

Midlothian Integration Joint Board Audit and Risk Committee



Wednesday 20 June 2018 at 3pm

Follow up Review of Internal Audit Recommendations relating to Midlothian Health and Social Care Integration Joint Board

Item number: 5.2

Executive summary

Internal Audit reports include a section with management actions where recommendations are made to improve upon the existing internal controls. These recommendations, following agreement with Management, are endorsed by the MIJB Audit and Risk Committee and are then updated by Internal Audit to the Council's performance management system Pentana Performance (previously named Covalent) with a target completion date set.

Management are responsible for acting on the recommendations by the agreed due date and when complete, closing the recommendation on Pentana performance system. The Internal Audit plan includes a budget for a follow up review in relation to recommendations made and looks at a sample of completed recommendations to determine whether they had been implemented satisfactorily and thus give assurance over the ongoing improvement of internal control.

From a sample of 14 completed recommendations tested, 13 were found to have been completed satisfactorily and 1 was identified as not being fully complete.

The Audit and Risk Committee is asked to:

- *note the content of this report.*

Follow up Review of Internal Audit Recommendations relating to Midlothian Health and Social Care Integration Joint Board

1. Purpose

The purpose of this report is to:

- inform the MIJB Audit and Risk Committee of the number of MIJB audit recommendations reported as complete; and
- for a sample of MIJB audit recommendations raised, report on the adequacy of actions taken by Management to complete the recommendations.

2. Recommendations

The MIJB Audit and Risk Committee is asked to note the content of this report.

3. Background and main report

Internal Audit suggests recommendations for improving internal control and to assist the MIJB deliver against its objectives and best value. When MIJB Management and the Audit and Risk Committee agree these recommendations, the actions are updated to Pentana performance system along with a date by which MIJB Management should have completed the agreed action.

Each year, Internal Audit undertakes two follow up reviews on audit recommendations raised. The first reports on the progress Management have made in completing and closing the recommendations by the expected date (report December 2017). The second samples audit recommendations which have been reported as complete and reviews the adequacy of the actions taken. The latter is the subject of this report.

4. Performance

Three Internal Audit reports were submitted to the MIJB Audit and Risk Committee in 2016 and three were submitted in 2017 (one of the reports had no management actions). These reports contained 43 audit recommendations of which 34 had been marked as complete by December 2017. A sample of 14 audit recommendations highlighted as complete was selected and evidence was obtained to support the completion of each audit recommendation.

The findings are summarised in the Table below:

Internal Audit Report	Report Date	No of Audit Recommendations	No of Completed Recs	Recs Sampled	Evidence of Completion	Partially Complete
Financial Assurance and Governance	March 2016	22	18	6	5	1
Strategic Planning	June 2016	4	3	2	2	0
Financial Assurance	August 2016	10	10	3	3	0
Performance Management	October 2017	4	3	3	3	0
NHS Lothian Performance Targets & Reporting - IJBs	March 2017	3	0	0	0	0
Total		43	34	14	13	1

Of these MIJB audit recommendations, 13 were found to have been completed satisfactorily though 1 recommendation had been marked as complete but testing identified that the action was partially complete. This related to an action to ensure that recommendations raised by internal and external assurance providers should be updated to Pentana performance system to allow tracking for implementation. Although MIJB audit recommendations raised by Internal and External Audit have been recorded on Pentana performance system, MIJB audit recommendations raised by the NHS Lothian Internal Audit team (3 in total) had not been recorded on the system. These actions have now been uploaded onto Pentana performance system and were included in this review and analysis in the table above. However, we found that the MIJB audit recommendations are not yet fully complete based on evidence provided.

5. Policy Implications

There are no policy implications.

6. Equalities Implications

There are no equalities implications.

7. Resource Implications

There are no direct resource implications arising from the report.

8. Risks

The recommendations made by Internal Audit are directly related to reducing the level of risk that the MIJB is exposed to.

9. Involving People

The Report has been discussed with the MIJB Chief Officer and Chief Finance Officer.

10. Background Papers

10.1 Previous reports to the MIJB Audit and Risk Committee discussed above.

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