

Midlothian Integration Joint Board Audit and Risk Committee



Thursday 5 December 2019, 1.30pm

Midlothian Health and Social Care Integration Joint Board Internal Audit Recommendations Progress Report

Item number: 5.3

Executive summary

This report details the MIJB's reported performance in addressing and closing the issues and recommendations raised by Internal Audit.

Of the 61 recommendations raised since the inception of the MIJB, 55 (90%) are recorded as complete, 3 (5%) have not yet reached their due date, and 3 (5%) were identified as being overdue. After reviewing all the recommendations, Management have established revised target dates for the 3 overdue recommendations and 2 of the 'in progress' recommendations which have been agreed by Internal Audit.

The Audit and Risk Committee is asked to:

- *Acknowledge the progress made by Management in implementing Internal Audit recommendations to improve internal controls and governance, and mitigate risks;*
- *Consider whether it is satisfied with the progress made by Management and any other actions required; and*
- *Note that Internal Audit will continue to monitor the completion of the outstanding recommendations and will provide update reports to the Audit and Risk Committee.*

Midlothian Health and Social Care Integration Joint Board Internal Audit Recommendations Progress Report

1. Purpose

1.1 The purpose of this report is to:

- Inform the Audit and Risk Committee of the number of recommendations raised by Internal Audit for the MIJB;
- Note the MIJB's reported performance in addressing the associated internal control and governance issues by the agreed implementation; and
- Highlight the main governance and financial risks where recommendations are found to be outstanding.

2. Recommendations

2.1 The Audit and Risk Committee is asked to:

- Acknowledge the progress made by Management in implementing Internal Audit recommendations to improve internal controls and governance, and mitigate risks;
- Consider whether it is satisfied with the progress made by Management and any other actions required; and
- Note that Internal Audit will continue to monitor the completion of the outstanding recommendations and will provide update reports to the Audit and Risk Committee.

3. Background and main report

- 3.1 Internal Audit suggests recommendations for improving internal control and to assist the MIJB deliver against its objectives. Where MIJB Management agree these recommendations, the actions are updated to Pentana Risk (Midlothian Council's performance management system) along with a date by which Management should have completed the agreed action.
- 3.2 Each year, Internal Audit undertakes two follow up reviews on recommendations raised. The first reports on the progress Management have made in completing and closing the recommendations by the expected date (which is the subject of this report). The second samples recommendations which have been reported as complete and reviews the adequacy of the actions taken. This next review will be undertaken in April / May 2020.
- 3.3 A new Protocol for agreeing extensions to due dates for Internal Audit recommendations made was implemented in August 2019 to ensure that Internal Audit has oversight of this and to provide a visible audit trail in Pentana Risk system.

4. Performance

- 4.1 Of the 61 recommendations raised since the inception of the MIJB, 55 (90%) are recorded as complete, 3 (5%) have not yet reached their due date, and 3 (5%) were identified as being overdue. After reviewing all the recommendations, Management have established revised target dates for the 3 overdue recommendations and 2 of the 'in progress' recommendations.
- 4.2 In the prior year it was identified that out of the 57 recommendations raised at the time, 6 (10%) were overdue.
- 4.3 There is a reduction in overdue recommendations compared to the previous year's report.
- 4.4 Management have advised that the target dates need to be revised due to a combination of complexities involved in addressing the issues for the 3 overdue recommendations and 2 of the 'in progress' recommendations. In accordance with the new Protocol, revised due dates for completion of the Internal Audit recommendations have been proposed by relevant Management, and have been agreed by Internal Audit based on the further work required to implement these recommendations in full. These are summarised in Appendix 1.

5. Equalities Implications

- 5.1 There are no equalities implications.

6. Resource Implications

- 6.1 There are no direct resource implications arising from the report.

7. Risks

- 7.1 The recommendations made by Internal Audit are directly related to reducing the level of risk that the IJB is exposed to. These recommendations were raised to reduce governance and financial risk.

8. Involving People

- 8.1 The Report has been discussed with the Chief Officer, Chief Finance Officer and the Integration Manager.

9. Background Papers

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