



## **Integration Joint Board Co-bhòrd an Amalachaidh**

### **Internal Audit Follow Up Review**

### **Financial Planning, Management and Savings**

### **Final Report**

**8 June 2021**

**INTEGRATION JOINT BOARD  
INTERNAL AUDIT FOLLOW UP REPORT  
FINANCIAL PLANNING, MANAGEMENT AND SAVINGS**

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**SECTION 1: EXECUTIVE SUMMARY**

**Introduction**

- 1.1 The Report has been prepared for the Integration Joint Board's Audit Committee. The original report advised of a number of recommendations made in the Financial Planning, Management and Savings report which was issued on 22 November 2019. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2021/22.

**Internal Audit Objective**

- 1.2 Following up internal audit reports and assessing the level of compliance with recommendations made is an important part of the internal audit function.
- 1.3 In accordance with the remit detailed in the operational annual internal audit plan for 2019/20, our internal audit work was designed to obtain assurance that the original recommendations have been implemented. We obtained this assurance through internal audit testing and undertaking discussions with key personnel.
- 1.4 The main recommendations in the original report were:
- The Financial Plan be further developed over a 5 year period and linked together with the updated Strategic Plan and Workforce Strategy;
  - A comprehensive assessment of high risk savings areas will need to be undertaken periodically with appropriate escalation to the Board where service delivery is likely to be adversely affected.




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**Detailed Findings**

1.5 The current status of progress against the original recommendations can be summarised as follows:

**Key to Status**

-  Fully implemented;
-  Partly implemented, although further work is required to meet the objective of the recommendation; or
-  Insufficient progress to date

<b>Recommendations</b>	<b>Action to Date</b>	<b>Status</b>
Strategic plan/refresh to be reviewed as required and current plan to be made available online.	Fully implemented	
The Financial Plan be further developed over a 5 year period and linked together with the updated Strategic Plan and Workforce Strategy.	Insufficient progress to date	
Comprehensive assessment of high risk savings areas with appropriate escalation to the Board where service delivery is likely to be adversely affected.	Partly implemented	
Spending plans, annual accounts and annual reports to be published on the IJB website.	Partly implemented	
A clear and timely community engagement process should be timetabled each year in order to obtain the views of the public with regards to service delivery.	Insufficient progress to date	
Communication/Engagement Strategy to be updated.	Insufficient progress to date	

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**Concluding Remarks**

1.6 From our follow up testing, we note that out of the 6 follow up recommendations made in the original report 1 appears to have been fully implemented, and management have confirmed that the remaining recommendations will be implemented by March 2022. **The new Chief Officer will address these issues and report back to the IJB Audit Committee by the end of the calendar year with regards to progress.**

1.7 Chief Internal Auditor for the Integration Joint Board  
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**SECTION 2 - DETAILED FINDINGS AND RECOMMENDATIONS**

Action Recommended	Action By	Progress to Date	Action Outstanding
<b>2.1</b>			
<p>Strategic plan/refresh to be reviewed as required and current plan to be made available online.</p> <p>The Financial Plan be further developed over a 5 year period and linked together with the updated Strategic Plan and Workforce Strategy.</p>	<p>The Chief Officer December 2019</p> <p>The Chief Officer March 2020</p>	<p>Due to Covid the SG are working on a 1 year plan only as the effect of COVID on services and funding is not known. However, as art of the budget process the CFO prepared 3 year financial plan but assumptions had to be very general and did not take on Board the effect of COVID. As we know from 20/21 the funding from the SG for both partners was considerable and the IJB is likely to receive further funding for continued effects of the Pandemic e.g. Mental Health. This however will not be recurring funding.</p> <p>CnES, are working on the Joint Workforce Strategy taking account of the issues of workforce capacity and capability across the Health &amp; Social Care Partnership. A draft Strategy, which is a working document, has been produced and sent to the Scottish Government in relation to the NHS. The final strategy is required to be submitted by April 2022.</p> <p>Annual Budgets will be placed in a separate section from the Board papers on the IJB.</p>	<p>3 year completed 31 March 2021. 2<sup>nd</sup> quarter monitoring will review and update likely effect of COVID funding in the short term 1-3 years</p> <p>Progress update to be presented to the IJB Audit Committee in December 2021 with the full report to the IJB in March 2022.</p>

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<b>Action Recommended</b>	<b>Action By</b>	<b>Progress to Date</b>	<b>Action Outstanding</b>
<b>2.2</b>			
Comprehensive assessment of high risk savings areas with appropriate escalation to the Board where service delivery is likely to be adversely affected.	The Chief Officer March 2020	The 1 <sup>st</sup> monitoring report for the Board will be quarterly due toward the end of July. Within Q1 will be an indication of likely Covid funds, winter pressures, mental health funding and will include the reserves; general, earmarked and specific. All this will be taken into consideration at the first assessment of the 2021/22 savings plan and will be reported on within the Quarter 1 Board report	31 July 2021 for 1 <sup>st</sup> assessment of 2021

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Action Recommended	Action By	Progress to Date	Action Outstanding
<b>2.3</b>			
<p>Spending plans, annual accounts and annual reports to be published on the IJB website.</p> <p>A clear and timely community engagement process should be timetabled each year in order to obtain the views of the public with regards to service delivery.</p> <p>Communication/Engagement Strategy to be updated.</p>	<p>The Chief Officer December 2019</p> <p>The Chief Officer March 2020</p> <p>The Chief Officer April 2020</p>	<p>As these reports are agreed (Annual Accounts will be approx 2 months late in 2021/22). These will be published on the IJB website in another location other than contained within the published Board papers</p> <p>Once the strategic plan has been reviewed and agreed the timetable for community engagement will be established in conjunction with Denise Symington.</p> <p>Evolving People Improving Peoples Experience of Care Framework 2018-2021 has been approved by the CMT / ICMT and takes into consideration to independent Review of Adult Social Care recommendations. Draft report is the Framework. An update can be provided to future Board TBC.</p> <p>Public Involvement Framework, which includes the Community Engagement Strategy, will be reviewed and revised ahead of presentation by the calendar year end.</p>	<p>Ongoing Annual Accounts due November 2021</p> <p>Review the location of the current budget plans and accounts held on the website and relocate as appropriate by July 2021.</p> <p>Timetabling of engagement process.</p> <p>Update of Communication and engagement Strategy.</p>



**RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND INTERNAL AUDIT**

**Responsibility in Relation to Internal Controls**

It is the responsibility of the Comhairle's management to maintain adequate and effective financial systems and to arrange for a system of internal controls. Our responsibility as internal auditors is to evaluate the financial systems and associated internal controls. In practice, we cannot examine every financial implication and accounting procedure within an activity, and we cannot substitute for management's responsibility to maintain adequate systems of internal controls over financial systems. We therefore may not identify all weaknesses that exist in this regard.

**Responsibilities in Relation to Fraud and Corruption**

The prime responsibility for the prevention and detection of fraud and irregularities rests with management. They also have a duty to take reasonable steps to limit the opportunity for corrupt practices. It is our responsibility to review the adequacy of these arrangements, but our work does not remove the possibility that fraud, corruption or irregularity may have occurred and remained undetected.

We nevertheless endeavour to plan our internal audit work so that we have reasonable expectation of detecting material fraud, but our examination should not be relied upon to disclose all such material frauds that may exist.