



Risk, Audit and Performance Committee

Date of Meeting	3 December 2024
Report Title	Internal Audit Report – IJB Counter Fraud
Report Number	HSCP.24.108
Lead Officer	Jamie Dale Chief Internal Auditor
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Consultation Checklist Completed	Yes
Directions Required	No
Exempt	No
Appendices	No
Terms of Reference	2. Review and approve the annual audit plans (internal and external) on behalf of the IJB, receiving reports, overseeing and reviewing actions taken on audit recommendations and escalating to the IJB as appropriate.

1. Purpose of the Report

- 1.1. The purpose of this report is to present the outcome from the planned audit of the Integration Joint Board (IJB) Counter Fraud that was included in the Internal Audit Plan.

2. Recommendations

- 2.1. It is recommended that the Committee:

a) Review, discuss and comment on the issues raised in the report.

3. Strategic Plan Context

- 3.1. Internal Audit's role is to provide assurance regarding the adequacy and effectiveness of the Integration Joint Board's framework of governance, risk



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management and control. Each of these areas helps ensure that the IJB can deliver on all strategic priorities as identified in its strategic plan.

4. Summary of Key Information

Assurance Assessment

- 4.1. The level of net risk is assessed as **MODERATE**, with the control framework, which relies on the partner organisations, deemed to provide **REASONABLE** assurance over the Health and Social Care Partnership's approach to Counter Fraud. This does not reflect a Moderate level of risk with regards to the occurrence of fraud across the IJB's operations, and instead is reflective of the framework of control.
- 4.2. The complexity of service delivery by Health and Social Care Partnerships necessitates fraud policies and controls that address different operations, controls and staffing between partners. While the unique nature of IJB operations (e.g., not holding assets, relying on partners' payment systems) limits strategic fraud opportunities, operational-level fraud risks remain where services are delivered by the Council and NHS on behalf of the IJB.
- 4.3. A strong Counter Fraud Framework is crucial for safeguarding the IJB's resources. The IJB must have clear measures for fraud prevention, detection, investigation, and reporting. Establishing a clear stance on fraud, in conjunction with consistent and appropriate practice, helps reduce the risk of financial loss and reputational damage which could result from fraud.
- 4.4. The IJB relies on the Counter Fraud policies and arrangements of its partners: NHS Grampian and Aberdeen City Council. Each organisation has policies and procedures in place, with ongoing reviews to ensure they meet their counter fraud requirements and, by extension, those of the IJB
- 4.5. However, while IJB Management has considered Counter Fraud in specific cases (e.g., procurements), more could be done to address the strategic risks to the IJB and the assurances in place. Counter Fraud is not yet fully integrated across the IJB's partners. Although the IJB can depend on the operations of the Council and NHS Board, it should further formalise its arrangements with partners to ensure strategic assurances over its operations. Without a properly considered control framework, the IJB faces several fraud-related risks, including financial losses, reputational damage, and potential operational impacts.
- 4.6. A single overarching recommendation has been made for Management to formally consider and document a Counter Fraud control framework across



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the IJB's operations. This should include an action plan to address any gaps or areas for improvement, considering all points raised in this report, such as regular Fraud Risk assessments, promotion of Counter Fraud Principles, and proactive measures to identify and prevent fraud. Recognising the IJB's reliance on its partners' controls for most operations, it should seek assurance of the Counter Fraud frameworks in place. Internal Audit can support the IJB in gaining these assurances through ad hoc consultancy or future internal audit reviews on targeted operational areas.

Management Response

- 4.7. The report is welcomed as is the assurance received by Internal Audit in respect of the health and social care partnership's approach to counter fraud.
- 4.8. The single recommendation is approved and will be taken forward in accordance with the timeline identified.

5. Implications for IJB

- 5.1. Equalities, Fairer Scotland and Health Inequality – An equality impact assessment is not required because the reason for this report is for the RAPC to discuss, review and comment on the contents of and Internal Audit Report and there will be no differential impact, as a result of this report, on people with protected characteristics.
- 5.2. Financial – There are no direct implications arising from this report.
- 5.3. Workforce – There are no direct implications arising from this report.
- 5.4. Legal – There are no direct implications arising from this report.
- 5.5. Unpaid Carers – There are no direct implications arising from this report.
- 5.6. Information Governance – There are no direct implications arising from this report.
- 5.7. Environmental Impacts – There are no direct impacts arising from this report.
- 5.8. Sustainability – There are no direct impacts arising from this report.
- 5.9. Other – there are no other impacts arising from this report.



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6. Management of Risk

- 6.1. **Identified risks(s):** The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the resultant report.
- 6.2. **Link to risks on strategic risk register:** The Internal Audit Plan, and this output report, is developed following consideration of the Aberdeen City Health and Social care Partnership Risk Register and through consultation with management.
- 6.3. **How might the content of this report impact or mitigate these risks:** Where risks are identified during the Internal Audit process, recommendations are made to management in order to mitigate these risks.