



Aberdeen City Health & Social Care Partnership
A caring partnership



Internal Audit

Risk, Audit and Performance Committee Internal Audit Update Report February 2025

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1 Executive Summary

1.1 Introduction and background

Internal Audit's primary role is to provide independent and objective assurance on the Council's risk management, control, and governance processes. This requires a continuous rolling review and appraisal of the internal controls of the Board involving the examination and evaluation of the adequacy of systems of risk management, control, and governance, making recommendations for improvement where appropriate. Reports are produced relating to each audit assignment and these are provided to the Risk, Audit and Performance (RAP) Committee. Along with other evidence, these reports are used in forming an annual opinion on the adequacy of risk management, control, and governance processes.

This report advises the RAP Committee of Internal Audit's work since the last update. Details are provided of the progress against the approved 2024/25 Internal Audit plan, audit recommendations follow up, and other relevant matters for the Committee to be aware of.

1.2 Highlights

Full details are provided in the body of this report however Internal Audit would like to bring to the Committee's attention that since the last update:

- Work is underway with the reviews for 2024/25.
- Work is underway by Management with regards to the implementation of agreed audit recommendations.

1.3 Action requested of the RAP Committee

The Committee is requested to note the contents of this report and the work of Internal Audit since the last update.

2 Internal Audit Progress

2.1 2024/25 Audits

| Service | Audit Area | Position |
|---------------------------|--------------------|---------------------------|
| Council Led HSCP Services | HSCP Commissioning | Review in Progress |

2.2 Follow up of audit recommendations

Public Sector Internal Audit Standards require that Internal Audit report the results of its activities to the Committee and establishes a follow-up process to monitor and ensure that management actions have been effectively implemented.

As at 30 November 2024 (the baseline for our exercise), three audit recommendations were due, one rated Major and two rated Moderate.

Appendix 1 – Grading of Recommendations provides the definitions of each of the ratings used.

Appendix 2 – Audit Recommendations Follow Up – Outstanding Actions provides a detailed breakdown of the outstanding audit recommendations that will be taken forward and followed up as part of the next cycle.

3 Appendix 1 – Grading of Recommendations

| Risk level | Definition |
|------------------------------|---|
| Corporate | This issue / risk level impacts the Council as a whole. Mitigating actions should be taken at the Senior Leadership level. |
| Function | This issue / risk level has implications at the functional level and the potential to impact across a range of services. They could be mitigated through the redeployment of resources or a change of policy within a given function. |
| Cluster | This issue / risk level impacts a particular Service or Cluster. Mitigating actions should be implemented by the responsible Chief Officer. |
| Programme and Project | This issue / risk level impacts the programme or project that has been reviewed. Mitigating actions should be taken at the level of the programme or project concerned. |

| Net risk rating | Description | Assurance assessment |
|-----------------|--|----------------------|
| Minor | 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. | Substantial |
| Moderate | 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. | Reasonable |
| Major | 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. | Limited |
| Severe | 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. | Minimal |

| Individual issue / risk | Definitions |
|-------------------------|--|
| Minor | Although the element of internal control is satisfactory there is scope for improvement. Addressing this issue is considered desirable and should result in enhanced control or better value for money. Action should be taken within a 12 month period. |
| Moderate | An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on the audited area's adequacy and effectiveness. Action should be taken within a six month period. |
| Major | The absence of, or failure to comply with, an appropriate internal control, such as those described in the Board's Scheme of Governance. This could result in, for example, a material financial loss, a breach of legislative requirements or reputational damage to the Board. Action should be taken within three months. |
| Severe | This is an issue / risk that is likely to significantly affect the achievement of one or many of the Board's objectives or could impact the effectiveness or efficiency of the Board's activities or processes. Examples include a material recurring breach of legislative requirements or actions that will likely result in a material financial loss or significant reputational damage to the Board. Action is considered imperative to ensure that the Board is not exposed to severe risks and should be taken immediately. |

4 Appendix 2 – Audit Recommendations Follow Up – Outstanding Actions

| Overall Report Area | Report | Grading | Recommendation | Original Due Date | Current Due Date | Committee Update | Status |
|---------------------|--------------------------------|-----------------|---|-------------------|------------------|--|--------------------|
| HSCP | AC2414 – Financial Assessments | Moderate | Processes should be reviewed to ensure assessments can be completed timeously, within available resource. | Sep-24 | Mar-25 | Care packages have been reviewed and there is a team that does this. As we move forward into February and March this year there will be an intensive review of care packages against our eligibility criteria - this is part of the activity necessary to meet the required budget savings plans for 25/26. Care packages will undergo a structured review which will be monitored by SLT and have a set financial delivery target. This process will run throughout 25/26 addressing any overdue assessments as part of this process. Once the plans are in place over the next couple of months we would seek to close these recommendations at the end of March 2025. | In Progress |
| HSCP | AC2414 – Financial Assessments | Moderate | The Service should set priorities for completing overdue assessments. | Sep-24 | Mar-25 | Care packages have been reviewed and there is a team that does this. As we move forward into February and March this year there will be an intensive review of care packages against our eligibility criteria - this is part of the activity necessary to meet the required budget savings plans for 25/26. Care packages will undergo a structured review which will be monitored by SLT and have a set financial delivery target. This | In Progress |

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