

**Title/Subject:** Internal Audit Progress Report  
**Meeting:** Integration Joint Board Audit Committee  
**Date:** 16 March 2018  
**Submitted By:** Chief Internal Auditor  
**Action:** For Noting

## **1. INTRODUCTION**

- 1.1. The aim of this paper is to brief the Audit Committee on the progress on the 2016/17 and 2017/18 IJB internal audit plan and to inform the Audit Committee of relevant Falkirk Council and NHS Forth Valley internal audit reports.

## **2. RECOMMENDATIONS**

The Audit Committee is asked to

- 2.1. Note the progress on the 2016/17 and 2017/18 internal audit plan set out in Appendix A.
- 2.2. Note the summary of Falkirk Council and NHS Forth Valley internal audit reports relevant to the IJB, set out in Appendix B.

## **3. BACKGROUND**

- 3.1. The Falkirk IJB Internal Audit Plan 2017/18 was approved by the Audit Committee at its meeting held on 13 September 2017.
- 3.2. Internal Audit report FK07-17 – Clinical Care and Professional Governance is a strategic level report and is presented as a separate agenda item.

## **4. PROGRESS UPDATE**

- 4.1. Work on the completion of the 2017/18 internal audit plan is continuing and progress is as expected.
- 4.2. High level summaries of Falkirk Council and NHS Forth Valley internal audit reports which have been agreed with the Chief Officer / Chief Finance Officer as relevant to

the IJB Audit Committee are summarised in appendix B. These audits have already been reported to the parties Audit Committees.

## **5. CONCLUSIONS**

### **Resource Implications**

There are no resource implications arising from the recommendations in this report.

### **Impact on IJB Outcomes and Priorities**

Effective governance, including risk management and internal control, will be necessary to deliver the outcomes and priorities of the IJB.

### **Legal & Risk Implications**

Risk management is part of the Internal Audit plan.

### **Consultation**

All internal audit reports are circulated and reviewed by management prior to final publication.

### **Equalities Assessment**

No equalities issues arise from the recommendations of this report.

---

Approved for Submission by: **A Gaskin, BSc, ACA, Chief Internal Auditor**

**Date: 9 March 2018**

Internal audit progress report

Falkirk IJB Report Detail  
2017/18

	Audit	Indicative Scope	Target Audit Committee	Planning commenced	Work progress	Draft Issued	Completed	Grade
FK01-18	Audit Planning	Agreeing audit universe and preparation of strategic plan	Sep-17					N/A
FK02-18	Audit Management	Liaison with managers and Directors and attendance at Audit Committee	Ongoing	Ongoing				
FK03-18	Annual Internal Audit Report	CIA's annual assurance statement to the IJB and review of governance self-assessment	Jun-18					N/A
FK04-18	Risk Management	Review of systems of risk management, assessment of risk maturity and consideration of assurances mechanisms for key controls	Jun-18					
FK05-18	Assurance Framework	Advice on development of Assurance Framework and review of committee effectiveness	Mar-18					
FK06-18	Capacity	This audit will review the IJB's capacity to implement its strategic priorities and affect service change.	Mar-18					
FK07-18	Financial Governance	Financial planning, monitoring and reporting	Jun-18					

2016/17

FK07-17	Clinical Care & Professional Governance	Review of arrangements for Clinical & Care Governance, including the Clinical & Care Governance Framework.	Mar-18				Mar-18	N/A
---------	-----------------------------------------	------------------------------------------------------------------------------------------------------------	--------	--	--	--	--------	-----

**Falkirk IJB**  
**Audit Committee – 16 March 2018**  
**Internal Audit progress report**  
**Appendix B**

**Falkirk Council Report detail**

<b>Report No.</b>	<b>Assignment area and service</b>	<b>Opinion</b>	<b>Key findings</b>
	<p>Social Care and Education Transport</p> <p>Development / Children's / Adult Social Work Services</p>	Limited Assurance	<p>Internal Audit work focussed on arrangements for:</p> <ul style="list-style-type: none"> <li>ensuing that all drivers and transport assistants are vetted under the Protection of Vulnerable Groups scheme;</li> <li>checking driver licensing, vehicle and passenger insurance, and the road worthiness of vehicles. This included arrangements for the reporting of any medical conditions, vehicle accidents, or driving convictions; and</li> <li>ensuring the suitability of volunteer drivers.</li> </ul> <p>The review covered Development Services' Transport Planning Unit (for Council employed drivers and bus and taxi operators), the Social Work Transport Team (for volunteer drivers), and Children's Services (for passenger assistants).</p> <p>We found that a number of drivers, passenger assistants, and volunteer drivers had not been subject to PVG vetting, with reviews for some other drivers and passenger assistants overdue. In addition, discussion requires to be held between the Transport Planning Unit and Human Resources on the completion of Authorisation to Drive forms by drivers of Council vehicles.</p> <p>Not all volunteer drivers were found to hold appropriate insurance cover, and some policies (volunteer driver and external operator) had expired.</p> <p>There was also scope for improving and demonstrating compliance with guidance for ensuring the suitability of volunteer drivers, e.g. via request for, and retention of, confirmation of fitness to drive and character references, and attendance at induction and child protection training sessions.</p>

**NHS Forth Valley Report detail**

<b>Report No.</b>	<b>Report Description</b>	<b>Opinion</b>	<b>Key findings</b>
A26B/17	Commissioned Services – Health Improvement	N/A	The NHS Forth Valley Healthcare Strategy 2016-21, Shaping the Future ('the Healthcare Strategy') centers

**Falkirk IJB**  
**Audit Committee – 16 March 2018**  
**Internal Audit progress report**  
**Appendix B**

	Fund	<p>around transformational service change with a significant focus on moving care into the community. Among the arrangements established with voluntary and third sector organisations are several services that are supported through the Health Improvement Fund (HIF) and managed by the Community Services Directorate (CSD). Management have informed us that, due to competing operational priorities, some HIF services have not been reviewed for several years.</p> <p>This review was completed at the request of management and it is therefore not appropriate to provide an audit opinion. Overall, we were satisfied that the five commissioned services available for us to assess were generally aligned to health and social care priorities. There were however 17 other HIF services, constituting 75% of the overall budget, for which we are not able to make any assessment as documentation was not available.</p> <p>To ensure clarity over the services provided under the HIF banner, NHS Forth Valley has agreed to carry out a comprehensive review of all HIF commissioned services currently funded by the Board. This review will require all existing service providers to supply a formal description of their activities and the services they provide. These submissions should be reviewed, evaluated and prioritised by Management to ensure they are aligned to the strategic priorities of the Board and provide value for money.</p> <p>The HIF budget of £763,416 is currently managed within the overall CSD budget of approximately £31m. Governance and financial arrangements for IJBs are still developing and CSD management have acknowledged that there needs to be further clarification of responsibilities for management and monitoring of these services. Management have informed us that a third sector commissioning review is underway and that this review will focus on aligning the strategic priorities against services, using principles from 'Following the Public Pound' and on procurement.</p> <p>Audit analysis of the documentation for the five services reviewed confirmed that, in our opinion, the scope of services provided indicates that they deliver a valuable support to a wide variety of clients in the Falkirk, Clackmannanshire and Stirling Localities. However, documentation provided was not consistent across the five organisations and it has been agreed that this will be considered as part of the recommended in depth review of existing HIF service providers.</p> <p>Management have agreed improvements as follows:</p> <ul style="list-style-type: none"> <li>• Management will work with the HSCPs to achieve a consensus of clarity on the future management, monitoring and governance responsibilities and arrangements for the HIF budget;</li> <li>• Review of arrangements to ensure effective budgetary control for all HIF funded services will include the implementation of invoicing timetables as part of individual SLA arrangements;</li> </ul>
--	------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Falkirk IJB  
Audit Committee – 16 March 2018  
Internal Audit progress report  
Appendix B

			<ul style="list-style-type: none"> <li>• A protocol for developing, agreeing, reviewing and monitoring SLAs, along with appropriate governance arrangements will be agreed and communicated to Service providers by the commissioner. SLAs will be formalised including KPIs, performance reporting schedules and invoicing schedules;</li> <li>• management will work with the HSCP Leads undertaking the 3<sup>rd</sup> sector commissioning reviews and Finance colleagues to seek to identify opportunities for achieving efficiencies in the funding, management, reporting and monitoring of commissioned services. Recommendations will be included in the final report of the Review of HIF commissioned services.</li> </ul>
A09/18	Governance Overview	B – Broadly Satisfactory	<p>This review did not identify any material issues that would fundamentally impact on our view of the governance of NHS Forth Valley and recommendations were focussed on enhancements to ensure the organisation has in place appropriate and proportionate governance, which supports and monitors the delivery of objectives and is commensurate with the challenging environment within which NHS Forth Valley is operating.</p> <p>This audit provided a high level summary of arrangements for:</p> <ul style="list-style-type: none"> <li>• Workforce planning;</li> <li>• Risk Management</li> <li>• Good Governance/ Board and Committee discharge of responsibilities;</li> <li>• Performance;</li> <li>• Finance.</li> </ul> <p>The report made four Priority 2 recommendations that relate to important issues that require the attention of senior management and may also give rise to material financial loss or error. The appendix to the report detailed nine recommended enhancements to governance arrangements which Management have agreed to consider.</p> <p>The Annual Internal Audit Report 2016/17 made a key recommendation on the need to clarify responsibilities and risk management arrangements for integration, and the need to agree ongoing and year-end assurances and ensure clear delineation between IJB Chief Officers in their capacity as Health Board officers and when acting on behalf of the IJB.</p> <p>Whilst this recommendation has been progressed, further action is required. Some movement is now taking place but progress in agreeing responsibilities is not as developed as anticipated and integrated arrangements for corporate, staff, clinical, financial and information governance are still to be formally</p>

**Falkirk IJB**  
**Audit Committee – 16 March 2018**  
**Internal Audit progress report**  
**Appendix B**

			agreed. As previously recommended and agreed, these governance arrangements should be clearly defined, agreed with the IJBs and the Local Authorities and formally presented to the Board as soon as practicable.
--	--	--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------