the responsibility of the Housing Division as part of Neighbourhood Services, operational responsibility for FRA's should be assigned to</p>

	viewed improvements can be made.	<p>a specific appropriately trained individual / team. To facilitate this, consideration could be given to combining the fire safety functions and resources of City Development and the Housing Division of Neighbourhood Services under a Corporate function, such as the Corporate Health and Safety Team. This arrangement will require the appointment of a Corporate officer to assume responsibility for the role of Duty Holder for the entire Council property portfolio.</p> <p>The audit findings and recommendations were formally reported to the Executive Director of City Development, the Executive Director of Corporate Services and the Executive Director of Neighbourhood Services and appropriate action agreed to address the matters raised.</p>
--	----------------------------------	---

Other Tayside IJB reports:

For this meeting, there are no other reports finalised by other Tayside IJBs, that require reporting to the PAC.

## **5.0 POLICY IMPLICATIONS**

5.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

## **6.0 RISK ASSESSMENT**

6.1 This report has not been subject to a risk assessment as it a status update and does not require any policy or financial decisions at this time.

## **7.0 CONSULTATIONS**




7.1 The Chief Officer, Regional Audit Manager, Chief Internal Auditor and the Clerk were consulted in the preparation of this report.




## **8.0 BACKGROUND PAPERS**





8.1 None.



Dave Berry  
Chief Finance Officer

**Date:** 01/09/2023

Ref	Audit	Indicative Scope	Target Audit Committee & current RAG status	Planning Commenced	Work in Progress	Draft Report	Completed	Grade
Outstanding								
D05-22	Viability of External Providers	<p>Review the controls established to manage Strategic Risk HSCP00d1.</p> <p>A review of the IJB's approach to continually assess the viability of its contracted social care providers as essential partners in delivering health and social care services and the priorities set out in the IJB's Strategic and Commissioning Plan. The review will consider the steps taken to engage with providers around the IJB's strategic direction and how the IJB provides ongoing support to them, including the process invoked should there be concerns over financial or operational sustainability.</p>	<p>Complete</p>  <p>See separate agenda item</p>	✓	✓	✓	✓	Reasonable Assurance
2022/23								
D01-23	Audit Planning	Agreeing audit universe and preparation of strategic plan	<p>Complete</p> 	✓	✓	✓	✓	N/A
D02-23	Audit Management	Liaison with management and attendance at Audit Committee	<p>Complete</p> 	✓	✓	✓	✓	N/A

Ref	Audit	Indicative Scope	Target Audit Committee & current RAG status	Planning Commenced	Work in Progress	Draft Report	Completed	Grade
D03-23	Annual Internal Audit Report (2021/22)	CIA's annual assurance statement to the IJB and review of governance self-assessment	Complete 	✓	✓	✓	✓	N/A
D04-23	Governance & Assurance	Ongoing advice in relation to governance and assurance arrangements to support the response to the Dundee Drugs Commission	Complete 	✓	✓	✓	✓	Additional work was performed as part of fieldwork for annual report and has informed the annual report
D05-23	Workforce	Related risk: Staff Resource 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 3rd sector	N/A	Risk assessed, discussed with the Chief Finance Officer and referenced in 2023/24 Internal audit plan paper as D06/24 (see agenda item XXX)				
D06-23	Operational planning	Related risk: All Planning and monitoring implementation of actions to deliver strategic priorities, including those arising from remobilisation and service plans *Completion of this audit was delayed due to competing priorities on audit staff time	February 2023 November 2023* 	✓	✓	✓		

Ref	Audit	Indicative Scope	Target Audit Committee & current RAG status	Planning Commenced	Work in Progress	Draft Report	Completed	Grade
2023/24								
D01-24	Audit Planning	Audit Risk Assessment & Operational Planning.	Complete  See separate agenda item	✓	✓	✓	✓	N/A
D02-24	Audit Management	Liaison with management, Pre-Audit Committee liaison with Chief Finance Officer, preparation of papers and attendance at Audit Committee.	Ongoing/ May 2024 	✓	✓			
D03-24	Annual Internal Audit Report (2022/23)	CIA annual assurance statement to the IJB and fieldwork to support this.	June 2023 (IJB) 	✓	✓	✓	✓	N/A
D04-24	Governance & Assurance	Additional work supporting improvements in AFU/GAP * See GAP agenda item	September 2023 	✓	✓	✓		

Ref	Audit	Indicative Scope	Target Audit Committee & current RAG status	Planning Commenced	Work in Progress	Draft Report	Completed	Grade
			November 2023* 					
<b>D05-24</b>	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.	May 2024 					
<b>D06-24</b>	Workforce	Related risk: Staff Resource  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 3rd sector	February 2024 