



<b>Meeting of East Renfrewshire Health and Social Care Partnership</b>	Performance and Audit Committee
<b>Held on</b>	20 November 2024
<b>Agenda Item</b>	7
<b>Title</b>	Audit Update
<p><b>Summary</b></p> <p>This report provides Performance and Audit Committee with an update on:-</p> <ul style="list-style-type: none"> <li>• Any new audit activity relating to the Integration Joint Board since last reported to Performance and Audit Committee in September 2024</li> <li>• Any new audit activity relating to the Health and Social Care Partnership since last reported to Performance and Audit Committee in September 2024</li> <li>• A summary of all open audit recommendations</li> </ul>	
<b>Presented by</b>	Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)
<p><b>Action Required</b></p> <p>Performance and Audit Committee are asked to note and comment on the report.</p>	

**EAST RENFREWSHIRE INTEGRATION JOINT BOARD**

**PERFORMANCE AND AUDIT COMMITTEE**

**20 November 2024**

**Report by Chief Financial Officer**

**AUDIT UPDATE**

**PURPOSE OF REPORT**

1. This report provides Performance and Audit Committee with an update on:
  - Any new audit activity relating to the Integration Joint Board since last reported to Performance and Audit Committee in September 2024
  - Any new audit activity relating to the Health and Social Care Partnership since last reported to Performance and Audit Committee in September 2024
  - A summary of all open audit recommendations

**RECOMMENDATION**

2. Performance and Audit Committee are asked to note and comment on the report.

**BACKGROUND**

3. As agreed at the Performance and Audit Committee in June 2021 we continue to submit audit update reports to all meetings, including any new audit reports along with an overview of audit activity undertaken and an update on any outstanding recommendations since last reported.
4. Audit activity for the HSCP is provided in full and includes current open audit actions across the HSCP and also where a Health Board or Council wide recommendation impacts on the HSCP. Specific actions from IJB audits are also detailed.
5. East Renfrewshire Council's Chief Internal Auditor undertakes the internal audit role for the Integration Joint Board. Ernst & Young also undertake an audit of the IJB Annual Report and Accounts and produce an action plan should they have any recommendations.
6. East Renfrewshire Council's internal audit assign the following risk ratings to their findings:

<b>High</b>	<ul style="list-style-type: none"><li>• Key controls absent, not being operated as designed or could be improved and could impact on the organisation as a whole.</li><li>• Corrective action must be taken and should start immediately.</li></ul>
<b>Medium</b>	<ul style="list-style-type: none"><li>• There are areas of control weakness which may be individually significant controls but unlikely to affect the organisation as a whole.</li><li>• Corrective action should be taken within a reasonable timescale.</li></ul>

<b>Low</b>	<ul style="list-style-type: none"> <li>Area is generally well controlled or minor control improvements needed.</li> <li>Lower level controls absent, not being operated as designed or could be improved</li> </ul>
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>These recommendations are made for the purposes of improving efficiency, digitalisation or reducing duplication of effort to separately identify them from recommendations which are more compliance based or good practice.</li> </ul>

7. NHSGGC internal audit function is undertaken by Azets. They assign the following risk ratings to their findings:

<b>4</b>	<ul style="list-style-type: none"> <li>Very high risk exposure - major concerns requiring immediate senior management attention.</li> </ul>
<b>3</b>	<ul style="list-style-type: none"> <li>High risk exposure - absence / failure of key controls.</li> </ul>
<b>2</b>	<ul style="list-style-type: none"> <li>Moderate risk exposure - controls not working effectively and efficiently.</li> </ul>
<b>1</b>	<ul style="list-style-type: none"> <li>Limited risk exposure - controls are working effectively but could be strengthened.</li> </ul>

## REPORT

### **Audit Activity relating to the Integration Joint Board Audit (Appendix 1)**

8. The action plan from the Ernst & Young Annual Audit Report for the year ending 31 March 2024 is now included at Appendix 1a.

### **East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership (Appendix 2)**

9. Since last reported, one new audit report has been issued.

#### **Audit of St Andrew's House (MB/1216/IM - issued 25 September 2024)**

10. This is an HSCP specific audit with 4 recommendations.
11. A copy of the audit report is included at Appendix 2A, along with our response. We have actioned 3 of the 4 recommendations.
12. In addition, an audit of Bonnyton House has recently been undertaken and the report will be issued imminently and included in the next update.

#### **Recommendations from previous audits (Appendices 2B-2G)**

13. At the September 2024 meeting, a total of 37 recommendations were reported; 21 open and 16 which the HSCP considered to be closed but were pending verification from internal audit.

14. As a result of follow up work 11 recommendations have now been either been verified as complete or superseded by more recent audits. These were from the following audits which have now been removed from the report:-
- Debtors
  - Follow up of Business Operations and Partnerships Department
  - Payroll
15. From the new audit of St Andrew’s House we consider 3 recommendations closed, in addition to a further 7 recommendations now considered closed from previously reported audits.
16. This means we now have 30 recommendations in total; 11 open and 19 which are considered closed and awaiting verification.
17. The table below summarises the total number of recommendations impacting on the HSCP which are either open or yet to be verified by internal audit. Further detail is included in the relevant appendix along with changes since last reported in each ‘status’ section.

Audit Report and Appendix		No. changed to considered closed since last reported	Recommendations		
			Total no. for HSCP	HSCP consider closed (awaiting verification)	Total open
St Andrews House	2A	(new)	4	3	1
Accounts Payable	2B	4	4	4	0
Accounts Receivable	2C	0	3	0	3
Application Audit of Payroll	2D	0	4	0	4
Follow-up of HSCP Audits	2E	2	8	6	2
SDS – Direct Payments	2F	3	3	3	0
Ordering and Certification	2G	n/a	4	4	0
<b>TOTAL</b>			<b>30</b>	<b>19</b>	<b>11</b>

**NHS Internal Audit Activity relating to the Health and Social Care Partnership (Appendix 3)**

18. A report has been provided by the Chief Internal Audit, which is included at Appendix 3.

**CONCLUSIONS**

19. We will continue to report on all open audit recommendations relating to both the IJB and HSCP to provide assurance of control and enable oversight of previous audits and demonstrate progress.

**RECOMMENDATIONS**

20. Performance and Audit Committee are asked to note and comment on the report.

## **REPORT AUTHOR AND PERSON TO CONTACT**

Lesley Bairden, Chief Financial Officer  
[Lesley.Bairden@eastrenfrewshire.gov.uk](mailto:Lesley.Bairden@eastrenfrewshire.gov.uk)

6 November 2024

Chief Officer, IJB: Julie Murray

## **BACKGROUND PAPERS**

PAC 25.09.2024 – Audit Update  
[https://www.eastrenfrewshire.gov.uk/media/10743/PAC-Item-11-25-September-2024/pdf/PAC\\_Item\\_11\\_-\\_25\\_September\\_2024.pdf?m=1726679529833](https://www.eastrenfrewshire.gov.uk/media/10743/PAC-Item-11-25-September-2024/pdf/PAC_Item_11_-_25_September_2024.pdf?m=1726679529833)



<b>Appendix</b>	1A
<b>Title</b>	Ernst & Young 2023/24 Action Plan
<b>Type</b>	Internal Audit Activity relating to the Integration Joint Board
<b>Status</b>	New

No	Finding / Risk	Grade	Recommendation	Management Response	Responsible Officer	Timing	Comments
1	<b>Financially sustainable planning</b>						
	<p>The IJB's General Reserves were exhausted during 2023/24 and earmarked reserves have fallen to an unsustainable position. The scale of the financial volatility facing the IJB, including, prescribing and pay inflation, and the difficulty of delivering savings due to the complexity of service user requirements mean that dequate general reserves are essential to manage the level of risk.</p> <p>There is a risk that financial recovery measures will be necessary in 2024/25 to deliver financial balance.</p>	Grade 1	The IJB must develop a realistic and sustainable financial plan that balances the risk associated with savings and supports the rebuilding of reserves in the medium term.	<p>The budget agreed for 2024/25 included an overrecovery target for savings to allow for forward planning including rebuilding of reserves.</p> <p>The tension between delivering savings and building reserves, particularly in the current climate is recognised.</p>	Chief Financial Officer	31 March 2025	This will continue to be reviewed as part of revenue budget monitoring.

## Classification of recommendations

- Grade 1: Key risks and / or significant deficiencies which are critical to the achievement of strategic objectives. Consequently management needs to address and seek resolution urgently.
- Grade 2: Risks or potential weaknesses which impact on individual objectives, or impact the operation of a single process, and so require prompt but not immediate action by management.
- Grade 3: Less significant issues and / or areas for improvement which we consider merit attention but do not require to be prioritised by management.



<b>Appendix</b>	2A
<b>Title</b>	St Andrews House
<b>Type</b>	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
<b>Status</b>	New (4.1.1, 4.2.1 and 4.2.2 considered closed)

**REPORT ON AUDIT OF HSCP AREA OFFICE  
ST ANDREWS HOUSE**

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Chief Auditor  
MB/1215/NS  
25 September 2024  
(reply due 25 October 2024)

## **REPORT ON AUDIT OF HSCP AREA OFFICE (ST ANDREWS HOUSE)**

### **1. INTRODUCTION**

As part of the Annual Audit Plan for 2024/25, a regularity audit of the HSCP Area Office (St Andrews House) was carried out.

The main risks associated with this area are that if the correct procedures are not in place for the income and expenditure incurred in relation to the petty cash imprest then purchases may not be appropriate or reimbursements are not credited to the correct account. There is also the risk that absences are not being properly managed and the information is not accurate for performance indicator purposes.

The previous audit of this area office was issued in April 2017 and at that time the main weaknesses related to the recording of absence and subsequent reporting of these to payroll. A review of absence as part of this audit showed that there are still weaknesses in relation to the monitoring of absences and the completion of the forms required by the maximising attendance policy.

The co-operation and assistance given to the auditor during the audit is gratefully acknowledged.

### **2. SCOPE**

The scope of the audit was to ensure that all income and expenditure is correctly accounted for and proper financial records are maintained. Audit testing covered the period January to August 2024. The audit focussed on the following areas:

- Petty cash
- Purchasing
- Inventory
- Staff existence and absence monitoring checks
- Security Checks

These objectives were agreed in advance with the Head of Finance and Resources.

This audit has been conducted in conformance with the revised Public Sector Internal Audit Standards.

### **3. GENERAL CONCLUSION**

Testing carried out using ITrent absence information indicated that there is still scope for improvements in this area as the breach of absence triggers was not always being noted and actioned as appropriate. It was also noted that an old form was being used to document the absence and return to work.

The review of the petty cash imprest highlighted that there is no longer a petty cash imprest held at the location with all expenditure being reimbursed via the imprest held by Children and Families at Barrhead. A review of the expenditure being reimbursed showed that VAT is not always being claimed as appropriate.

The following recommendations are made and require to be addressed.

#### 4. **FINDINGS AND RECOMMENDATIONS**

##### **PETTY CASH IMPREST**

#### 4.1 **VAT on Petty Cash Purchases**

Petty cash transactions incurred by staff based at St Andrews House are reimbursed from the petty cash imprest held by Children and Families Team based at the main offices in Barrhead.

A review of claims that included transactions incurred by St Andrews House staff was carried out and it was noted that there were supporting receipts for all expenditure within the sample period and that the items being purchased were appropriate for the needs of the service.

A review of the receipts showed that on a number of occasions the receipt specifically showed the amount of VAT for the spend but this had not been shown on the claims for reimbursement. Whilst the amounts involved are not material, the VAT cannot be reclaimed from HMRC unless shown in the appropriate column of the claim for reimbursement.

##### ***Recommendation***

***4.1.1 The Business Support Team responsible for the petty cash should be advised to ensure that where VAT is clearly shown on receipts submitted this should be shown on the claim forms for reimbursement to allow it to be reclaimed from HMRC.***

#### **EMPLOYEE EXISTENCE AND ABSENCE MONITORING**

#### 4.2 **Supporting Documentation for Sickness Absence**

An absence report was generated from I Trent showing all absences in the period 01/01/2024 to 09/07/2024. A sample of 15 periods of absence covering 11 employees was taken and checks were carried out to ensure that the requirements of the maximising attendance policy were being adhered to.

It was noted that in 6 cases, an old MA1 form had been used to record the notification of sickness and subsequent return to work. There is a newer version of this form on the intranet that should be used for all future absences to ensure that the line manager is completing all required checks.

Within the sample there were nine cases where the absence had breached one of the absence triggers and required further action to be taken. In the majority of cases the required Absence Review Meeting (ARM) had taken place and managers were able to confirm the date this happened. In four cases where there was no ARM completed, the Line Manager was able to provide appropriate reasons for this not happening (e.g. type of absence, employee left Council) but in one case the ARM did not take place due to the Manager not realising a trigger had been breached.

The ARM was completed during the audit when this was raised with the Line Manager.

##### ***Recommendations***

***4.2.1 All line managers responsible for monitoring absence should be instructed to discard old versions of the notification of sickness forms and use the one available in the Council Intranet.***

***4.2.2 All line managers should be asked to confirm that they have an appropriate system in place to monitor the absence of employees reporting to them and that this includes monitoring of absence triggers to ensure that the correct action is taken in a timely manner.***

**INVENTORY**

4.3 **Updating Inventory Records**

The computer and mobile equipment inventory for St Andrews House is held centrally and updated by the business support team with the furniture inventory held by the Senior Business Support Assistant at the location.

A review of the computer inventory showed that the record is not fully up to date with a number of employees not showing as having a laptop or mobile phone despite not being office based.

It was also noted that movements in inventory items during the year are not always being shown as such in the acquired and disposed of columns.

***Recommendation***

***4.3.1 The inventory records should be updated on an annual basis and the columns for items that have been acquired and disposed of used to show inventory movements.***

Chief Auditor  
25 September 2024

Ref. / Risk Rating	Recommendation	Comments (if appropriate)	Timescale for completion	Status	Latest Note
4.1.1 (Low)	The Business Support Team responsible for the petty cash should be advised to ensure that where VAT is clearly shown on receipts submitted this should be shown on the claim forms for reimbursement to allow it to be reclaimed from HMRC.	Communication to be issued to responsible individuals.	30-Nov-24	Considered Closed (pending verification)	Communication sent to relevant staff who are responsible for petty cash
4.2.1 (Low)	All line managers responsible for monitoring absence should be instructed to discard old versions of the notification of sickness forms and use the one available in the Council Intranet.	The correct forms will be shared with the Managers at St Andrews House.  A wider communication will also be sent to all managers reminding them of the correct process.	30-Nov-24	Considered Closed (pending verification)	An instruction has been issued to all managers at St Andrews House along with links to the correct paperwork.  A communication has also been sent to HSCP managers.
4.2.2 (Low)	All line managers should be asked to confirm that they have an appropriate system in place to monitor the absence of employees reporting to them and that this includes monitoring of absence triggers to ensure that the correct action is taken in a timely manner.	The Service Manager will issue an instruction to Managers within St Andrews House.	30-Nov-24	Open	An instruction has been issued to all managers at St Andrews House
4.3.1 (Low)	The inventory records should be updated on an annual basis and the columns for items that have been acquired and disposed of used to show inventory movements.	A reminder will be issued to staff responsible for maintaining inventory records.	30-Nov-24	Open	

<b>Appendix</b>	2B
<b>Title</b>	Audit of Accounts Payable MB/1216/IM
<b>Type</b>	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
<b>Status</b>	Changes since reported to PAC 25.09.2024 4.3.1 considered closed 4.3.3 considered closed 4.4.2 considered closed 4.6.1 considered closed

Ref/Risk Rating	Recommendation	Comments (if appropriate)	Timescale for completion	Status	Latest Note
4.3.1 (Med)	Goods receipts should only be input at the appropriate level in relation to the actual goods received.	A reminder will be issued to Business Support staff	31-Oct-24	Considered closed (pending verification)	Communication issued to business support staff
4.3.3 (Med)	Following invoice authorisation, the order should be checked and if no more spend is expected against the order, it should be forced complete, including forcing the Goods Receipt complete if necessary to remove this accrual from the ledger.	A reminder will be issued to Business Support staff	31-Oct-24	Considered closed (pending verification)	as above
4.4.2 (Low)	Staff should be reminded if an Eform is started on Integra but then subsequently not used, these should be cancelled on the system.	A reminder will be issued to Business Support staff	31-Oct-24	Considered closed (pending verification)	as above
4.6.1 (Low)	An appropriate expense head should be used at all times in order to easily identify expenditure. If one is not available, consideration should be given to creating a new one to properly reflect the nature of the spend incurred and if in any doubt, the Finance Business Partner should be contacted for advice.	A reminder will be issued to Business Support staff	31-Oct-24	Considered closed (pending verification)	as above



<b>Appendix</b>	2C
<b>Title</b>	Audit of Accounts Receivable MB/1212/IM
<b>Type</b>	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
<b>Status</b>	No changes since reported to PAC 25.09.2024

Ref/Risk Rating	Recommendation	Comments (if appropriate)	Timescale for completion	Status	Latest Note
4.1.1 (High)	Directors must ensure that they have appropriate processes in place to notify Payroll immediately as soon as they are aware that an employee they are responsible for will be leaving the Council to ensure unnecessary payroll related debt is not incurred.	A reminder will be sent to managers. Further comms to be included in the staff bulletin along with the reminders from the payroll audit.	30 Sep 2024 31 Dec 2024	Open	Added to bulletin scheduler
4.7.4 (Med)	Departments must ensure that invoices are raised in advance of the service being provided where possible to minimise the risk of bad debts.	The HSCP has an agreed process in place with the debtors team. We will review this to identify whether any change may improve this and will also inform any changes to process from the implementation of the finance module within Mosaic. In relation to services for care it is not appropriate to raise invoices in advance.	31-Dec-24	Open	
4.7.5 (Med)	Improved communication and joint ownership of the debt recovery process between accounts receivable and departments needs to be established to aid income recovery. Departments should make consistent use of reports available to monitor outstanding debt	As above	31-Dec-24	Open	

<b>Appendix</b>	2D
<b>Title</b>	Application Audit of Payroll MB/1201/FM
<b>Type</b>	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
<b>Status</b>	Changes since last reported to PAC 25.09.2024 - all notes updated

Ref/Risk Rating	Recommendation	Comments (if appropriate)	Timescale for completion	Status	Latest Note
5.1.1 (Med)	Directors must ensure that line managers are aware that plain time overtime must be used instead of additional basic for full time employees.	A communication was issued to managers on 16th August 2024 and a further reminder will be scheduled in the staff bulletin. Managers of individuals identified in the sample will be contacted directly. We will work with HR and payroll colleagues where any specific action is needed.	31-Dec-24	Open	Managers of the employees identified in the sample have been contacted separately to ensure they are aware of correct process. A reminder for all staff has also been scheduled in the staff bulletin
5.1.2 (Med)	Directors must ensure that line managers reject overtime claims for time and a half if 37 hours have not been worked by the employee that week.	As above	31-Dec-24	Open	As above
5.2.1 (Low)	Directors must ensure that line managers are aware that they should only approve payment of double time overtime for hours worked on a public holiday. There should be no exceptions to this policy.	As above	31-Dec-24	Open	As above
5.3.1 (Low)	Line managers must ensure that where an employee at grade 10 or above is claiming overtime that the claim is authorised by an employee at grade 18 or above. Consideration must also be given to whether an overtime payment is appropriate or whether time off in lieu at plain time is more appropriate.	As above	31-Dec-24	Open	As above

<b>Appendix</b>	2D
<b>Title</b>	Follow-up of HSCP Audits MB/1204/FM
<b>Type</b>	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
<b>Status</b>	Changes since last reported to PAC 25.09.2024:- <ul style="list-style-type: none"><li>- 4.2.1 now considered closed</li><li>- 4.2.2 now considered closed</li><li>- 4.5.1 now considered closed</li><li>- 4.5.2 now considered closed</li></ul>

Ref/Risk Rating	Recommendation	Comments (if appropriate)	Timescale for completion	Status	Latest Note
4.1.1 (Low)	The disposal of inventory forms should be signed by a manager/supervisor for all disposals.	Reminder email to be issued – sent 31.05.2024. A review of the HSCP inventory process is also planned.	31-May-24	Open	A reminder was issued 31.05.2024. The process will be reviewed by the end of the calendar year.
4.2.1 (High)	Fully functional reports showing varies to cost should be used to regularly review and amend service agreements where appropriate.	Report developed and put in place September 2023. The changes to the Supporting People Framework and the associated reviews have taken priority. Once the reviews are complete this report will be part of routine monitoring. The report will be issued monthly from August 2024.  The finance module in MOSAIC, which will commence April 2025, is expected to eliminate the vary process.	31-Aug-24	Considered closed (pending verification)	The report has been produced and Finance Support Officers will review and discuss with Service Managers and others as appropriate. This will be undertaken at least quarterly until the new MOSAIC finance module is in place.
4.2.2 (High)	Audit should be advised when the quarterly meetings to confirm varies are put into action.	As above. Meeting schedule will commence August 2024.	31-Aug-24	Considered closed (pending verification)	As above

<p>4.3.1 (Low)</p>	<p>A review of the uprating process for non-framework service agreements should take place to address the processing of varies where a rate has been approved to be paid but needs to be updated on a service agreement. Service agreements should be identified and subject to independent review and update prior to processing the next period invoice.</p>	<p>The process for uprating non-framework service agreements was revised in February 2024. Rate changes are made by the Carefirst system team. Any provider queries re rates are picked up via Finance or Contract Monitoring and will be resolved with the respective services. There is a monthly housekeeping process in place and the vast majority of varies are downwards so there is no offset as the amount paid is lower than the committed value. There can be amounts not matched and the majority of these are due to providers invoicing at a rate lower than the service agreement – and in such a case it is incumbent on the provider to raise the invoice. Any credit value not matched will be by exception as no invoice will be paid that is above the committed value – but there may be timing differences. As above the move to MOSAIC will eliminate the need for varies.</p>	<p>30-Sep-24</p>	<p>Considered closed (pending verification)</p>	<p>All actions have been completed and this is now considered closed, pending verification</p>
<p>4.3.2 (Med)</p>	<p>Housekeeping checks should be implemented ensuring that all of the adjustments processed that are intended to be offset at a later date are actually matched up and cleared.</p>	<p>Please see above</p>	<p>30-Sep-24</p>	<p>Considered closed (pending verification)</p>	<p>As above</p>

4.4.1 (Low)	Audit should be advised when the review of the policy is complete and a copy of the revised policy should be provided.	The redesign of Inclusive support is ongoing, with a best value review commencing in October 2024 and the outcome of this will determine any revisions to the policy. This will then be provided.	31-Mar-25	Open	
4.5.1 (Low)	The bank should be advised to remove the former Unit Manager of Bonnyton House from the list of authorised signatories and confirmation from the bank of the remaining authorised signatories should be provided to audit.	The previous unit Manager has been removed as a signatory and the current mandate will be provided to internal audit.	31-Jul-24	Considered closed (pending verification)	Information has been passed to internal audit which is currently being reviewed
4.5.2 (Med)	Details (account name, number and sort code) of all Bonnyton House bank accounts that have been in existence since 2018 should be provided to audit.	A list of accounts will be provided to internal audit.	31-Jul-24	Considered closed (pending verification)	As above



<b>Appendix</b>	2F
<b>Title</b>	Self-Directed Support – Direct Payments MB/1171/FM
<b>Type</b>	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
<b>Status</b>	Changes since last reported to PAC 25.09.2024:- <ul style="list-style-type: none"> <li>- 4.1.1 considered closed</li> <li>- 4.1.2 considered closed</li> <li>- 4.1.3 considered closed</li> </ul>

Ref. / Risk Rating	Recommendation	Comments (if appropriate)	Timescale for completion	Status	Latest Note
4.1.1 (High)	The financial review of direct payments should be completed as soon as possible.	Already under way. This will be done in a phased approach to manage workload	30-Jun-23	Considered closed (pending verification)	All care packages are being reviewed as part of the Supporting People Framework including Direct Payments and reviews for the current year are expected to be completed by March 2025.
4.1.2 (High)	The HSCP management should ensure going forward, that all direct payment service users have provided receipts to support expenditure and that any unspent monies are recovered on an annual basis.	We will follow the CIPFA and Scottish Government guidance, which exempts some small spends etc. It is sometimes obvious from bank statements what spend is being incurred therefore receipts are not necessary. We will, however, implement a risk-based assessed approach to financial monitoring based on care package cost and previous history. Agreed that unspent monies should be recovered annually, in conjunction with a review by operational staff.	30 June 23 then ongoing	Considered closed (pending verification)	As above. Balances are highlighted to care managers and recovery of unspent funds will follow review.
4.1.3 (Med)	Consideration should be given to reviewing the full years bank statements for each service user to ensure that the review is comprehensive and provides appropriate assurance regarding the use of public funds.	All users should receive a financial review, however this should be in line with CIPFA and Scottish Government guidance.	31-Mar-24	Considered closed (pending verification)	Where there is evidence of inappropriate spending, full receipts will be asked for.

<b>Appendix</b>	2G
<b>Title</b>	Ordering and Certification MB/1178/NS
<b>Type</b>	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
<b>Status</b>	No changes since reported to PAC 26.06.2023 All recommendations considered closed

Ref. / Risk Rating	Recommendation	Comments (if appropriate)	Timescale for completion	Status	Latest Note
4.1.1 (Med)	All Directors should instruct employees with responsibility for ordering to ensure that approved suppliers are being used.	We will issue a reminder to all employees responsible for ordering	28-Feb-23	Considered Closed (Pending verification by internal audit)	Email issued to Business Managers to cascade to those staff who process orders on Integra
4.1.2 (Med)	All departments should monitor spend against suppliers and where thresholds have been breached the appropriate contract route should be followed to ensure best value is being achieved.	Commissioning liaise with procurement regarding best value. Tolerance is managed in relation to social care agency spend to meet service requirements.	Ongoing	Considered Closed (Pending verification by internal audit)	Process established with Commissioning and Procurement to identify and action breached thresholds if applicable
4.1.3 (Med)	Departments should ensure that contracts are reviewed to ensure that they are not allowed to expire and liaise with Procurement to allow appropriate action to be taken.	Commissioning have regular meetings with services and procurement to oversee contracts.	Ongoing	Considered Closed (Pending verification by internal audit)	Process in place with Commissioning and services to monitor contracts. Commissioning and procurement have process in place to review new and existing contracts.
4.4.1 (Low)	All Directors should instruct employees with responsibility for ordering to ensure that the appropriate reference is added to the order to evidence that a contract is being used for the purchases.	We will issue a reminder to all employees responsible for ordering as per 4.1.1	28-Feb-23	Considered Closed (Pending verification by internal audit)	As per 4.1.1 - Email issued to Business Managers to cascade to those staff who process orders on Integra including SOP for Purchase Order Entry

**EAST RENFREWSHIRE INTEGRATION JOINT BOARD**

**PERFORMANCE AND AUDIT COMMITTEE**

**20 November 2024**

**Report by Chief Auditor**

**NHSGGC INTERNAL AUDIT PROGRESS REPORT 2024/25**

**PURPOSE OF REPORT**

1. To provide summary details of the audits completed by the NHS Greater Glasgow and Clyde (NHSGGC) internal auditors during 2024/25. The internal audit service is currently provided by Azets.

**BACKGROUND**

2. The East Renfrewshire Integration Joint Board directs both East Renfrewshire Council and NHSGGC to deliver services on its behalf to enable it to deliver on its strategic plan.

3. Both East Renfrewshire Council and NHSGGC have internal audit functions which conduct audits across their organisations and report the findings of these to their respective audit committees.

**NHSGGC INTERNAL AUDIT ACTIVITY TO NOVEMBER 2024**

4. The report in appendix 1 provides a summary to the Performance and Audit Committee of the internal audit activity undertaken within the NHSGGC received since the last meeting.

5. Details of four reports were received. Two of these were classified as needing substantial improvement, one was classified as effective and one contained advisory recommendations only.

**RECOMMENDATION**

6. The Committee is asked to:

(a) Note the contents of the report.

M Blair, Chief Auditor  
5 November 2024

## NHSGGC INTERNAL AUDIT PROGRESS REPORT 2024/25

### 1. Reports Issued

Details of four audits from the 2024/25 audit plan have been provided by the NHSGGC internal auditors as summarised below, in addition to follow up work being carried out.

Review	Overall audit rating (Note 1)	No. of issues per grading (Note 2)			
		4	3	2	1
Hospital Discharges	Substantial Improvement required	0	2	3	0
Property Transaction Monitoring	Effective	0	0	0	0
Sustainability and Value Programme	Substantial Improvement required	0	2	1	1
Succession Planning	N/A advisory	0	0	0	0

### 2. Hospital Discharges

The complex relationship between NHSGGC and its associated HSCPs mean they have to work together to discharge patients promptly from acute settings.

Generally it was concluded that there are well designed processes in place for proactive discharge planning however they are not always consistently applied. The most significant findings relate to planned dates of discharge (PDD) for adults with incapacity (AWI) and the need to ensure timeliness of social work referrals and improve communication/interface between HSCPs and Acute. Samples were taken which included some East Renfrewshire patients.

Five recommendations were made:

- two grade 3 recommendations related to stressing to ward staff the need to review and update all PDDs regularly and also to promptly refer AWI to HSCP and document these requirements in PDD Standard Operating Procedure and Discharge Policy and Procedure respectively.
- three grade two recommendations for more formal documentation arrangements to be put in place for patients removed from delayed discharge lists, guidance on social work referrals and the information to be included, and finally, further guidance to be provided for ward staff to ensure key dates within the referral process are consistently recorded in patient notes.

### 3. Property Transaction Monitoring

The audit found that the NHSGGC has robust arrangements in place to ensure that property transactions are managed in line with the NHS Scotland Property Transaction Handbook. Testing at two locations concluded that the procedures were consistently applied. No recommendations for improvement were made and several areas of good practice were identified.

### 4. Sustainability and Value Programme

Due to the extreme financial pressure NHS Scotland is currently facing, a 3% savings target has been set against baseline budget. The Sustainability and Value programme is in place with the purpose of enabling NHSGGC to achieve these savings.

It was found that whilst there is a solid framework in place with well-defined roles and good governance and reporting, the scale and timing of the savings required remains a significant challenge with 65% of the required savings of just under £227m being identified so far. This means there is £78m of savings that remain unidentified. Of those identified savings, 63% are RAG rated

as red as they have not commenced yet and the winter period is approaching, a challenging time to try to deliver savings.

Four directorate areas were sampled and it was confirmed that savings plans were in place aligned with targets allocated and approved, the targets were viable and there was sufficient scrutiny of these.

Four recommendations were made:

- two grade 3 recommendations with the most significant recommendation related to NHSGGC taking steps to reduce the unallocated savings balance and continue to keep the programme board, senior management and the Scottish Government updated with overall progress. The other emphasises the need for action plans to be translated into activities from which related actions should be SMART i.e. specific, measureable, achievable, relevant and time-bound.
- one grade 2 recommendation around the recognition of a saving before it had been achieved and
- one grade 1 recommendation around documented project mandate sign off being in place.

## 5. Succession Planning

NHSGGC has been proactive in implementing a succession planning framework in advance of national guidance, and although at an early stage and still being embedded, is at more developed stage than other public sector bodies. The frameworks approach included prioritising initially senior levels and hard to fill roles where risk is higher.

The audit considered the arrangements for succession planning in the following areas:

- Identification of business-critical roles and the skills required to fill the roles
- Articulation and implementation of succession/development plans to ensure there is capacity and capability to fill these roles when required.

The framework is still being embedded and whilst recommendations were made against each of the seven objectives covered in the audit, they were only advisory and included enhancing reporting arrangements by adding performance indicators, improving consistency and quality of development discussions and more clearly agreeing the leadership skills to be developed.

A sample of business areas were also reviewed and it was found that there was some inconsistent application of the guidance in services that had put succession plans in place and some areas where no formal succession plan was yet in place.

**Note 1** - The overall audit report rating is based on the following table:

<i>Immediate major improvement required</i>	<i>Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.</i>
<i>Substantial improvement required</i>	<i>Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met</i>
<i>Minor improvement required</i>	<i>A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate and effective to provide reasonable assurance that risks are being managed and objectives should be met.</i>
<i>Effective</i>	<i>Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.</i>

**Note 2** - Issues within these reports are graded on the following basis.

4	<i>Very high risk exposure – major concerns requiring immediate senior management attention that create fundamental risks within the organisation</i>
3	<i>High risk exposure – absence/failure of key controls that create significant risks within the organisation</i>
2	<i>Moderate risk exposure – controls not working effectively and efficiently and may create moderate risks within the organisation</i>
1	<i>Limited risk exposure – controls are working effectively but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.</i>