



Perth & Kinross Health and Social Care Partnership

Internal Audit Report
All Services
PKIJB20-01: Improvement Actions
May 2021

Final Report

Legal and Governance
Corporate and Democratic Services
Perth & Kinross Council
Council Offices
2 High Street
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PKCIJB 20-01 Improvement Actions

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1. Introduction

1.1 This audit was undertaken as part of the Internal Audit plan for 2020/2021, approved by the Audit and Performance Committee on 14 September 2020.

1.2 The indicative scope for the audit was to review the efficiency and effectiveness of the completion of agreed improvement actions and the ensuing reporting arrangements. However, due to COVID and the resultant impacts that this has had upon the Service and delivery of actions within the Partnership Improvement Plan, the audit has been rescoped slightly to more broadly provide assurance around the improvement action monitoring framework and progression thereof.

1.3 This audit is intrinsically linked with most of the [Strategic Risks](#) stated on the register as related actions will be progressed through and impacted by the Partnership Improvement Plan.

2. Audit Background Information

2.1 The IJB's Annual Governance Statement for 2018/19, as approved at the Audit and Performance Committee in June 2019, included an improvement action for 2019/20 which stated that "a comprehensive improvement plan will be developed that brings together the findings of the Joint Inspection, the findings of the Annual Governance Self-Assessment and as part of that the MSG Review of Integration."

2.2 The work necessary to collate the actions and recommendations from these reports was undertaken and collated into the Partnership Improvement Plan which was presented to the Integration Joint Board meeting of 12th February 2020.

2.3 The Board requested at this meeting that the Chief Officer provide an update on the Partnership Improvement Plan to each Audit & Performance Committee meeting and to provide a regular update on the work being undertaken to implement the necessary actions.

2.4 Internal Audit carried out a consultancy assignment in 2020, the outcomes of which were reported to the Audit & Performance Committee on 14 September 2020 (report [G/20/84](#) refers). This consultancy activity was focused around providing advice and support to the Service for developing arrangements.

2.5 This audit is a follow up to that assignment.

3. Scope and Limitations

3.1 In order to arrive at an opinion on the effectiveness of controls, this audit reviewed arrangements in place to provide assurance around the improvement action monitoring framework.

3.2 This high-level review considered internal processes and evidence around information collation, scrutiny and challenge, consistency of reporting measures, information presentation and evidence supporting progression of the plan.

3.3 A sample of 5 improvement actions was selected and evaluated for progression evidence. This sample represents approximately 13% of the action plan.

3.4 This review was carried out remotely and consisted of analysis of documentation and interviews with relevant Officers.

3.5 This review did not consider this activity in relation to Corporate Risk 10 - Corporate Support capacity as this is subject to a separate internal audit included within the 2020/21 Internal Audit plan.

4. Assessment of the Control Environment

4.1 The table below contains a summary of the findings against each control objective and Internal Audit's assessment of the adequacy and effectiveness of the controls in place to meet each of the objectives agreed for this audit. Further details, including any improvement actions, are set out in the Management Action Plan.

No.	Control Objective	Action Rating					Control Objective Assessment
		5	4	3	2	1	
1	To ensure that there are appropriate arrangements for the collation, recording and reporting of improvement actions through the Partnership Improvement Plan				2	1	Substantial

4.2 The auditor has assessed that substantial assurance can be placed on controls overall in relation to improvement actions from the audit. Meaning:

A sound system of governance, risk management and control exists.

4.3 A summary of the key findings and actions are provided in section 5, please note however, the following areas of good practice which have been highlighted during the audit:

4.4 All improvement actions have been collated into a single plan for internal monitoring within the Service and subsequent reporting to the IJB.

4.5 The Partnership Improvement Plan is being compiled by the Business & Resources Manager who is well placed within the organisation to receive regular information on actions through normal business activity.

4.6 Target dates and change in status information from last review are being presented to the Audit & Performance Committee, which will allow for greater scrutiny.

4.7 Each part of the plan has a defined Responsible Owner by job title.

5. Summary of Findings

5.1 Below is a summary of key findings and actions, which are reflected in the Management Action Plan, detailed in section 9.

5.2 IT was agreed with the IJB on 12th February 2020 ([report G/20/11](#) refers) that there would be regular updates to the Audit & Performance Committee on matters relating to the Partnership Improvement Plan (PIP). Despite the challenges relating to the response to the COVID pandemic and the subsequent remobilisation, this information was provided to Committee in June, September and November 2020.

5.3 Whilst a specific PIP update was not provided to the Audit & Performance Committee in February 2021, the agenda contained a focus on improvement actions arising from the Joint Inspection. A report on the PIP is being presented at the June 2021 meeting of the Committee and provides a more complete update on all actions and progression status.

5.4 Consideration of the PIP has been included as a Standing Item with the Audit & Performance Committee Work Plan for 2020/21 which gives assurance around future review frequency.

5.5 There is evidence of appropriate collation and scrutiny of the PIP, which facilitated update and challenge by the Business & Resources Manager, Responsible Officers and peers within the Executive Management Team. Discussions are underway to further refine arrangements around timelines/forum for collation and scrutiny of the plan prior to future submissions to the Audit & Performance Committee.

Action Point 1

5.6 There is evidence of actions relating to the PIP being considered and progressed at an appropriate level. This includes a detailed review of the Plan taking place as described to Audit & Performance Committee in September 2020, considering resource, prioritisation and progress as well as a further PIP workshop with the Executive Management Team in May 2021.

5.7 The Services are working closely together to update information within the plan, however, there is acknowledgement that documenting definitions of the RAG and Priority Status meanings may assist in ensure common understanding of these across the Service and Audit & Performance Committee.

Action Point 2

5.8 The Service advises that there is confidence that all improvement actions have been collated and are represented appropriately, and this is backed up by a mapping document, linking to key inspection and review findings.

5.9 The Business & Resources Manager works closely with the Executive Management Team to ensure that any additional actions arising will be identified and added to the plan as required. There is evidence of this control working through the inclusion of 2 actions identified through Annual Governance Review in 2020/21.

5.10 Internal Audit carried out a high-level review of the PIP between versions and the Auditor is satisfied that this shows appropriate movement of priorities, RAG status and update information as the plan has developed and progressed.

5.11 All recorded actions now have an attributed Responsible Owner and show consideration of target dates. A new category has been created which reflects those improvement actions which are not solely within the Partnerships control and require input and collaboration with Statutory Partners for satisfactory completion. Furthermore, there are no red status actions, reflecting the development and progression of plans.

5.12 A small sample of Improvement Actions from the plan was also examined to gain assurance around reported changes and supporting evidence. The Auditor was satisfied with all explanations and evidence received.

5.13 The Service is currently considering how to best link and file documents related to action completion, to enable quick and easy referencing/provision of evidence for any follow up inspection activity.

Minor observation

6. Conclusion

6.1 The Internal Audit review is able to place substantial assurance on the overall control environment surrounding the Performance Improvement Plan.

7. Acknowledgements

Internal Audit would like to thank all officers who were involved in this audit, particularly F Low, Business & Resources Manager.

8. Action Implementation & Follow up

8.1 Responsibility for the maintenance of adequate and effective controls rests with management. Where the audit has identified areas for management action, these are identified in the Management Action Plan. Where a decision is taken by management not to act in response to finding from this review, it is the responsibility of management to assess and accept the risk arising from non-implementation.

8.2 Achievement of the agreed actions is monitored through Internal Audit's 'follow up' arrangements.

9. Management Action Plan

Action Point	Para. No	Finding	Risk Rating	Agreed Action & Evidence	Action Owner	Target Completion Date
1	5.5	Discussions are underway to further refine arrangements around timelines/forum for collation and scrutiny of the plan prior to future submissions to the Audit & Performance Committee.	2 - Low	<p>Agreed action: An operating procedure will be developed setting out a standard approach to the regular update and review and scrutiny through the Executive Management Team.</p> <p>Agreed evidence: Operating procedure and timetable.</p>	Business & Resources Manager	30 th June 2021
2	5.7	The Services are working closely together to update information within the plan, however, there is acknowledgement that documenting definitions of the RAG and Priority Status meanings may assist in ensure common understanding of these across the Service and Audit & Performance Committee.	2 - Low	<p>Agreed action: A key will be added to the Plan which will define RAG and priority status meanings.</p> <p>Agreed evidence: New version of the plan including the key/next update report to Committee</p>	Business Resources & Manager	30 th June 2021

10. Authorisation

The auditor for this assignment was L Ferguson. The supervising auditor was J Clark.

This report is authorised for issue:

11. Distribution

This report has been distributed to:

G Paterson, Chief Officer – IJB

J Smith, Chief Finance Officer – IJB

E Devine, Head of Health

H Dougal, Associate Medical Director

Z Robertson, Service Manager (Policy & Commissioning)

K Ogilvy, Service Manager (Adult Social Work & Social Care)

F Low, Business & Resources Manager

Committee Services

External Audit

12. Assessment Definitions

The following table contains the definitions of the control objective assessment.

Control Objective Assessment	
Level of assurance	Definition
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

The following table contains the definitions applied by Internal Audit in rating audit findings/actions.

Risk Rating for Individual Findings		
Rating	Rating description	Definition
5	Critical	Significant observations / major concerns which require immediate action. Management will need to add these to the appropriate Service risk register <i>Issue represents a control weakness which could cause, or is causing, severe disruption of the process or severe adverse effect on the ability to achieve process objectives</i>
4	High	Significant observations regarding the absence / failure of key controls requiring urgent action. Management should consider adding these to the appropriate Service / divisional risk register <i>Issue represents a control weakness which could have, or is having, major adverse effect on the ability to achieve process objectives</i>
3	Medium	Observations regarding the effectiveness of key controls requiring reasonably urgent action. Management should consider these when updating any divisional / team risk registers <i>Issue represents a control weakness which could have, or is having, significant adverse effect on the ability to achieve process objectives</i>

2	Low	<p>Minor observations regarding the adequacy of controls which require action to improve the efficiency, effectiveness or economy of operations or which otherwise require to be brought to the attention of Senior Management</p> <p><i>Issue represents a minor control weakness with minimal but reportable impact on the ability to achieve process objectives</i></p>
1	Trivial / Minor	<p>Very minor observations which will be raised during the course of the audit and may not be included within the final report</p> <p><i>Issue represents a very minor control weakness with negligible impact on the ability to achieve process objectives. The issue will be raised during the course of the audit and may not be included within the final report.</i></p>