



Meeting of East Renfrewshire Health and Social Care Partnership	Performance and Audit Committee
Held on	26 March 2025
Agenda Item	13
Title	Audit Update
<p>Summary</p> <p>This report provides Performance and Audit Committee with an update on:-</p> <ul style="list-style-type: none"> • Any new audit activity relating to the Integration Joint Board since last reported to Performance and Audit Committee in November 2024 • Any new audit activity relating to the Health and Social Care Partnership since last reported to Performance and Audit Committee in November 2024 • A summary of all open audit recommendations 	
Presented by	Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)
<p>Action Required</p> <p>Performance and Audit Committee are asked to note and comment on the report.</p>	

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

PERFORMANCE AND AUDIT COMMITTEE

26 March 2025

Report by Chief Financial Officer

AUDIT UPDATE

PURPOSE OF REPORT

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

RECOMMENDATION

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

BACKGROUND

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

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

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

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

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

REPORT

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

8. No new audit activity relating specifically to the Integration Joint Board has been undertaken.

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

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

Audit of Bonnyton House (MB/1217/ZC - issued 14 November 2024)

10. This is an HSCP specific audit with 17 recommendations.
11. A copy of the audit report is included at Appendix 2A. Since the audit was issued in November, the service has actioned 13 of the 17 recommendations.

Recommendations from previous audits (Appendices 2B-2H)

12. At the November 2024 meeting, a total of 30 recommendations were reported; 10 open and 20 which the HSCP considered to be closed but were pending verification from internal audit. We now consider a further 6 of these recommendations closed (pending verification).
13. From the new audit of Bonnyton House we consider 13 of the 17 recommendations closed (pending verification). This means we now have 47 recommendations in total; 8 open and 39 which are considered closed and awaiting verification.

14. Internal audit have just completed follow up work on the audit of ordering and certification and are currently undertaking work on the *application audit of payroll* and *follow up of HSCP audits*.
15. The table below summarises the total number of recommendations impacting on the HSCP which are either open or yet to be verified by internal audit. Further detail is included in the relevant appendix along with changes since last reported in each 'status' section.

Audit Report and Appendix		No. changed to considered closed since last reported	Recommendations		
			Total no. for HSCP	HSCP consider closed (awaiting verification)	Total open
Bonnyton House	2A	(new)	17	13	4
St Andrews House	2B	1	4	4	0
Accounts Payable	2C	n/a	4	4	0
Accounts Receivable	2D	1	3	1	2
Application Audit of Payroll	2E	4	4	4	0
Follow-up of HSCP Audits	2F	0	8	6	2
SDS – Direct Payments	2G	n/a	3	3	0
Ordering and Certification	2H	n/a	4	4	0
TOTAL		6	47	39	8

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

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

CONCLUSIONS

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

RECOMMENDATIONS

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

REPORT AUTHOR AND PERSON TO CONTACT

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 14 March 2025

Chief Officer, IJB: Julie Murray

BACKGROUND PAPERS

PAC 20.11.2024 – Audit Update
https://www.eastrenfrewshire.gov.uk/media/10964/Item-07-Audit-Update/pdf/Item_07_-_Audit_Update.pdf?m=1731506056360

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Appendix	1A
Title	Ernst & Young 2023/24 Action Plan
Type	Internal Audit Activity relating to the Integration Joint Board
Status	First presented to PAC November 2024 No changes since last reported November 2024

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

Classification of recommendations

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

Appendix	2A
Title	Bonnyton House
Type	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
Status	New First presented to PAC March 2025

REPORT ON AUDIT OF BONNYTON HOUSE

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Chief Auditor
MB/1217/ZC
6 November 2024



REPORT ON AUDIT OF BONNYTON HOUSE

1. INTRODUCTION

As part of the Annual Audit Plan for 2024/25, a regularity audit of the Bonnyton House was carried out.

The main risks associated with this area are that if the appropriate records are not maintained to allow all petty cash expenditure to be accounted for. There is also a risk that income and expenditure relating to residents monies could be misappropriated if the correct records are not maintained and appropriate management checks completed. The previous audit of Bonnyton was issued October 2019 and at that time the main weaknesses related to the petty cash imprest levels, levels of cash held, receipts and bank signatories.

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

2. SCOPE

The scope of the audit, as agreed with HSCP Chief Financial Officer on 14 May 2024 was to ensure that all income and expenditure is correctly accounted for and proper financial records are maintained. The audit, initially paused at request of HSCP, focussed on the following areas:

- Petty cash imprest is operated in accordance with council procedures and purchases are appropriate;
- Purchases are appropriate and in accordance with council procedures;
- Staff records held for location are up to date and accurate and absence monitoring is carried out in accordance with council policy;
- Cash holding and general security arrangements are appropriate;
- Client monies are appropriately held and accounted for;
- All Miscellaneous income can be fully accounted for and has been banked promptly;
- Adequate records are held to support independent funds and are reconciled to cash and bank balances periodically.

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

3. GENERAL CONCLUSION

The records held at the centre were generally well maintained and there was supporting documentation to support the amounts being incurred from the petty cash imprest in relation to service user activities.

There is scope, however, to improve controls around chain of custody of cash handling for both petty cash and clients monies. Receipts for client funds received in cash do not always identify the recipient's name or which employee issued the receipt. Funds withdrawn to replenish petty cash, amenity fund and client funds may be passed to another member of staff to lodge in safe and update supporting documentation, breaking the chain of custody around cash. These increase the risk of monies being incorrectly accounted for.

Audit was unable to evidence an analysis by client of monies held in the corporate appointeeship bank account. There is no documented process for returning unused client funds for clients who are no longer current residents at Bonnyton. Similarly there is no process for recording items of jewellery found which are currently stored in the safe.

A sample of absence records at the location was reviewed to payroll records for 2023/24. This highlighted some periods of absence inaccurately recorded on the payroll system and some periods of absence for which the appropriate forms had not been completed.

The following recommendations are made and require to be addressed.

4. FINDINGS AND RECOMMENDATIONS**PETTY CASH IMPREST****4.1 Petty Cash Reconciliations**

Since the previous audit, the petty cash imprest known as Bonnyton Resource Centre of £200 was repaid to the Council in August 2023 and associated bank account ending 9989 closed. There is one imprest at the location, a total of £600 which is replenished on a regular basis.

Petty cash records were generally found to be well maintained and organised. In the cash count on 18/09/2024, it initially appeared petty cash was fully accounted for; however a cheque written to petty cash was not included in the reconciliation. At an unannounced count on 14/10/2024 the petty cash reconciliation was noted as £110 short. £10 was identified in amenity fund as it was £10 over, and audit was made aware within one hour of £100 being located in a rarely used container in safe marked for employees. The chain of custody for funds being replenished for petty cash, amenity fund and corporate appointeeship is not always maintained. In this instance audit were advised of £100 given to the senior on duty to place in petty cash box; however it was not written on petty cash schedule; subsequently a senior believed petty cash was over by £100 and they removed this from petty cash until identified. Chain of custody of cash is important for both the organisation and the individuals concerned and it would be prudent for transactions to be fully documented on a timely basis.

Recommendation

4.1.1 The employee withdrawing cash from bank accounts for the location must lodge monies in safe and update the appropriate record promptly in person to maintain chain of custody of funds; (petty cash, amenity fund, corporate appointeeship account).

4.2 Petty Cash Expenditure

Petty cash claims for the period 1 April 23 to 16 July 24 were reviewed to ensure amounts claimed were supported by valid receipts. It is acknowledged all expenditure transactions sampled were cross referenced to a supporting receipt and files well organised.

It was noted, however, instances of input vat being shown where vat is not applicable; the majority of these instances being vat itemised for re-imburement on birthday cakes, food items and postages. In the sample covering 18 months, 22 birthday cakes with £53.08 vat shown; 9 instances of vat on food items totalling £14.66 and 2 instances of postage £2.77. In addition, £8.17 vat was itemised in relation to an item of gardening supplies without a valid vat receipt.

One petty cash claim was noted where total expenditure for re-imburement of £111.84 (9 items) was all noted in the incorrect column and ledgered as postages. A hand written petty cash claim form is maintained by seniors as expenditure is incurred, the business support assistant subsequently reviews receipts and prepares a digital claim for submission to accounts payable. As records were generally well organised, cross referenced, and easy to follow, no recommendation is made in respect of this one instance.

Recommendation

4.2.1 Input VAT should only be claimed where an item is applicable to VAT and supported by a valid VAT receipt.

4.3 Splitting of Receipts

The review of claims for reimbursement showed evidence of the petty cash limit of £25 being breached and an instance of a single item receipt being split to mask that the £25 limit was breached.

The Petty Cash Procedures state that “The upper limit in respect of individual items of expenditure shall be £25 unless authorised by the Chief Financial Officer or the Chief Accountant.”

However this does not mean that large amounts can be spent from the imprest as the procedures also state that "*Payments from imprest accounts shall be limited to minor items of expenditure.*"

Review of the claim covering period 17/06/2023 to 25/08/2023 showed spending of £42 on a fence sprayer, £42 on aggregates, and £78.97 on garden equipment which included £49 on aggregates masked within the receipts. In the claim covering period 26/08/2023 to 27/10/2023, a single receipt for £42 on aggregates was photocopied and shown as two separate lines of £21. These are over the £25 limit and are not deemed to be appropriate expenditure for the imprest and should have been procured via the purchasing system.

Recommendations

4.3.1 Staff at location should be reminded the individual item limit for petty cash is £25 and that petty cash is for minor items of expenditure only.

4.3.2 Staff at location to be advised receipts must not be split to avoid breaching the petty cash limit set for individual items of expenditure.

4.4 Purchasing

A sample of 10 orders was taken from an Integra report showing invoices between 01/04/2023 and 23/09/2024, where the orders had been placed by the establishment. Checks were carried out to determine if the supplier was an approved supplier and in cases where this was not the case the reason for the selection was queried at the establishment.

Three suppliers in sample of 10 could not be found on the approved supplier listing. One supplier provided maintenance for the deaf and hard of hearing fire alarm and has provided this service for many years. Billing address on the invoice was incorrect and not a council address, delivery address was however correct. Audit was advised that no other supplier was available to provide this service.

Further analysis of the spend with the two other suppliers indicated that over a four year period plus current year, total spend across the Council was in excess of £35k for each supplier, and as such a quick quote may be required if use of these suppliers is to continue.

Corporate Procurement 2023/24 spend analysis has been completed and issued to departments. The review includes details of spend of the two suppliers in the sample where additional work is required to allow them to be used for future purchases.

Recommendation

4.4.1 Appropriate action must be taken on highlighted suppliers as identified by the 2023/24 Procurement spend review before any future orders are placed with those suppliers.

4.5 Bank Accounts

Since the previous audit in 2019, HSCP has undertaken a rationalisation of bank accounts connected to the establishment, with the closure of two bank accounts and additional signatories added to the remaining three bank accounts. The three bank accounts being:

- petty cash imprest;
- amenity fund account for fund raising and donations and to be used for the benefit of clients; and
- corporate appointeeship account for use by third parties to lodge monies on behalf of specific clients.

During the audit a further bank account in the name of Bonnyton House Sensory Room ending 2569, was noted with a balance of £32.55. On enquiry with Virgin Money, this account is dormant and was not known to the current staff at the location.

Bank withdrawals are usually undertaken by one employee. It is best practice to have two employees involved in banking, and where feasible, this should be implemented. At the very least, consideration should be given to an operational limit as to the maximum one employee is permitted to lodge or withdraw in cash.

Recommendations

4.5.1 HSCP should take appropriate action to close the dormant bank account Bonnyton House Sensory Fund ending 2569.

4.5.2 Two employees should be involved in banking where possible and consideration given to restricting amounts of cash to be carried if only one person is involved.

EMPLOYEE EXISTENCE AND ABSENCE MONITORING

4.6 Completion of Absence Paperwork

A report of any staff absences at the location was obtained from the payroll system for the period 01/04/2023 to 02/09/2024. A sample was selected to trace to supporting paperwork to verify that the requirements of the Maximising Attendance guidance were being followed. Management advised Audit that an absence panel consisting of Acting Unit Manager and two HR officers met on a regular basis to review absence at the location and a spreadsheet of absence maintained. There was clear evidence at the location of MA1 forms being completed and the maximising attendance policy being implemented, however there is scope for improving the accuracy of recording.

From eight absences sampled, only two appeared to have been accurately recorded. In three cases the period recorded on Itrent was overstated as an end date had been omitted or was incorrect. In two cases the absence date on Itrent did not agree to the date recorded on the MA1 form and one absence noted on MA1 form had not been recorded on Itrent. In addition there was an example of incorrect year being recorded on MA1 form and a MA1 form not signed by employee.

It is important the payroll system accurately reflects employee absence as incorrect data may impact an employee's pay and there is also a risk maximising attendance policy is not properly followed as triggers are also impacted by records held. In addition, errors will impact on the Council performance indicator measuring sickness absence.

Supporting absence documentation was not uploaded to Itrent however it was stated the intention going forward was for all documentation to be uploaded and for Bonnyton work patterns to be reflected on the council employee self-service portal which would also remove the requirement for manual annual leave records to be maintained.

Recommendation

4.6.1 Management must ensure that all paperwork required by the Maximising Attendance guidance is completed accurately and uploaded to Itrent promptly as evidence of compliance.

CLIENT MONIES AT LOCATION

4.7 Receipts – Cash Received on behalf of Clients

Monies are retained in the safe at Bonnyton House on behalf of clients, each held in individual envelopes and a separate client savings record maintained (CL2 form). When cash is received on behalf of a client, a receipt is issued from a duplicate receipt book. A sample of 5 receipts issued from receipt book was selected to trace to CL2 forms.

On review of the receipt book, the giver's full name, client recipient and receiver of funds were not always recorded; reliance being placed on local knowledge to trace receipts to a client savings record.

A sample of 5 income receipts was selected from receipt books. One receipt sampled for £100 (reference 1355 18-07-24) was received from an individual where it was not possible to confirm which client this receipt was in respect of. It was noted as part of separate testing of CL2 forms that there was a lodgement of £100 dated 15-07-24 where it was not possible to locate the receipt. Without full analysis of all records, it is not known if these two are connected however the individual's name recorded on receipt book was not known in connection to the client.

The receipt book is sequential, however the receipt number is not noted on the CL2 form. More than one receipt book may be in operation at any time, and there were instances of receipts being used out of sequence. Unused receipts out of sequence had not been marked as void.

There is a bank account for use by third parties to deposit funds on behalf of clients for use by clients. Monies lodged are withdrawn from the bank as required and retained in the client's individual envelope. At the time of the audit, two client monies were received via this method. A sample of 5 bank account withdrawals was selected and traced to CL2 lodgements. Arithmetic checks highlighted a £3 carry forward error on one CL2 form. Any client lodgements or withdrawals will be initialled on the CL2 by the relevant staff member. It is noted that it is not always possible to have two employees available to witness cash transactions.

Recommendations

4.7.1 Client recipient's name must be included on income receipts when issuing duplicate receipts and any void receipts marked as such.

4.7.2 Receipt number should be recorded on CL2 client savings record.

4.7.3 Only one receipt book for client receipts should be in use at any one time.

4.8 Recording of Expenditure – on behalf of Clients

From a sample of five client savings records, additions were checked and a sample of expenditure from each traced to supporting receipts. Supporting expenditure receipts are retained alongside each CL2 form for current financial year transactions. Files were well organised however at the time of the audit, prior financial year receipts were archived and therefore the receipts sample was limited to April to Sept 2024. 46 receipts were viewed and this identified one sample where the receipt was recorded as £5.50 but actual receipt was £5.24, small difference of 26p.

Arithmetic cross checks were undertaken, two small errors were noted of 38p when CL2 form balance was below zero, and a 10p difference in another.

There are a few instances where client funds are insufficient to cover expenditure and monies will be used from the amenity fund cash in the short term. Any monies removed from the amenity fund cash tin on a temporary basis as an I.O.U for client monies should be properly documented in cash tin. No recommendation is made on this however HSCP staff at the location should be reminded to clearly note client name, amount and date of any I.O.U placed in the tin.

4.9 Client Monies – Security

Client monies are retained in the safe at Bonnyton with access to the safe restricted. During the audit, the contents of the safe were viewed. A client envelope containing £680.61 was stored separately from the current client envelopes and relates to a client balance from 2020. From discussion with the Acting Unit Manager, there is no documented process for returning of client funds. Audit notes this occurrence was in the early days of the covid pandemic; there should however be a documented process to safeguard client monies in the event of a death or instances where a client is no longer resident at the location.

It was also noted there were some items of jewellery stored in the safe, and it would be prudent to have a process documented in respect of personal items where client is unknown or no longer resident at the location.

There is a corporate appointeeship bank account for use by third parties to lodge monies on behalf of specific clients.

The balance at 30/08/2024 in the corporate appointeeship account was £8,230.31. An analysis of the balance by client was requested and this was not available. Whilst there have been changes to staff at the location, funds in this account are held on behalf of specific individuals and are not council funds. An on-going analysis of monies lodged and withdrawn from this account (ending 2724) should be maintained to evidence the Council's responsibility for management of these funds.

Recommendations

4.9.1 A process for recording and returning cash held on behalf of deceased persons and/or prior clients must be established and documented.

4.9.2 A process for recording personal items found which relate to prior clients and/or deceased persons should be established and documented.

4.9.3 An analysis of bank account ending 2724 (SW Corp Appoint'ship) to be undertaken to identify balance by client and analysis maintained on an on-going basis going forward.

4.9.4 HSCP need to take appropriate action to safeguard existing monies and jewellery relating to deceased and/or prior clients until a process is established.

4.9.5 Where possible, a review of CL2 forms for deceased and/or prior clients from 2020 to date should be undertaken to ascertain all monies were appropriately accounted for.

INVENTORIES

4.10 Completion of Annual Inventory Return

Records reviewed as part of the audit sample were generally well maintained and easy to follow. The annual inventory return for Bonnyton is relatively small with only those items valued at greater than £100 listed. Mobile phones and computer equipment are recorded on HSCP consolidated excel files. A small sample was selected of furniture and desktops to view at the location. It was noted that four desktops are listed on the inventory, though there are five at the location. Asset numbers are not recorded for all laptops.

Recommendation

4.10.1 All laptops, desktops and mobile phones should be accurately reflected on inventory; with asset number and serial numbers recorded for all appropriate items.

Chief Auditor
6 November 2024

Ref. / Risk Rating	Recommendation	Comments (if appropriate)	Timescale for completion	Status	Latest Note
4.1.1 (Med)	The employee withdrawing cash from bank accounts for the location must lodge monies in safe and update the appropriate record promptly in person to maintain chain of custody of funds. (petty cash, amenity fund, corporate appointeeship account).	New processes now in place.	31-Dec-24	Considered closed (pending verification)	Actioned
4.2.1 (Low)	Input VAT should only be claimed where an item is applicable to VAT and supported by a valid VAT receipt.	Actioned, with reminders on process.	31-Dec-24	Considered closed (pending verification)	Actioned
4.3.1 (Low)	Staff at location should be reminded the individual item limit for petty cash is £25 and that petty cash is for minor items of expenditure only.	All staff involved have been informed and aware of the process. Regular checks will take place by management.	31-Dec-24	Considered closed (pending verification)	Complete
4.3.2 (Low)	Staff at location to be advised receipts must not be split to avoid breaching the petty cash limit set for individual items of expenditure.	All staff involved have been informed and aware of the process. Regular checks will take place by management.	31-Dec-24	Considered closed (pending verification)	Complete
4.4.1 (Low)	Appropriate action must be taken on highlighted suppliers as identified by the 2023/24 Procurement spend review before any future orders are placed with those suppliers.	The correct procurement process is being followed.	31-Dec-24	Considered closed (pending verification)	Complete
4.5.1 (Low)	HSCP to take appropriate action to close dormant bank account Bonnyton House Sensory Fund ending 2569.	Account to be closed.	31-Jan-25	Considered closed (pending verification)	Bank account was closed in 2024.

4.5.2 (Med)	Two employees should be involved in banking where possible and consideration given to restricting amounts of cash to be carried if only one person is involved.	Staff are aware of the importance of two employees being involved in banking of monies.	01-Dec-24	Considered closed (pending verification)	Complete
4.6.1 (Low)	Management must ensure that all paperwork required by the Maximising Attendance guidance is completed accurately and uploaded to Itrent promptly as evidence of compliance.	Staff attended training and this task is now being undertaken in the Care Home	01-Dec-24	Considered closed (pending verification)	Complete
4.7.1 (Med)	Client recipient's name must be included on income receipts when issuing duplicate receipts and any void receipts marked as such.	All staff involved have been informed and aware of the process.	01-Dec-24	Considered closed (pending verification)	Complete
4.7.2 (Med)	Receipt number should be recorded on CL2 client savings record.	Full review was undertaken with spot checks now in place to ensure that this is being carried out.	01-Dec-24	Considered closed (pending verification)	Complete
4.7.3 (Low)	Only one receipt book for client receipts should be in use at any one time.	All staff involved have been informed and aware of the process.	01-Dec-24	Considered closed (pending verification)	Complete
4.9.1 (Med)	A process for recording and returning cash held on behalf of deceased persons and/or prior clients must be established and documented.	Analysis is ongoing and a process in place for maintaining this going forward.	01-Dec-24	Considered closed (pending verification)	Complete

4.9.2 (Low)	A process for recording personal items found which relate to prior clients and/or deceased persons should be established and documented.	Process to be completed.	31-Jan-25	Considered closed (pending verification)	Personal items have been returned to clients/clients family as appropriate.
4.9.3 (High)	An analysis of bank account ending 2724 (SW Corp Appoint'ship) to be undertaken to identify balance by client and analysis maintained on an on-going basis going forward.	CL2 forms have all been audited and new processes are in place. Account review is currently ongoing.	31-Jan-25	Open	Analysis to be completed by 31 March 2025
4.9.4 (Low)	HSCP need to take appropriate action to safeguard existing monies and jewellery relating to deceased and/or prior clients until a process is established.	Audit and review has taken place and family members have been contacted where appropriate.	31-Jan-25	Open	Process to be completed by 31 March 2025
4.9.5 (Low)	Where possible, a review of CL2 forms for deceased and/or prior clients from 2020 to date should be undertaken to ascertain all monies were appropriately accounted for.	CL2 forms been audited and deceased residents monies are being dealt with in the appropriate manner - Legal team have been contacted	31-Jan-25	Open	Process to be completed by 31 March 2025
4.10.1 (Low)	All laptops, desktops and mobile phones to be accurately reflected on inventory; with asset number and serial numbers recorded for all appropriate items	Existing inventory being reviewed	31-Jan-25	Open	Process to be completed by 31 March 2025

Appendix	2B
Title	St Andrews House
Type	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
Status	First presented to PAC - November 2024 Changes since last reported:- - 4.3.1 now considered closed (All recommendations now considered closed)

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

Appendix	2C
Title	Audit of Accounts Payable MB/1216/IM
Type	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
Status	First reported to PAC September 2024 No changes since last reported to PAC November 2024 All recommendations considered closed

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

Appendix	2D
Title	Audit of Accounts Receivable MB/1212/IM
Type	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
Status	First reported to PAC September 2024 Changes since last reported November 2024: - 4.1.1 now considered closed

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

Appendix	2E
Title	Application Audit of Payroll MB/1201/FM
Type	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
Status	First reported to PAC September 2024 Changes since last reported to PAC November 2024 - 5.1.1 now considered closed - 5.1.2 now considered closed - 5.2.1 now considered closed - 5.3.1 now considered closed

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

Appendix	2F
Title	Follow-up of HSCP Audits MB/1204/FM
Type	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
Status	First reported to PAC June 2024 No changes since last reported to PAC November 2024 2 recommendations remain open

Ref/Risk Rating	Recommendation	Comments (if appropriate)	Timescale for completion	Status	Latest Note
4.1.1 (Low)	The disposal of inventory forms should be signed by a manager/supervisor for all disposals.	Reminder email to be issued – sent 31.05.2024. A review of the HSCP inventory process is also planned.	31-May-24	Open	A reminder was issued 31.05.2024. The process is actively being reviewed as part of year end procedures and further reminder issued March 25.
4.2.1 (High)	Fully functional reports showing varies to cost should be used to regularly review and amend service agreements where appropriate.	Report developed and put in place September 2023. The changes to the Supporting People Framework and the associated reviews have taken priority. Once the reviews are complete this report will be part of routine monitoring. The report will be issued monthly from August 2024. The finance module in MOSAIC, which will commence April 2025, is expected to eliminate the vary process.	31-Aug-24	Considered closed (pending verification)	The report has been produced and Finance Support Officers will review and discuss with Service Managers and others as appropriate. This will be undertaken at least quarterly until the new MOSAIC finance module is in place.
4.2.2 (High)	Audit should be advised when the quarterly meetings to confirm varies are put into action.	As above. Meeting schedule will commence August 2024.	31-Aug-24	Considered closed (pending verification)	As above

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

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

Appendix	2G
Title	Self-Directed Support – Direct Payments MB/1171/FM
Type	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
Status	First reported to PAC June 2023 No changes since last reported to PAC November 2024 All recommendations considered closed

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

Appendix	2H
Title	Ordering and Certification MB/1178/NS
Type	East Renfrewshire Council Internal Audit Activity relating to the Health and Social Care Partnership
Status	First reported to PAC March 2023 No changes since reported to PAC November 2024 All recommendations considered closed

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

NHSGGC INTERNAL AUDIT PROGRESS REPORT 2024/25

Report by Chief Auditor

PURPOSE OF REPORT

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

BACKGROUND

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

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

NHSGGC INTERNAL AUDIT ACTIVITY TO NOVEMBER 2024

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

5. Details of one report was received which was classified as needing minor improvement.

RECOMMENDATION

6. The Committee is asked to:

(a) Note the contents of the report.

M Blair, Chief Auditor
24 February 2025

NHSGGC INTERNAL AUDIT PROGRESS REPORT 2024/25

1. Reports Issued

Details of one audit from the 2024/25 audit plan has been provided by the NHSGGC internal auditors as summarised below.

Review	Overall audit rating (Note 1)	No. of issues per grading (Note 2)			
		4	3	2	1
Cyber Security – Remote Access	Minor Improvement required	0	0	2	0

2. Cyber Security – Remote Access

Cyber-security represents a significant risk to the NHS and taking appropriate precautions to minimise this risk and impact of a cyber security incident is essential. Remote access has seen substantial growth in use due to the response to the COVID-19 pandemic and the audit review assessed if the controls in place to ensure that points of remote access to the NHS Greater Glasgow and Clyde network were understood, well documented and securely configured.

Generally it was concluded that there were effective controls in place over remote access to the network and data, with leading practice controls providing secure remote access. There were two areas of weakness identified and two Grade 2 recommendations made, both of which were accepted by management.

- One recommendation was around the use of generic privileged user accounts (i.e. admin accounts) and the risk of being unable to identify which individual had used one of these accounts.
- The second recommendation made relates to the proactive monitoring of remote access gateways to ensure data is not extracted and to alert when anomalous activity occurs.

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

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

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

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

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