

Below is the list of Internal Audit reports by partners' Internal Audit providers (MLC Internal Audit for Midlothian Council; Grant Thornton for NHS Lothian) that have been presented to their respective Audit Committees within the first half year 2019/20 which are relevant to MIJB for assurance purposes, with a summary of assurances contained therein.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Midlothian Council Audit Committee 28 May 2019 (Source: Midlothian Council website Committee meetings)	Internal Audit Annual Assurance Report 2018/19	Provision of statutory annual internal audit opinion	The systems of internal control and governance are generally adequate though there are indications in some areas of non-compliance and a lack of evidence of Management monitoring that they are operating satisfactorily; therefore improvements are required to the second line of defence consistently across the Council to ensure probity in systems and operations, including the prevention, detection and resolution of fraud and irregularities. The implementation of Audit recommendations as part of a culture of continuous improvement is of importance particularly relating to the strategic governance arrangements that underpin financial management, workforce development, and delivery of change and transformation. Audit Opinion has been used to inform the Chief Executive's Annual Governance Statement 2018/19.
Midlothian Council Audit Committee 12 September 2019 (Source: Midlothian Council website Committee meetings)	Internal Audit Follow-Up of Completed Recommendations	To provide an update on the status of the implementation by Management of audit recommendations made and agreed in Internal Audit reports in previous years to improve internal controls and governance.	The majority of Internal Audit actions have been completed satisfactorily. However, some actions have not been adequately completed. CMT had a discussion on the actions which were showing as not complete and some of the reasons why they were not completed. It was highlighted that it was unacceptable to mark an audit action as complete without the relevant evidence to support this. Further Internal Audit follow-up of the 9 actions shown as incomplete on 14 August 2019 indicates that all now are completed with robust evidence to show that these were actually implemented and that the resulting controls were operating effectively.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Midlothian Council Audit Committee 12 September 2019 (cont'd)	Asset Registers	To carry out a review of the systems, processes and controls that are in place to ensure complete and accurate records of all Property, Fleet, Plant, and IT assets that underpin Asset Management Plans to deliver Council's strategies, plans & priorities.	Substantial assurance in terms the overall accuracy of the Services main asset registers, documentation retained, and insurance; Limited assurance in terms of reporting on utilisation, the registers used for recording lower value plant and equipment, and aspects around the audit trail and authorisation of asset disposal process for some Services. Six recommendations (4 Medium; 2 Low) have been agreed with Management to address the control issues raised.
	Attendance Management	To assess the controls in place to manage sickness absence across the Council, including compliance with policy and procedures, which underpin the effective use of resources.	Substantial assurance for Policy and Procedures and Wellness@Midlothian and Limited assurance for Processes (application of policy by management, monitoring, reporting and documentation). Three recommendations (1 High; 3 Low) have been agreed with Management to address the control issues raised.

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NHS Lothian Audit and Risk Committee 29 April 2019 (Source: NHS Lothian website Key Documents > Audits)	Estate Management	To assess the design and operating effectiveness of the controls in place in respect of the delivery of the Board's estate strategy, including the consideration of backlog maintenance and the organisation's wider strategic objectives.	The review comprised of four control objectives, of which one received Moderate Assurance and three received Significant Assurance. There are reasonable controls in place for the effective management of the Board's estate, which are supported by appropriate governance. The resourcing and prioritisation of backlog maintenance is being managed within the Board's financial constraints, however we have identified improvement opportunities around the completion of building condition surveys and the forecasting of backlog maintenance. Three recommendations (2 Medium; 1 Low) have been agreed with Management to address the control issues raised.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>NHS Lothian Audit and Risk Committee</p> <p>17 June 2019</p> <p>(Source: NHS Lothian website Key Documents > Audits)</p>	Financial Sustainability	To assess the design and operation of the key controls for the identification, monitoring, ownership, accountability and delivery of savings, with a focus on the budget setting process to identify and set savings to support the achievement of a balanced budget, and the underlying financial strategy including scenario planning, and the budgeting, monitoring and reporting process	The review comprised of five control objectives, of which three received Significant Assurance and two received Moderate Assurance. Overall, there are good processes in place around budget setting. Additionally, there are plans in place to improve the scrutiny over the achievement of savings plans; however, documents to support budget holders in reporting against savings plans are still being developed. This scrutiny and oversight of savings plans has recently been added to the S&V Group remit. However, the Group had not yet developed their responsibilities in relation to Financial Recovery Plans including how often and which financial recovery plans will report and what decision-making powers they will have. One recommendation (1 Medium) has been agreed with Management alongside other Management actions underway to address the control issues raised.
	GP Sustainability	To determine if there are effective controls (design and operation) in place over the governance of GP sustainability within Lothian, including the four HSCPs.	The review comprised three control objectives, of which all three received Moderate Assurance. In response to the Scottish Government Memorandum of Understanding (MoU) each of the four HSCPs within Lothian has created for their respective IJBs an individual primary care implementation plan (PCIP), which includes all of the requirements stated in the MoU. The first plans were agreed in June 2018. Each IJB has recently carried out an update on progress made for each PCIP and on the measures to be implemented in 2019-20 and beyond. These are in the process of being agreed, with an approval process through the IJBs, the GP Sub-Committee before going to the Scottish Government. Three recommendations (3 Medium) have been agreed with Management to address the control issues raised.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
NHS Lothian Audit and Risk Committee 17 June 2019 (cont'd)	Financial Controls	To review the effectiveness of the controls in place for Payroll Services, Accounts Payable, and Income (excluding the Scottish Government's Revenue Resource Limit).	The review comprised seventeen control objectives, of which fifteen received Significant Assurance and two received Moderate Assurance. Controls over the order, receipt and invoice payment processes are in the main operating effectively. However, some issues noted around the approving of purchase orders and the content of the Approved Signatories Database. Generally a robust framework of control is in place for raising invoices, and the receipt and accounting for income. Amounts owed are regularly reviewed and debt recovery procedures are functioning adequately. Debts are written-off only after appropriate approval has been received. There are appropriate controls in place within the Payroll Department, which include the requirement that all claims for expenses and other additional payments must be approved by each staff member's line manager. In addition, there are checks by Payroll to confirm that all changes to staff members' standing data have been correctly processed. Seven recommendations (2 Medium; 5 Low) have been agreed.
	Communications – Public Engagement Arrangements	To consider: the design and operating effectiveness of the current approach to public engagement within NHS Lothian as well as considering future plans, and how these plans will mitigate risks identified by the Public Involvement Manager: the design, and planned design of actions set out to achieve the ambition of better patient and public participation and will consider any risks to their achievement. Although it is recognised that public engagement within the region is linked to the Health and Social Care Partnerships (HSCPs), the audit has considered public engagement from an NHS Lothian strategic perspective and only considered the arrangements in place within NHS Lothian.	The review comprised three control objectives, of which one received Significant Assurance and two received Moderate Assurance. NHS Lothian has recognised that public engagement requires improvement, including how the organisation systematically identifies, involves and engages stakeholders. Those within the organisation understand the benefits of and requirement to engage with the public; however, there are varying practices being undertaken, which could benefit from more support in the form of best practice models and training for staff. Whilst improvement work is being undertaken, there are some risks to the achievement of their success including resources and identification of stakeholders. There could also be better assurances provided to the Board that public engagement activity is being performed as intended. Six recommendations (1 High; 4 Medium; 1 Low) have been agreed.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
NHS Lothian Audit and Risk Committee 17 June 2019 (cont'd)	Sustainability and Value Group	To consider: the design effectiveness of the planned controls of the Sustainability and Value Group, recognising that the Group is in its infancy; the planned operating framework of the Group including its remit and reporting lines and considered how the Group is resourced and if there is an appropriate skill mix for it to discharge its responsibilities; the Group's planned approach to overseeing improvement projects and how it will monitor outcomes to ensure a consistent approach across all projects; how the Group will distinguish between ongoing improvement work and projects with defined timelines and what their role is in relation to each of these.	The review comprised four control objectives, of which one received Significant Assurance, two received Moderate Assurance and one received Limited Assurance. The Group are in the process of embedding their governance route into the organisation, developing their role and remit, gathering information on projects being undertaken and establishing a prioritisation process for the allocation of change management i.e. project management resource. Whilst recognising the Group is in its infancy, there is limited evidence of the Group scrutinising projects and taking action where lack of progress or insufficient data has been provided. It is also unclear how the Group are controlling change management resource within the organisation. This needs to be enhanced to ensure the Group hold project teams to account. Six recommendations (5 Medium; 1 Low) have been agreed with Management to address the control issues raised.
	Clinical Coding: Scottish Morbidity Records (SMRs) & Information Services Division (ISD) Reports	To assess the design and operation of the controls in place at NHS Lothian over the submission of SMRs data to ISD of NHS National Services Scotland (NSS) and to consider the design and operation of controls around how the information from quarterly reports and data quality audits is processed and monitored internally, once received from ISD.	The review comprised four control objectives, of which one received Significant Assurance and three received Moderate Assurance. Actions highlighted within ISD reports relate to various departments within the organisation including eHealth, the Coding Team and clinical/front line staff who all have different reporting lines to management. There is no clear responsibility, reporting lines or oversight of the whole process of correcting errors and addressing actions within ISD reports. Staff in the different departments take responsibility for their own part; however, some actions are left unassigned and not followed up on. This should be addressed through assigning responsibility of the process to a person/group who has oversight of the whole process and by defining internal reporting lines. Four recommendations (3 Medium; 1 Low) have been agreed with Management.

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NHS Lothian Audit and Risk Committee 17 June 2019 (cont'd)	Cyber Security	Cyber Health Check against the UK National Cyber Security Centre 10-Steps to cyber security guidance.	Overall risk profile is rated as Low. Against the UK NCSC 10-Steps to cyber NHS Lothian is assessed as: 0 High Risk; 3 Medium Risk (Key Risks; Removable Media Controls; Home and Mobile Working); 8 Low Risk (Risk Management; Security Configuration; Network Security; Managed User Privilege; User Education and Awareness; Incident Management; Malware Analysis; and Monitoring).
NHS Lothian Audit and Risk Committee 26 August 2019 (Source: NHS Lothian website Key Documents > Audits)	Information Governance - GDPR	To review the Board's self- assessment of its compliance with GDPR and the action plan established by NHS Lothian to ensure they identify and mitigate risk in respect of gaps and ensuring ongoing compliance, and to consider evidence to support the Board's assessment of compliance, including design (policies and procedures) and operation of controls on a sample basis.	The review comprised three control objectives, of which all three received Significant Assurance. The wider organisation was effectively notified about the required implementation of the new data protection guidance, and targeted training was provided to staff. There was effective planning and oversight to implement the process, with action plans put in place to ensure compliance with the ICO 12 steps, with each action assigned an owner required end date and evidence to demonstrate completion. NHS Lothian are represented on a Scottish-wide information governance group which covers data protection, ensuring they are sighted on upcoming issues and best practice can be shared. However, for one site, which processes some subject access requests (SARs), statistics are not being reported to committee and all expected documentation is not retained. One recommendation (1 Low) has been agreed with Management to address the control issue raised.
	Property Transaction Monitoring	To consider whether NHS Lothian has fully complied with the relevant provisions set out within the NHS Scotland Property Transactions Handbook for the property transactions which have taken place during 2018/19.	The review comprised five control objectives, of which all five received Significant Assurance. NHS Lothian has concluded two property transactions during the financial year 2018/19. Satisfied that the Board has complied with the procedures as set out in the Handbook and each transaction can be rated as "A – The transaction has been properly conducted". There were no recommendations.

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NHS Lothian Audit and Risk Committee 26 August 2019 (cont'd)	Waiting Times – Compliance with Data on TrakCare	As directed nationally, this audit confirmed that NHS Lothian is following guidance for sampling patients' records each month. Also, recommendations from earlier audits relating to the management of waiting lists were followed up.	The review comprised three control objectives, of which all three received a 'Green' Control Objective Rating. The framework of controls for the management of sampling and checking within waiting times arrangements is in general adequate and operating effectively. However whilst not being required nationally, Audiology is not covered by the waiting times checking process although other areas similarly outside the national requirements are being checked by NHS Lothian's Waiting Times Governance Team. Further work is required to confirm that there are no other areas meriting inclusion in the process. One recommendation (1 Green 'Important') has been agreed with Management to address the control issue raised.

The MIJB Chief Internal Auditor will take account of these assurances from partners' Internal Audit providers to provide the statutory Internal Audit assurance to the MIJB.