

# Supplementary Agenda

## West Dunbartonshire Health & Social Care Partnership Board Audit Committee

**Date:** Wednesday, 13 March 2019

---

**Time:** 14:00

---

**Venue:** Civic Space, Council Offices,  
16 Church Street, Dumbarton

---

**Contact:** Scott Kelly, Committee Officer  
Tel: 01389 737220 [scott.kelly@west-dunbarton.gov.uk](mailto:scott.kelly@west-dunbarton.gov.uk)

Dear Member

### ITEMS TO FOLLOW

I refer to the agenda for the above Meeting of the West Dunbartonshire Health & Social Care Partnership Board Audit Committee which was issued on 4 March 2019 and now enclose copies of the undernoted reports which were not available for issue at that time.

Yours faithfully

**JULIE SLAVIN**

Chief Financial Officer of the  
Health & Social Care Partnership

Note referred to:-/

Note referred to:-

**10 2018/19 ANNUAL ACCOUNTS AUDIT PROCESS 65 – 68**

Submit report by the Chief Financial Officer providing an overview of the preparation of the 2018/19 Annual Accounts of the HSCP Board identifying legislative requirements and key stages.

**11 AUDIT SCOTLAND: WEST DUNBARTONSHIRE 69 – 86  
INTEGRATED JOINT BOARD ANNUAL AUDIT PLAN  
2018/19**

Submit report by the Chief Financial Officer presenting the Annual Audit Plan produced by the Integrated Joint Board's external auditors, Audit Scotland, for the audit of the financial year ending 31 March 2019.

**12 AUDIT PLAN 2018/19 PROGRESS REPORT AND AUDIT 87 – 105  
PLAN 2019/20**

Submit report by the Chief Internal Auditor:-

- (a) providing an update on the planned programme of audit work for the year 2018/19 in terms of internal audit work undertaken;
- (b) providing an update on the progress on the agreed actions from the audit of the Partnership Board's Governance, Performance and Financial Management Arrangements;
- (c) providing an update on the progress on the agreed actions arising from the Annual Report to the Integrated Joint Board and the Controller of Audit for financial years ended 31 March 2017 and 31 March 2018 from the External Auditors; and
- (d) providing details of the planned programme of work for 2019/20.

**Distribution:-**

**Voting Members**

Marie McNair (Chair)  
Allan Macleod (Vice-Chair)  
Denis Agnew  
John Mooney  
Rona Sweeney  
Audrey Thompson

Senior Management Team – Health & Social Care Partnership  
Mr C. McDougall  
Ms Z. Mahmood

Date of issue: 7 March 2019

## WEST DUNBARTONSHIRE HEALTH &amp; SOCIAL CARE PARTNERSHIP

Audit Committee: 13 March 2019

---

**Subject: 2018/19 Annual Accounts Audit Process****1. Purpose**

- 1.1 To provide the Audit Committee, an overview of the preparation of the 2018/19 Annual Accounts of the HSCP Board identifying legislative requirements and key stages.

**2. Recommendations**

- 2.1 Members are asked to:

- Note the contents of the report;
- Agree to the Governance Statement being considered as a standalone document in line with CIPFA's Practical Guidance for Audit Committees; and
- Agree to present this report to the HSCP Board on 8 May 2019, seeking delegated authority for the Audit Committee to approve the unaudited annual accounts, for submission to the HSCP Board's external auditors, Audit Scotland, by 30 June 2019.

**3. Background**

- 3.1 The West Dunbartonshire Integrated Joint Board (WDIJB), known as the West Dunbartonshire Health and Social Care Partnership Board (HSCP), is a legal entity in its own right.
- 3.2 Integrated Joint Boards are specified in legislation as a "section 106" body under the terms of the Local Government Scotland Act 1973 and as such is expected to prepare annual accounts in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom.

**4. Main Issues**

- 4.1 The annual accounts for the HSCP Board will be prepared in accordance with appropriate legislation and guidance. An overview of the process is set out below.
- 4.2 **Financial Governance & Internal Control;** the regulations require the Annual Governance Statement to be approved by the HSCP Board or a committee of the HSCP whose remit include audit & governance. This will assess the effectiveness of the internal audit function and the internal control procedures of the HSCP Board. Under the approved Terms of Reference the Audit Committee meets this requirement.

- 4.3** The Chief Internal Auditor is currently undertaking a review of the HSCP Board Audit Committee using CIPFA's "Audit Committees - Practical Guidance for Local Authorities and the Police". This includes a Self-Assessment of Good Practice which asks that consideration be given to presenting the Annual Governance Statement as a standalone document; given it is a core function of audit committee members to:
- be satisfied that the authority's assurance statements, including the annual governance statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives. (Extract CIPFA's Practical Guidance)
- 4.4 Unaudited Accounts;** the regulations state that the unaudited accounts are submitted to the External Auditor no later than 30th June immediately following the financial year to which they relate. Scottish Government guidance states that best practice would reflect that the HSCP Board or committee whose remit includes audit and governance should consider the unaudited accounts prior to submission to the external auditor.
- 4.5 Right to Inspect and Object to Accounts:** the public notice period of inspection should start no later than 1st July in the year the notice is published. This will be for a period of 3 weeks and will follow appropriate protocol for advertising and accessing the unaudited accounts.
- 4.6 Approval of Audited Accounts:** the regulations require the approval of the audited annual accounts by the HSCP Board or a committee of the HSCP whose remit include audit & governance. This will take account of any report made on the audited annual accounts by the "proper officer" i.e. Chief Financial Officer being the Section 95 Officer for the HSCP Board or by the External Auditor by the 30th September immediately following the financial year to which they relate. In addition any further report by the external auditor on the audited annual accounts should also be considered.
- 4.7** The Audit Committee will consider for approval the External Auditors report and proposed audit certificate (ISA 260 report) and the audited annual accounts at its meeting on 25 September 2019.
- 4.8 Publication of the Audited Accounts:** the regulations require that the annual accounts of the HSCP Board be available in both hard copy and on the website for at least five years, together with any further reports provided by the External Auditor that relate to the audited accounts.
- 4.9** The annual accounts of the HSCP Board must be published by 31st October and any further reports by the External Auditor by 31st December immediately following the year to which they relate.
- 4.10 Key Documents:** the regulations require a number of key documents (within the annual accounts) to be signed by the Chair of the HSCP Board, the Chief Officer and the Chief Financial Officer, namely:

<b>Document</b>	<b>Signatory</b>
Management Commentary	Chair of the HSCP Board Chief Officer
Statement of Responsibilities	Chair of the HSCP Board Chief Financial Officer
Remuneration Report	Chair of the HSCP Board Chief Officer
Annual Governance Statement	Chair of the HSCP Board Chief Officer
Balance Sheet	Chief Financial Officer

## **5. People Implications**

5.1 There are no people implications.

## **6. Financial Implications**

6.1 There are no financial implications other than those detailed in the report.

## **7. Professional Implications**

7.1 None

## **8. Locality Implications**

8.1 None

## **9. Risk Analysis**

9.1 No risk analysis was required.

## **10. Impact Assessments**

10.1 None

## **11. Consultation**

11.1 This report was shared with the HSCP Board's external auditors.

## **12. Strategic Assessment**

12.1 Proper budgetary control and sound financial practice are cornerstones of good governance and support the Partnership Board and officers to pursue the strategic priorities of the Strategic Plan.

The report is in relation to a statutory function and is for noting. As such, it does not directly affect any of the strategic priorities.

**12.2** This report links to the strategic financial governance arrangements of both parent organisations.

**Author: Julie Slavin – Chief Financial Officer**

**Date: 25 February 2019**

---

**Person to Contact:** Julie Slavin – Chief Financial Officer,  
Council Offices, Church Street, Dumbarton G82 1QL  
Telephone: 01389 737311  
e-mail : [julie.slavin@ggc.scot.nhs.uk](mailto:julie.slavin@ggc.scot.nhs.uk)

**Appendices:** None

**Background Papers:** **Audit Committee Terms of Reference**  
**CIPFA Audit Committees - Practical Guidance Local**  
**Authorities and Police**

**Wards Affected:** None

**WEST DUNBARTONSHIRE HEALTH & SOCIAL CARE PARTNERSHIP****Audit Committee: 13 March 2019**

---

**Subject: Audit Scotland: West Dunbartonshire Integrated Joint Board  
Annual Audit Plan 2018/19****1. Purpose**

- 1.1** To present to the Audit Committee the Annual Audit Plan produced by the IJB's external auditors, Audit Scotland, for the audit of the financial year ending 31 March 2019.

**2. Recommendation**

- 2.1** The Partnership Board is asked to note and comment on Audit Scotland's 2018/19 Annual Audit Plan.

**3. Background**

- 3.1** In July 2016 the Accounts Commission appointed Audit Scotland as the external auditor for the West Dunbartonshire Integrated Joint Board for the five year period from 2016 to 2021.
- 3.2** Audit Scotland had served as the IJB's external auditor since its establishment on 1 July 2015. The positive working relationships established through the audits of the last three financial years will continue to be built upon to help achieve the desired outcome of an unqualified audit opinion at the end of the 2018/19 annual accounts process.
- 3.3** The initial step is the production of the Annual Audit Plan (Appendix 1). Based on discussions with staff, attendance at board meetings and a review of supporting information, the plan is focused on the identification of the main risk areas for the West Dunbartonshire Integrated Joint Board.

**4. Main Issues**

- 4.1** The Annual Audit Plan contains an overview of the planned scope and timing of Audit Scotland's external audit of West Dunbartonshire Health and Social Care Partnership Integration Joint Board. It includes their identification of key audit risks, which are categorised into financial risks and wider dimension risks. These key audit risks require specific testing and are detailed in Exhibit 1 of the Annual Audit Report.
- 4.2** The audit outputs and their target dates, which are based on presentation of Annual Audit Report to the Audit Committee on 25 September 2019, are detailed in Exhibit 2.

#### **4.3** The planned work in 2018/19 includes:

- An audit of the financial statements and provision of an opinion on whether:
  - they give a true and fair view of the state of affairs the partnership as at 31 March 2019 and its income and expenditure for the year then ended; and
  - the accounts have been properly prepared in accordance with relevant legislation including: the Local Government (Scotland) Act 1973 and the 2017/18 Code of Practice on Local Authority Accounting in the United Kingdom (the Code).
- An audit based on four audit dimension (Exhibit 5) which will help contribute to the overall assessment and assurance that the IJB are achieving best value. An area that requires development as West Dunbartonshire Health and Social Care Partnership strive to deliver on the objectives of its Strategic Plan in a climate of continued financial austerity.

#### **4.4** Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. To support the external audit opinion on the financial statements formal reliance will be placed on the areas of internal audit work including:

- Charging Policy (Non Residential Services);
- Social Work Tendering and Commissioning; and
- Learning Disability Transitions.

### **5. People Implications**

**5.1** None associated with this report.

### **6. Financial Implications**

**6.1** The proposed audit fee for the 2018/19 audit of the IJB is £25,000, which is increase of £1,000 (4.2%) on the 2017/18 cost. This fee is consistent with the fees for all Integrated Joint Boards.

**6.2** Audit Scotland's fee assumes receipt of the unaudited financial statements by 30 June 2019 and covers the cost of planning, delivery, reporting and the auditor's attendance at committees.

### **7. Professional Implications**

**7.1** The Audit Committee and the Chief Financial Officer primary responsibility is to ensure proper financial stewardship of public funds.

### **8. Locality Implications**

**8.1** None associated with this report.



## **9. Risk Analysis**

**9.1** The audit of the financial statements does not relieve Partnership Board's Audit Committee (as the body charged with overseeing and scrutinising governance) or the Chief Financial Officer of their responsibilities.

## **10. Impact Assessments**

**10.1** None required.

## **11. Consultation**

**11.1** None required.

## **12. Strategic Assessment**

**12.1** Compliance with relevant legislation, proper budgetary control and sound financial practice are cornerstones of good governance and support the Partnership Board and officers to pursue the strategic priorities of the HSCP Strategic Plan.

**Author:** Julie Slavin – Chief Financial Officer,

**Date:** 05 March 2019

---

**Person to Contact:** Julie Slavin – Chief Financial Officer,  
Church Street, Dumbarton G82 1QL  
Telephone: 01389 737311  
e-mail: [julie.slavin@ggc.scot.nhs.uk](mailto:julie.slavin@ggc.scot.nhs.uk)

**Appendices:** Appendix 1: Audit Scotland - Annual Audit Plan 2018/19

**Background Papers:** None

**Wards Affected:** All



# West Dunbartonshire Integration Joint Board

Annual Audit Plan 2018/19



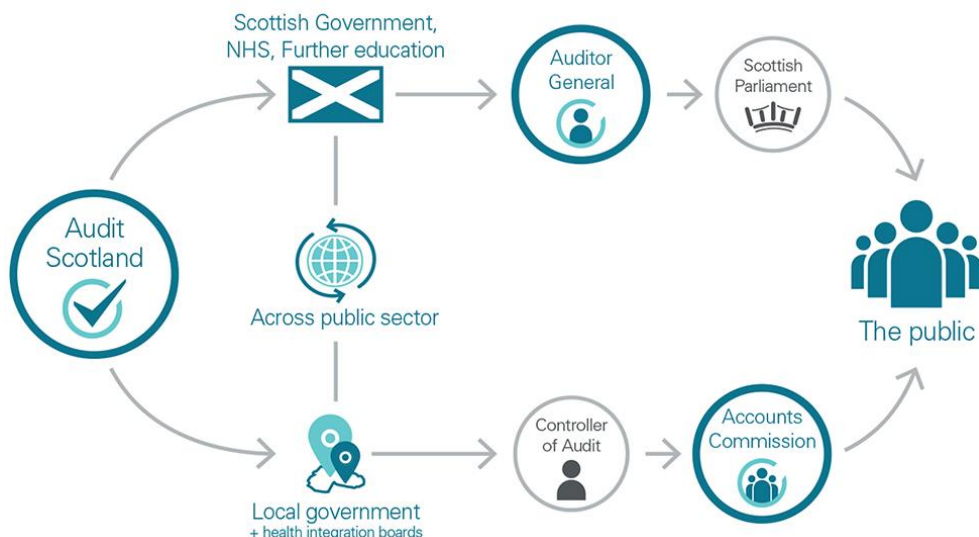
 AUDIT SCOTLAND

Prepared for West Dunbartonshire Integration Joint Board  
March 2019

## Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

---

# Contents

---

Risks and planned work	4
Audit scope and timing	9

# Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit and is carried out in accordance with International Standards on Auditing (ISAs), the [Code of Audit Practice](#), and any other relevant guidance. This plan sets out the work necessary to allow us to provide an independent auditor's report on the financial statements and meet the wider scope requirements of public sector audit.

2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.


## Adding value

3. We aim to add value to the West Dunbartonshire Integration Joint Board (WDIJB) through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help the WDIJB promote improved standards of governance, better management and decision making and more effective use of resources.

## Audit risks

4. Based on our discussions with staff, attendance at committee meetings and a review of supporting information we have identified the following main risk areas for West Dunbartonshire Integration Joint Board. We have categorised these risks into financial risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).

## Exhibit 1 2018/19 Key audit risks

 Audit Risk	Source of assurance	Planned audit work
<b>Financial statements issues and risks</b>		
<p>1 <b>Risk of management override of controls</b></p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls.</p> <p>Recent internal audit findings at West Dunbartonshire Council highlighted that procurement financial regulations were regularly circumnavigated.</p> <p>There is a risk that this may be the case with the procurement of social work contracts.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<ul style="list-style-type: none"> <li>Review the findings of the internal audit in relation to procurement and tendering for WDIJB.</li> <li>Review of governance statement.</li> <li>Detailed testing of journal entries.</li> <li>Review of accounting estimates.</li> <li>Focused testing of accruals and prepayments.</li> <li>Evaluation of significant transactions that are outside the normal course of business.</li> </ul>



## Audit Risk

## Source of assurance

## Planned audit work


2	<p><b>Risk of fraud over expenditure</b></p> <p>The expenditure of WDIJB is processed through the financial systems of West Dunbartonshire Council and NHS Greater Glasgow and Clyde. There is a risk that non IJB related expenditure is incorrectly coded to IJB accounts.</p>	Robust budget monitoring.	<ul style="list-style-type: none"> <li>• Gaining assurances from the auditors of the council and health board over the accuracy, completeness and appropriate allocation on the IJB ledger entries.</li> <li>• Carry out testing to confirm the accuracy and correct allocation of IJB transaction, and that they are recorded in the correct financial year.</li> </ul>
3	<p><b>Hospital acute services (Set Aside)</b></p> <p>The “set aside” budget is the IJB’s share of the budget for delegated services provided by hospitals on behalf of the IJB.</p> <p>The Board recently agreed an estimated figure for 2018/19, with a view to reflecting the true cost and activity from 1 April 2019.</p> <p>There is a risk that the sum set aside in the 2018/19 annual accounts will be misstated, not reflecting actual hospital use.</p>	<p>A working group of representatives from the six Glasgow IJB’s, the Scottish Government and NHSGGC are continuing to work on an agreed mechanism to accurately reflect the sum set aside.</p>	<ul style="list-style-type: none"> <li>• Engage with officers to ensure that a robust mechanism has been developed to quantify set aside figures.</li> <li>• Monitor Scottish Government guidance on the treatment of set aside in the 2018/19 financial statements to establish whether the disclosure in the financial statements is compliant. Provide update in the Annual Audit Report.</li> </ul>
4	<p><b>Financial sustainability - Going concern</b></p> <p>The most recent financial monitoring report (for the period to 31 December 2018) shows a projected overspend of £0.228m. The recovery plan presented to the Board (November 2018) sets out that reserves will be used to fund any overspend, after the application of mitigating actions. The reserves position as at 31 March 2018 was £1.705m, which is already below the IJB’s reserve target of 2% of net expenditure (excluding Family Health Services expenditure).</p> <p>There are currently no medium-long term financial plans in place to demonstrate how the IJB will secure the financial sustainability of its services in the future.</p> <p>There is a risk that the IJB is not financially sustainable. As a result the IJB needs to demonstrate that the going concern basis is appropriate for the 2018/19 accounts.</p>	<p>Going concern assurance received from Chief Finance Officer of the IJB.</p> <p>Recovery plans are in place to minimise the utilisation of reserves.</p> <p>The IJB presented to the November 2018 Board meeting a review of earmarked reserves which indicated that an element could be unearmarked and added to general reserves.</p> <p>Medium-long term financial plans are within the planned scope of work for the Chief Financial Officer and Heads of Service.</p>	<ul style="list-style-type: none"> <li>• Review the Chief Financial Officer’s assessment of going concern for the 2018/19 accounts</li> <li>• Review ongoing budget monitoring reports to ensure they accurately reflect the position of the partnership.</li> <li>• Review of the IJB’s year end position.</li> <li>• Review of financial and budgetary reports.</li> <li>• Review of the IJB’s recovery plan.</li> <li>• Review of the year end position of reserves after possible unearmarking to general reserves</li> <li>• Review medium-long term financial plans and report an update in the Annual Audit Report.</li> </ul>



## Wider dimension issues and risks

5	<b>Financial management</b> <p>The IJB has not yet received a formal offer from the Health Board regarding the 2019/20 budget. For the IJB to progress their budget setting process, indicative figures have been used.</p> <p>West Dunbartonshire Council will also not agree its budget until 27 March 2019.</p> <p>There is a risk that these figures will not be finalised before the start of the 2019/20 financial year and the IJB will be operating without a formally agreed budget. Furthermore, if partner contributions are lower than the indicative budget, this will increase the risk of financial sustainability.</p>	<p>Continuous discussions between the IJB, Council and Health Board to provide the most up to date position regarding budget setting.</p> <p>The latest budget update taken to IJB Board includes indicative figures taking into account different allocations from the Health Board and Council.</p>	<ul style="list-style-type: none"> <li>• Ongoing monitoring of budget setting for 2019/20.</li> <li>• Confirmation of agreement of funding from host bodies.</li> </ul>
6	<b>EU withdrawal</b> <p>There are considerable uncertainties surrounding the implications of the EU withdrawal and public bodies should assess the potential impact on their operations and identify specific responses.</p> <p>The current risk register for the IJB fails to include EU withdrawal as a risk.</p> <p>There is a risk that the IJB is not prepared for the impact of EU withdrawal on the delivery of services.</p>	<p>The Chair of the IJB Board has requested a report be presented to the Board outlining the specific impact of EU withdrawal on the IJB.</p> <p>The re-drafted risk register to be presented to the next Audit Committee includes the risk of EU withdrawal.</p> <p>The SMT has responded to requests from the Council and Health Board for more information around EU withdrawal implications, risks and mitigating actions.</p>	<ul style="list-style-type: none"> <li>• Review any work completed outlining the specific impact of EU withdrawal and assess the mitigating actions taken.</li> <li>• Consider how the IJB responds to any emerging issues after March 2019.</li> </ul>
7	<b>Best Value</b> <p>The IJB should have arrangements in place to demonstrate that it is delivering Best Value in the provision of services.</p> <p>There is currently no mechanism for formal review of Best Value.</p> <p>Also, the annual performance report for WDIJB did not include information on how the IJB is delivering Best Value.</p> <p>Other areas noted, include:</p> <ul style="list-style-type: none"> <li>• The IJB is not deploying its self-evaluation framework.</li> </ul>	<p>This is within the planned scope of work to be completed by the IJB Chief Financial Officer and the Head of Strategy, Planning and Health Improvement.</p>	<ul style="list-style-type: none"> <li>• Monitor progress against developing a mechanism to demonstrate that the IJB is achieving Best Value.</li> <li>• Review the 2018/19 Annual Performance Report</li> <li>• Review the IJB's self evaluation against Audit Scotland's national report "Health and Social Care Integration Update".</li> </ul>



	Audit Risk	Source of assurance	Planned audit work
	<ul style="list-style-type: none"> <li>There is also a lack of benchmarking of performance indicators against other IJB's.</li> </ul> <p>There is a risk that the IJB does not implement a culture of self-evaluation and opportunities for continuous improvement are missed.</p>		
8	<p><b>External audit recommendations slippage</b></p> <p>There has been slippage in implementing agreed external audit recommendations, including those made in our 2016/17 Annual Audit Report which have been brought forward to the current year plan.</p> <p>There is a risk that the IJB is not implementing improved actions in line with agreed timescales.</p>	<p>Implementing Best Value and medium-long term financial planning recommendations is within the planned scope of work.</p>	<ul style="list-style-type: none"> <li>Monitor progress against 2017/18 annual audit report recommendations and report on this in 2018/19 annual audit report.</li> </ul>
9	<p><b>Governance arrangements</b></p> <p>Currently there are non-voting member vacancies within the Board. This has been the case, in one instance, since May 2018</p> <p>There is a risk that the Board is unable to effectively deliver its duties.</p>	<p>The role of the Professional Nurse Advisor has been filled with a start date imminent.</p>	<ul style="list-style-type: none"> <li>Monitoring the Board's progress in filling vacancies as part of our wider scope governance and transparency work. An update will be provided in our 2018/19 Annual Audit Report.</li> </ul>

Source: Audit Scotland

## Reporting arrangements

5. Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs as detailed in [Exhibit 2](#), and any other outputs on matters of public interest will be published on our website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).

6. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officer(s) to confirm factual accuracy.

7. We will provide an independent auditor's report to West Dunbartonshire Integration Joint Board and Accounts Commission setting out our opinions on the annual accounts. We will provide the IJB and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

## Exhibit 2 2018/19 Audit outputs

Audit Output	Target date	Committee Date
Annual Audit Plan	29 March 2019	13 March 2019
Annual Audit Report	30 September 2019	25 September 2019
Independent Auditor's Report	30 September 2019	25 September 2019

Source: Audit Scotland

## Audit fee

**8.** The proposed audit fee for the 2018/19 audit of WDIJB is £25,000 (2017/18 £24,000). In determining the audit fee we have taken account of the risk exposure of WDIJB, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited financial statements, with a complete working papers package on 30 June 2019.

**9.** Where our audit cannot proceed as planned through, for example, late receipt of unaudited financial statements or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

## Responsibilities

### Audit Committee and Chief Financial Officer

**10.** Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

**11.** The audit of the financial statements does not relieve management or the Audit Committee as those charged with governance, of their responsibilities.

### Appointed auditor

**12.** Our responsibilities as independent auditors are established by the 1973 Act for local government, and the Code of Audit Practice (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standard.

**13.** Auditors in the public sector give an independent opinion on the financial statements and other information within the financial statements. We also review and report on the arrangements within the audited body to manage its performance and use of resources. In doing this, we aim to support improvement and accountability.

---

# Audit scope and timing

---

## Annual Accounts

14. The annual accounts, which include the financial statements, will be the foundation and source for most of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of WDIJB and the associated risks which could impact on the financial statements
- assessing the key systems of internal control, and establishing how weaknesses in these systems could impact on the financial statements
- identifying major transaction streams, balances and areas of estimation and understanding how West Dunbartonshire Integration Joint Board will include these in the financial statements
- assessing the risks of material misstatement in the financial statements
- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.

15. We will give an opinion on the financial statements as to:

- Whether they give a true and fair view in accordance with applicable law and the 2018/19 Code of Practice on Local Authority Accounting in the United Kingdom of the financial position of the West Dunbartonshire Integration Joint Board as at 31 March 2019 and its income and expenditure for the year then ended.
- Whether they have been properly prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

## Other information in the financial statements

16. We also review and report on other information published within the annual accounts including the management commentary, annual governance statement and the remuneration report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.

17. We also read and consider any information in the annual accounts other than the financial statements and audited part of the remuneration report and report any uncorrected material misstatements.

## Materiality

18. We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.



characteristics



responsibilities



principal activities



risks



governance arrangements

19. We calculate materiality at different levels as described below. The calculated materiality values for West Dunbartonshire Integration Joint Board are set out in [Exhibit 3](#).

### Exhibit 3 Materiality values



Materiality	Amount
<b>Planning materiality</b> – This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 1.5% of gross expenditure for the year ended 31 March 2019 based on the latest audited accounts for 2017/18.	£2.741 million
<b>Performance materiality</b> – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 70% of planning materiality.	£1.919 million
<b>Reporting threshold (i.e., clearly trivial)</b> – We are required to report to those charged with governance on all unadjusted misstatements more than the ‘reporting threshold’ amount. This has been calculated at 2% of planning materiality (rounded to the nearest £50,000).	£50,000

Source: Audit Scotland

### Timetable

20. To support the efficient use of resources it is critical that a financial statements timetable is agreed with us to produce the unaudited accounts. We have included an agreed timetable at [Exhibit 4](#).

### Exhibit 4 Annual accounts timetable

 Key stage	 Date
Consideration of unaudited financial statements by those charged with governance	19 June 2019
Latest submission date of unaudited annual accounts with complete working papers package	30 June 2019
Latest date for final clearance meeting with Chief Financial Officer	TBC
Issue of Letter of Representation and proposed independent auditor's report	25 September 2019
Agreement of audited unsigned annual accounts	25 September 2019
Issue of Annual Audit Report including ISA 260 report to those charged with governance	25 September 2019
Independent auditor's report signed	30 September 2019

## Internal audit

**21.** Internal audit is provided by West Dunbartonshire Council overseen by the Audit and Risk Manager. As part of our planning process we carry out an annual assessment of the internal audit function to ensure that it operates in accordance with Public Sector Internal Audit Standards (PSIAS). Our assessment found that the internal audit function operates in accordance with PSIAS and has sound documentation standards and reporting procedures in place. As part of our audit work we will also assess the arrangements in place for sharing internal audit reports from NHSGGC with the IJB Board.

### Using the work of internal audit

**22.** Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible to avoid duplication. We plan to consider the findings of the work of internal audit as part of our planning process to minimise duplication of effort and to ensure that the total resource is used efficiently or effectively.

**23.** In respect of our wider dimension audit responsibilities we plan to consider the following internal audit work:

- Social work tendering and commissioning
- Children with additional needs transitioning into adults
- Charging policy (non-residential services)

## Audit dimensions

**24.** Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 5](#).

---

### Exhibit 5 Audit dimensions



Source: Code of Audit Practice

---

**25.** In the local government sector, the appointed auditor's annual conclusions on these four dimensions will help contribute to an overall assessment and assurance on best value.

**26.** Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements. These are: financial sustainability, financial management, governance and accountability and value for money.

### **Financial sustainability**

**27.** As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on the IJB's financial sustainability in the longer term. We define this as medium term (two to five years) and longer term (longer than five years) sustainability. We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps

### **Financial management**

**28.** Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude and report on:

- whether WDIJB has arrangements in place to ensure systems of internal control are operating effectively
- whether WDIJB can demonstrate the effectiveness of budgetary control system in communicating accurate and timely financial performance
- how WDIJB has assured itself that its financial capacity and skills are appropriate
- whether WDIJB has established appropriate and effective arrangements for the prevention and detection of fraud and corruption.

### **Governance and transparency**

**29.** Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision – making and transparent reporting of financial and performance information. We will review, conclude and report on:

- whether WDIJB can demonstrate that the governance arrangements in place are appropriate and operating effectively
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports.
- the quality and timeliness of financial and performance reporting.

### **Value for money / Best Value**

**30.** Value for money refers to using resources effectively and continually improving services. We will review, conclude and report on whether:

- WDIJB can provide evidence that it is demonstrating Best Value.
- WDIJB can demonstrate that there is a clear link between money spent, output and outcomes delivered.
- WDIJB can demonstrate that outcomes are improving.
- There is sufficient focus on improvement and the pace of it.

## Independence and objectivity

**31.** Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual “fit and proper” declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland’s Ethics Partner.

**32.** The engagement lead (i.e. appointed auditor) for WDIJB is Fiona Mitchell-Knight, Audit Director. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of WDIJB.

## Quality control

**33.** International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor’s report or opinion is appropriate in the circumstances.

**34.** The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice (and supporting guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) have been commissioned to carry out external quality reviews.

**35.** As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

# West dunbartonshire Integration Joint Board

## Annual Audit Plan 2018/19

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

For the latest news, reports and updates, follow us on:



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
T: 0131 625 1500 E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)



**WEST DUNBARTONSHIRE HEALTH & SOCIAL CARE PARTNERSHIP****Audit Committee: 13 March 2019**

---

**Subject: Audit Plan 2018/19 Progress Report and Audit Plan 2019/20****1. Purpose****1.1** The purpose of this report is to provide:

- An update to members on the planned programme of audit work for the year 2018/19 in terms of the internal audit work undertaken at West Dunbartonshire Council and NHS Greater Glasgow and Clyde that may have an impact upon the West Dunbartonshire Health & Social Care Partnership Board;
- Progress on the agreed actions from the audit of the Partnership Board's Governance, Performance and Financial Management Arrangements;
- Progress on the agreed actions arising from the Annual Report to the IJB and the Controller of Audit for the financial years ended 31 March 2017 and 31 March 2018 from the External Auditors; and
- Details of the planned programme of work for 2019/20.

**2. Recommendations****2.1** It is recommended that the Audit Committee:

- Note the progress made in relation to the Audit Plan for 2018/19; and
- Approve the Audit Plan for 2019/20.

**3. Background****Audit Plan 2018/19****3.1** This report provides a summary to the Partnership Board of recent the Internal Audit activity at the Council and the Health Board which may have an impact upon the delivery of the strategic plan.**Audit Plan 2019/20****3.2** The Chartered Institute of Public Finance and Accountancy (CIPFA) / Institute of Internal Auditors (IIA) Public Sector Internal Audit Standards (PSIAS) require the preparation of a risk-based audit plan.**3.3** The PSIAS also requires that the plan should be based on a clear understanding of the organisation's functions and the scale of potential audit areas. The plan should be partly informed by consultation with key stakeholders, including the Audit Committee and senior management. The Audit Committee should approve the Internal Audit plan.

- 3.4** The provision of Internal Audit services, for Social Care, within West Dunbartonshire Council is delivered by an in-house team. NHS Greater Glasgow and Clyde has contracted out the delivery of Internal Audit services, for Health Services, to Scott Moncrieff. Audit work is carried out across each organisation with findings being reported to the respective audit committees within each organisation. For 2018/19 onwards, a recharge of £10,000 has been made from the Council to the Partnership Board to reflect the cost of services provided by the Council's Internal Audit Team. It is proposed that the same recharge be applied in 2019/20.
- 3.5** The Audit Plan was compiled using a risk based approach through:
- a review of the Council's Audit Universe which includes all significant activities and systems that contribute to the achievement of the Council's strategic priorities;
  - a review of the HSCP's Strategic Plan and Risk Register; and
  - discussions with the Chief Financial Officer and other senior staff on current financial performance and planned service developments.
- 3.6** West Dunbartonshire Council's Audit and Risk Manager, Colin McDougall, has been appointed as the Chief Internal Auditor for the Health & Social Care Partnership Board and routinely reports to the members of the Audit Committee on internal control and audit matters. The Chief Internal Auditor of the Health & Social Care Partnership Board places reliance on both the work of the Council and Health Board Internal Audit teams. The Audit Plan incorporates not only audits on health & social care services, but also allocates time to review appropriate issues within the Health & Social Care Partnership.
- 3.7** Audit Scotland published a report in December 2015 entitled "Health & Social Care Integration". This report, which is discussed further in Section 4, refers to the need for integration authorities to work with Councils and Health Board to establish effective scrutiny arrangements. This is to ensure that Elected Members and NHS non-executives, who are not members of an IJB, are kept fully informed of the impact of integration for users of local health and care services. The existence of the HSCP Audit Committee provides the opportunity for such scrutiny to take place.

#### **4. Main Issues**

##### **(a) Progress on Audit Plan 2018/19**

##### West Dunbartonshire Council

- 4.1** Since 1<sup>st</sup> April 2018, the following Internal Audit reports have been issued to the Council, which are relevant to the Partnership Board:

Audit Title	Number and Priority of Recommendations		
	High	Medium	Low
<b>Social Care Services reports:</b>			
Employment Support (Social Work initiative for vulnerable people) (from 2017/18 Audit Plan)	1	5	3
Scottish Social Services Council Registration (from 2016/17 Audit Plan)	0	1	1
Use of Care First Functionality for Financial Management (from 2017/18 Audit Plan)	0	7	0
<b>Corporate Reports:</b>			
<u>2017/18 Audit Plan:</u>			
ICT Disaster Recovery / Business Continuity Controls	0	5	2
Purchasing Card Audit	0	1	7
Payroll – Overtime	0	2	0
ICT Procurement Controls	0	0	1
ICT Remote Access Controls	0	1	1
ICT Service Desk Controls	0	0	1
Data and Information Security – Governance and Practice	0	5	4
<u>2018/19 Audit Plan:</u>			
WeBuy	0	0	4
Main Accounting	0	0	1
<b>Total</b>	<b>1</b>	<b>27</b>	<b>25</b>

**4.2** Recommendations have timescales for completion in line with the following categories:

Category	Expected implementation timescale
<u>High Risk:</u> Material observations requiring immediate action. These require to be added to the department's risk register	Generally, implementation of recommendations should start immediately and be fully completed within three

	months of action plan being agreed
<u>Medium risk:</u> Significant observations requiring reasonably urgent action.	Generally, complete implementation of recommendations within six months of action plan being agreed
<u>Low risk:</u> Minor observations which require action to improve the efficiency, effectiveness and economy of operations or which otherwise require to be brought to the attention of senior management.	Generally, complete implementation of recommendations within twelve months of action plan being agreed

**4.3** For Social Care audit assignments outstanding actions from recently issued audit reports are included at Appendix 1. In addition, Appendix 1 also contains information on outstanding actions arising from audits carried out within the WDC audit plan which have a potential impact on the HSCP as follows:

Previously completed audits (outstanding actions):

- ICT Disaster Recovery/Business Continuity Controls;
- Purchasing Card Audit;
- ICT Remote Access Controls; and
- Data and Information Security – Governance and Practice.

**4.4** Internal Audit will undertake follow up work to confirm the implementation of the recommendations.

#### NHS Greater Glasgow and Clyde

**4.5** For the 2018/19 Internal Audit Plan, the recently appointed internal auditors, Scott Moncrieff have to date issued one audit report on Property Transactions Monitoring. This report concluded that all transactions were found to have been properly conducted.

**4.6** Further information of other audit work is awaited and will be reported to the next committee.

#### Follow up work

**4.7** Internal Audit undertakes follow up work to confirm the implementation of high risk and a sample of medium risk recommendations. The results of this follow up work are reported to the HSCP Audit Committee with any matters of concern being drawn to the attention of this Committee.

## WD Health & Social Care Partnership Board

- 4.8** In addition to the reviews referred to above, an audit was been carried out in March 2017 on the West Dunbartonshire Governance, Performance and Financial Management arrangements of the Health & Social Care Partnership Board. The report and agreed actions were presented to the HSCP Board at its special meeting on 22 March 2017. Progress on the agreed actions from this report is provided in Appendix 3.
- 4.9** Progress on the agreed actions arising from the Annual Report to the IJB and the Controller of Audit for the financial years ended 31 March 2017 and 31 March 2018 from the External Auditors is provided at Appendix 3.

### **(b) Audit Plan 2019/20**

- 4.10** The Chief Internal Auditor met with the Chief Officer and Senior Management Team to discuss and develop a programme of work for the financial year 2019/20.
- 4.11** The audit planning process has taken into account the following factors:

#### WDC Internal Audit element

- A risk based audit needs assessment identifying all potential audit areas methodology (this is aligned to PSIAS);
- Consultations with senior management;
- The plans of Audit Scotland (as External Auditor) and other inspection agencies;
- The HSCP Board's Strategic Plan and Strategic Risk Register;
- Current issues and changes in computer systems; and
- Resources available.

#### NHS Greater Glasgow and Clyde Internal Audit element (Scott Moncrieff)

- 4.12** The NHS Greater Glasgow and Clyde Audit and Risk Committee has approved a Strategic Internal Audit Plan for 2018-19 to 2020-21
- 4.13** The Chief Internal Auditor monitors delivery of the plan continuously during the year using a number of performance indicators. Progress is reported to HSCP Audit Committee members on a regular basis.
- 4.14** The Chief Internal Auditor will continually review the risks and operating environment of the Health & Social Care Partnership during the course of the year and may tailor this planned work accordingly. Consideration will also be given to the work undertaken by NHS Greater Glasgow and Clyde's appointed internal auditors in order to identify any matters arising relevant to the HSCP Audit Committee.

## West Dunbartonshire Council

**4.15** WDC's audit plan for 2019/20 includes a number of audit reviews which cover Health & Social Care Partnership service areas, namely:

<u>Audit</u>	<u>Indicative Days</u>	<u>Outline Scope</u>
CM 2000 functionality	25	<ul style="list-style-type: none"> <li>• Available functionality compared to actual usage</li> <li>• Compliance levels</li> <li>• Management information</li> <li>• Development plans</li> </ul>
Social Care – Attendance Management	25	<ul style="list-style-type: none"> <li>• Ascertain compliance with established policy in terms of:               <ul style="list-style-type: none"> <li>○ reporting and recording of absence</li> <li>○ employee contact by management during absences</li> <li>○ return to work meetings</li> <li>○ triggers reached</li> <li>○ occupational health referrals</li> <li>○ attendance review meetings and resulting management actions</li> </ul> </li> <li>• HR resources to support</li> </ul>
Social Work – Case Management	25	<ul style="list-style-type: none"> <li>• Policies and procedure</li> <li>• Risk assessments</li> <li>• Case reviews</li> <li>• Workload issues</li> <li>• Use of performance management information</li> <li>• Triggers to close cases</li> </ul>
<b>Total</b>	<b>75</b>	

These audits, together with other Council wide system reviews, help to inform an opinion on the control environment within the Health & Social Care Partnership.

## **NHS Greater Glasgow and Clyde**

- 4.16 For the overall internal audit plan for NHS Greater Glasgow and Clyde, the total number of indicative days allocated for all audit activity in 2019/20 is 592
- 4.17 Much of the audit work which is carried out within NHS Greater Glasgow and Clyde's internal auditors covers services which are delegated to the Partnership Board and the findings of these reviews also contribute to an opinion of the control environment.

## **WD Health & Social Care Partnership Board**

- 4.18 In addition to the reviews referred to above, the Health & Social Care Partnership has a draft audit plan which includes 20 days drawn from the Internal Audit Service of West Dunbartonshire Council. This will be used to service this audit committee and to carry out a review of the Local Code of Good Governance and a review of the Audit Committee itself.

## **5. People Implications**

- 5.1 There are no personnel issues with this report.

## **6. Financial Implications**

- 6.1 There are no financial implications with this report.

## **7. Professional Implications**

- 7.1 None.

## **8. Locality Implications**

- 8.1 None.

## **9. Risk Analysis**

- 9.1 The Plan has been constructed taking cognisance of risks which have implications for the IJB as documented in the Risk Register which was approved by the HSCP Board as well as partners' identified risks.

## **10. Impact Assessments**

- 10.1 None.

## **11. Consultation**

- 11.1 This report has been prepared in consultation between the Partnership Board's Chief Internal Auditor, James Hobson, Assistant Director of Finance

(NHS Greater Glasgow and Clyde), Julie Slavin (Chief Financial Officer, West Dunbartonshire Health and Social Care Partnership) and Stephen West (Strategic Lead – Resources, West Dunbartonshire Council).

## **12. Strategic Assessment**

**12.1** The establishment of a robust audit plan will assist in assessing whether the Partnership Board and Officers have established proper governance and control arrangements which contribute to the achievement of the strategic priorities of the HSCP Strategic Plan.

**Author:** **Colin McDougall**  
**Chief Internal Auditor – Health & Social Care Partnership Board**

**Date:** **4 March 2019**

---

**Person to Contact:** Colin McDougall, Audit and Risk Manager  
West Dunbartonshire Council  
Telephone 01389 737436  
E-mail – [colin.mcdougall@west-dunbarton.gov.uk](mailto:colin.mcdougall@west-dunbarton.gov.uk)

**Appendices:** Appendix 1: Internal Audit Reports – WDC Internal Audit Team  
Appendix 2: WDHSCP - Internal Audit Reports / External Audit Reports

**Background Papers:** None



# Appendix 1: Internal Audit Reports – WDC Internal Audit Team

Generated on: 04 March 2019



Action Status	
	Cancelled
	Overdue; Neglected
	Unassigned; Check Progress
	Not Started; In Progress; Assigned
	Completed

## Social Care Services Reports


**Project 134. Use of Care First Functionality for Financial Management (Report Issued May 2018)**

Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
T&PSR/IAAP/624	<p><u>1. System Functionality</u> A review should be undertaken to determine if the personal budgeting screen could be utilised by other client teams and if it can't whether from a cost benefit analysis it is worth maintaining the functionality.</p> <p>In addition an analysis should be done by the teams on what information they currently use and need and whether the use of business</p>	<p>The Self Directed Support (SDS) policy is currently under review, in preparation for potential inspection. Terms of review maybe extended to consider the appropriateness of using CareFirst to assess client packages.</p>		<div style="border: 1px solid black; width: 50px; height: 15px; background-color: #add8e6; display: inline-block; margin: 0 auto;">75%</div>	31-Mar-2019	31-Mar-2019	Wendy Jack	<p>SDS Care Manager Guidance is currently being piloted with adult and older people services to ensure it is fit for purpose. Feedback from Care Inspectorate from the local SDS Review process will be available from March 2019 and will further inform approach within West Dunbartonshire.</p>


Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
	objects could assist with this. (Medium Risk)							

## **Corporate Reports**



### **Project 120. ICT Disaster Recovery/Business Continuity Controls (Report Issued August 2017)**

Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
CS/IAAP/520	<u>2. DR Plans for the main telephony delivery systems have yet to be implemented/tested</u> Management must set in place plans and timescales to effectively test DR arrangements for the main telephony systems. (Medium Risk)	ICT will develop the implementation plan for this test by the end of October		<div style="border: 1px solid black; width: 60px; height: 15px; background-color: #e0e0e0; position: relative;"><div style="position: absolute; left: 0; top: 0; bottom: 0; right: 0; background-color: #0070c0; width: 33%;"></div></div> 33%	31-Oct-2017	29-Mar-2019	Brian Miller	Mar 19 - Testing complete and underlying network returned to full operation with issues resolved. Discussions to take place with Capita regarding sign off on DR plans for existing telephony system. On course for completing by 29th March.


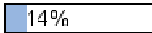

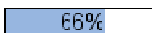
### **Project 121. Purchasing Card Audit (Report Issued August 2017)**


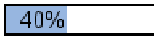

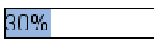
Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
CS/IAAP/528	<u>2b. Terminating Purchase Cards when employees leave</u> As part of the employee leaving process a procedure should be added to ensure that any purchase cards an employee holds are terminated. (Low risk)	Further development required with Workforce Management System to identify staff with CPC to have automated notifications where staff move location, section or terminate employment to ensure robust management of CPC distribution and manager notifications.		<div style="border: 1px solid black; width: 60px; height: 15px; background-color: #e0e0e0; position: relative;"><div style="position: absolute; left: 0; top: 0; bottom: 0; right: 0; background-color: #0070c0; width: 33%;"></div></div> 33%	30-May-2018	31-Mar-2019	Stella Kinloch	Development scheduled along with ICT asset management - due for completion by 31st March 2019.

**Project 131. ICT Remote Access Controls (Report Issued May 2018)**

Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
T&PSR/IAAP/613	<p><u>1. Data handling Terms and Conditions required for 3rd party access to WDC information</u> Management should develop a standard 3rd party suite of data handling terms and conditions to protect WDC information whilst 3rd party vendors carry out support activities.</p> <p>(Medium Risk)</p>	ICT will assist Legal Services in the development data handling terms and conditions.			30-Sep-2018	30-Apr-2019	Alan Douglas; James Gallacher; Iain Kerr; Patricia Kerr	4th March 2019, Updated timescales issued by SG indicating "Launch of tool, guidance note and written materials on <b>15/04/19</b> " Due date for the action has subsequently been extended to 30th April 2019






**Project 133. Data and Information Security – Governance and Practice (Report Issued May 2018)**

Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
T&PSR/IAAP/620	<p><u>5. Combined procurement approach for PSN / PCI / Cyber Essentials</u> A coordinated procurement approach covering the compliance requirements for PSN, PCI and Cyber Essentials should be progressed.</p> <p>(Low Risk)</p>	Although an exercise to carry out the PSN IT Health Check will progress this year, a regulated procurement exercise will follow for subsequent years to combine tests for each of the compliance regimes, initially over a three year period.			31-Mar-2019	31-May-2019	Iain Kerr	Unable to meet original timescales due to conflicting priorities, due date now moved to 31st May 2019 and milestones changed to reflect new date.
T&PSR/IAAP/621	<p><u>6. Supply Chain Cyber Security Policy</u> Once the final Supply Chain Cyber Security Policy is issued by the Scottish Government, a process needs to be established to implement the laid down requirements.</p>	Meetings will take place between Annabel Travers, Iain Kerr and Patricia Kerr to determine how the <i>Supply Chain Cyber Security Policy</i> will be processed and implemented. The			31-Dec-2018	30-Apr-2019	Iain Kerr; Patricia Kerr; Annabel Travers	4th March 2019, Updated timescales issued by SG indicating "Launch of tool, guidance note and written materials on <b>15/04/19</b> " Due date for the action has subsequently been extended to 30th April



Action Code	Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
	(Medium Risk)	process will be captured in a guidance document and published on the intranet with an email sent out to the CPU and ICT staff.						2019
T&PSR/IAAP/622	<p><u>7. Update required to Acceptable Use Policy</u> The Council's Acceptable Use Policy (AUP) should be reviewed and updated.</p> <p>(Low Risk)</p>	The AUP will be reviewed as an Information Security policy, taking into account changes in working practices and legislation since the last review, input will be required from ICT, Legal and possibly procurement.			31-Mar-2019	31-Mar-2019	Iain Kerr	The timescale may slip slightly to fit with the April ICT steering board date
T&PSR/IAAP/623	<p><u>9. Information Governance Scheme</u> An Information Governance Scheme should be developed, approved and introduced.</p> <p>(Low Risk)</p>	<p>Whilst the relevant information exists on the Records Management page of the Staff Intranet, it is believed that such an Information Governance Scheme will assist employees to understand the inter-relationships between various governance documents and internal and external requirements.</p> <p>The scheme will form a useful first port of call for Employees seeking to understand how information should be dealt with across the Council. It will require significant input from colleagues across the Council.</p>			31-Mar-2019	31-Mar-2019	Alan Douglas	On track.


## Appendix 2 WDHSCP - Audit Reports



Generated on: 02 March 2019

Action Status	
	Cancelled
	Overdue; Neglected
	Unassigned; Check Progress
	Not Started; In Progress; Assigned
	Completed





### Project 2. WDHSCP External Audit Annual Report 2016/17

Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
<p><u>1. Hospital Acute Services (Set Aside)</u> Arrangements for the sum set aside for hospital acute services under the control of WDIJB are not yet operating as required by legislation and statutory guidance. A notional figure was included in the accounts under a transitional arrangement agreed by the Scottish Government.</p> <p>Risk: In future years the sum set aside recorded in the annual accounts will not reflect actual hospital use.</p>	<p>A working group has been formed with NHSGGC finance colleagues, CFOs and the Scottish Government to establish processes for planning, quantifying and performance management of delegated hospital functions and associated resources in 2017/18.</p>			30-Jun-2018	31-Mar-2019	Wendy Jack; Julie Slavin	<p>There has been a revised calculation undertaken for the 2018/19 Notional Set Aside budget using 15/16, 16/17 and 17/18 data sets. To be fully compliant with the legislation the calculation must reflect the previous 3 years activity and cost and averaged out, therefore the HSCPs have requested that 2014/15 data is factored in and potentially 2013/14 data in order to try and track the shift in activity influenced by the opening of the new Queen Elizabeth University Hospital, which led to a reduction in</p>

Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
Recommendation: NHSGGC and WDIJB should establish processes for planning and performance management of delegated hospital functions and associated resources in 2017/18.							the number of Acute beds across NHSGGC.
<p><u>4. Medium to Long term Financial Plans</u></p> <p>There are no medium to long term financial plans in place. This is increasingly important as demand pressures increase, financial settlements continue to reduce and fundamental service redesign over a longer time frame becomes necessary.</p> <p>Risk: WDIJB is not planning adequately over the medium to long term to manage or respond to significant financial risks. Services may be affected if their sustainability is not planned.</p> <p>Recommendation: A long term financial strategy (5 years +) supported by clear and detailed financial plans (3 years +) should be prepared. Plans should set out scenario plans (best, worst, most likely).</p>	<p>This has been committed through further actions in our Annual Governance Statement and is now also included in our Improvement Action Plan as part of our review of the Local Code of Governance.</p>	▶		28-Feb-2018	30-Jun-2019	Wendy Jack; Julie Slavin	<p>Work is continuing on the 2019/20 to 2021/22 social care budget in partnership with WDC Budget Working Group. There has also been a significant amount of information and debate around 2019/20 financial settlement expectations from the Scottish Government. The new WDHSCP Strategic Plan for 2019 -2021 will also shape the Medium Term Financial Plan as will the recommendations from both the Audit Scotland Report and the Ministerial Steering Group's Report on the Progress of Integration.</p>

<p><b>7. Value for Money</b> While there is evidence of elements of Best Value being demonstrated by the joint board, there is no mechanism for formal review.</p> <p>Risk: Opportunities for continuous improvement are missed.</p> <p>Recommendation: The IJB should undertake a periodic and evidenced formal review of its performance against the Scottish Government Best Value framework</p>	<p>Work on developing links with Annual Performance Reporting to demonstrate that in a climate of financial austerity targets are on track.</p>			<p>31-Jul-2018</p>	<p>31-Mar-2019</p>	<p>Wendy Jack; Julie Slavin</p>	<p>The existing HSCP governance structures, including the review of the Local Code will feature in this review. Examples of responses to Audit Scotland from other IJBs are being considered and it is evident that WDHSCP already have many Best Value processes and procedures in place which can be reflected in a response to external audit.</p>
---	---	---	--	--------------------	--------------------	---------------------------------	---

**Project 3. Annual Code of Good Governance (September 2017)**

Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
<p><b>9. Medium term financial plan</b> Develop medium term financial plan.</p>			<p>28-Feb-2018</p>	<p>30-Jun-2019</p>	<p>Julie Slavin</p>	<p>Work is continuing on the 2019/20 to 2021/22 social care budget in partnership with WDC Budget Working Group. There has also been a significant amount of information and debate around 2019/20 financial settlement expectations from the Scottish Government. The new WDHSCP Strategic Plan for 2019 -2021 will also shape the Medium Term Financial Plan as will the recommendations from both the Audit Scotland Report and the Ministerial Steering Group's Report on the Progress of Integration.</p>
<p><b>11. Set Aside</b> In partnership with NHSGGC, Scottish Government and GGC IJBs agree on methodology that allows Set Aside resources to be quantified and reflect actual activity to comply with legislation on the</p>			<p>30-Jun-2018</p>	<p>30-Jun-2019</p>	<p>Julie Slavin</p>	<p>There has been a revised calculation undertaken for the 2018/19 Notional Set Aside budget using 15/16, 16/17 and 17/18 data sets. To be fully compliant with the legislation the calculation must reflect the previous 3 years activity and cost and averaged out, therefore the HSCPs have requested that 2014/15 data is factored in and potentially 2013/14 data in order to try and track the shift in activity influenced by the opening of the new Queen Elizabeth University Hospital, which led to a reduction in the number of Acute beds across NHSGGC.</p>





Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
use of this resource in shifting the balance of care.						



**Project 4. Annual Code of Good Governance (June 2018)**



Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
<u>1. Review of Audit Committee</u> Review the effectiveness of the Audit Committee and the Terms of Reference			31-Dec-2018	30-Jun-2019	Colin McDougall	Management have reviewed the Cipfa documentation and a meeting will be arranged between the Chair and the Chief Internal Auditor.
<u>2. Review of Strategic Planning Group</u> Review the effectiveness of the new Strategic Planning Group			31-Mar-2019	31-Mar-2019	Beth Culshaw; Wendy Jack	Consideration of the activity of the Strategic Planning Group will take place following year 1 of activity in 2019, with partners and wider stakeholders across all communities and service areas.
<u>3. Long term financial planning</u> Consider long term financial planning in the context of projections and assumptions made by HSCP Board's funding partners.			30-Jun-2019	30-Jun-2019	Julie Slavin	Will follow on from the Medium Term Financial Strategy. Will reflect the new Strategic Plan currently out for consultation.



**Project 5. WDHSCP External Audit Annual Report 2017/18**

Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
<p><u>1. Set Aside</u> Arrangements for the sum set aside for hospital acute services under the control of WDIJB are not yet operating as required by legislation and statutory guidance. A notional figure was included in the accounts under an extension to the transitional arrangement agreed by the Scottish Government.</p> <p><b>Risk:</b> In future years the sum set aside recorded in the annual accounts will not reflect actual hospital use.</p> <p><b>Recommendation:</b> NHSGGC and WDIJB should continue to establish processes for planning and performance management of delegated hospital functions and associated resources in 2018/19</p>	<p>The CFO will continue to be involved in both local and national discussions to develop arrangements for the sum set aside.</p>			30-Jun-2019	30-Jun-2019	Wendy Jack; Julie Slavin	<p>There has been a revised calculation undertaken for the 2018/19 Notional Set Aside budget using 15/16, 16/17 and 17/18 data sets. To be fully compliant with the legislation the calculation must reflect the previous 3 years activity and cost and averaged out, therefore the HSCPs have requested that 2014/15 data is factored in and potentially 2013/14 data in order to try and track the shift in activity influenced by the opening of the new Queen Elizabeth University Hospital, which led to a reduction in the number of Acute beds across NHSGGC.</p>
<p><u>5. Financial sustainability</u> In 2018/19 the Board agreed to deliver savings of £1.216 million. It faces cost pressures associated with community placements and prescribing and the level of unearmarked reserves is below their target. In addition, the IJB is currently projecting an overspend of</p>	<p>The medium to long term plan will be discussed with the newly formed Strategic Planning Group, including partners' funding assumptions.</p>			31-Mar-2019	31-Mar-2019	Jo Gibson; Wendy Jack; Julie Lusk; Julie Slavin	<p>HSCP Board have been provided information on savings progress and any under risk have been factored into the projection. Financial planning for 2019/20 budget is underway and initial savings options have been submitted by all Heads of Service for further review and discussion with HSCP board members and JSF. The HSCP</p>

Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
<p>£0.977 million for the 2018/19.</p> <p><b>Risk:</b> Additional pressure on the IJB's finances, combined with the cost pressures associated with prescribing and community placements, may result in a balanced budget not being delivered.</p> <p><b>Recommendation:</b> In addition to tracking progress against the agreed savings for the 2018/19 financial year, a medium to long term financial plan should be produced.</p>							Board will consider the 2019/20 Budget Setting paper on 28 March 2019. As our partner organisations continue to only receive single year funding settlements ongoing financial sustainability will remain a risk for the HSCP Board.
<p><u>7. Best Value</u> While there is evidence of elements of Best Value being demonstrated by the Joint Board, there is no mechanism for formal review and therefore it is not being reported through the Annual Performance Report.</p> <p><b>Risk:</b> Non-compliance with the requirements outlining the content of the Annual Performance Report. Also opportunities for continuous improvement are being missed.</p> <p><b>Recommendation:</b> The IJB should undertake a</p>	A formal review will be carried out to evidence the current good practice and areas for improvement.			31-Jul-2019	31-Jul-2019	Wendy Jack; Julie Slavin	The existing HSCP governance structures, including the review of the Local Code will feature in this review. Examples of responses to Audit Scotland from other IJBs are being considered and it is evident that WDHSCP already have many Best Value processes and procedures in place which can be reflected in a response to external audit.

Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
periodic and evidenced formal review of its performance against the Scottish Government Best Value framework.							
<p><b>8. Internal Audit (b/f 3)</b></p> <p>The internal auditors of NHSGGC do not share copies of individual internal audit reports with the IJB or attend meetings of the IJB's Audit Committee.</p> <p><b>Risk:</b> Officers and Board members may be unable properly discharge their scrutiny and governance responsibilities.</p> <p><b>Recommendation:</b> The WDIJB should develop a protocol with the auditors for all internal audit reports affecting the IJB to be made available to its Audit Committee.</p>	<p>Tender documentation issued as part of the re-tendering process for NHSGGC internal audit services noted that <i>"where their work is of relevance to Integration Joint Boards (IJBs), the Contractor may be called on to give appropriate assurances to the IJB Chief Internal Auditor"</i>.</p> <p>The IJB continues to engage with both NHSGGC and the internal audit department.</p>			31-Mar-2019	31-Mar-2019	Colin McDougall; Julie Slavin	An information sharing protocol has been drafted and has been circulated to Chief Auditors for comment.