



Aberdeen City Health & Social Care Partnership
A caring partnership



Internal Audit

Risk, Audit and Performance Committee Internal Audit Update Report June 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:

- The 2024/25 Internal Audit Plan has been finalised.
- 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	Final Report Issued

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 April 2025 (the baseline for our exercise), eight audit recommendations were due, seven rated Moderate and one rated Minor.

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
Financial Assessments	AC2414	Moderate	Processes should be reviewed to ensure assessments can be completed timeously, within available resource.	Mar-25	Jun-25	<p>The Financial Assessment Team are working with greater resource; there have been 2 additional staff recruited into this team to ensure assessments are progressed timeously.</p> <p>Internal Audit is in discussion with officers on the provision of evidence to close the action. Extended briefly to facilitate this work.</p>	In Progress
Financial Assessments	AC2414	Moderate	The Service should set priorities for completing overdue assessments.	Mar-25	Jun-25	<p>The Financial Assessment Team are working with greater resource; there have been 2 additional staff recruited into this team to ensure assessments are progressed timeously.</p> <p>Internal Audit is in discussion with officers on the provision of evidence to close the action. Extended briefly to facilitate this work.</p>	In Progress
IJB Budget Setting and Monitoring	AC2507	Moderate	Partners / the IJB should engage with government bodies to identify opportunities to improve access to Prescribing data and information on Funding, to aid financial planning.	Mar-25	Jun-25	The NHS Grampian Primary Care Prescribing Group are fully across this area. There is extensive review of prescribing data and how this is used to for example, review of items of low clinical value, use of non-licensed drugs etc. This Group works across budget monitoring across all 3 Grampian IJB's. There is also focus on the 10% of prescriptions which are wasted as well as prescribing of over the counter medications. The	In Progress

Overall Report Area	Report	Grading	Recommendation	Original Due Date	Current Due Date	Committee Update	Status
						<p>landscape is complex and is supported by extensive data analysis. Costs in this area continue to grow with volume increase of 3.5% and cost inflation of 1% a year. We are seeing the benefits of the work being carried out, but savings are small against inflationary pressures. Prescribing contributes to prevention so whilst costs grow the value of this expenditure cannot be underestimated.</p> <p>Internal Audit is in discussion with officers on the provision of evidence to close the action. Extended briefly to facilitate this work.</p>	
IJB Budget Setting and Monitoring	AC2507	Moderate	The HSCP should define the level of detail and assurance required from budget holders where a variance is anticipated.	Mar-25	Jun-25	<p>The 2025/26 budget monitoring is well supported by NHS and ACC finance colleagues. Business partner review across both organisations supports budget holders in understanding budget variances. Work is ongoing to ensure budget holders are well supported with information on their expenditure to allow for a better understanding of what costs are driving variance from budget - particularly across ACC were additional reporting is being developed.</p> <p>Internal Audit is in discussion with officers on the provision of evidence</p>	In Progress

Overall Report Area	Report	Grading	Recommendation	Original Due Date	Current Due Date	Committee Update	Status
						to close the action. Extended briefly to facilitate this work.	
IJB Budget Setting and Monitoring	AC2507	Minor	The HSCP should set out its budget/MTFF to more explicitly demonstrate the level of investment planned in delivering each of the Aims set out in the Strategic Plan.	Mar-25	Jun-25	<p>The MTFF was taken to the March 2025 IJB - this document provided the underpinning plan for the draft HSCP strategy delivery. The MTFF will be taken back to the July IJB and provide the link for driving forward the updated strategy - demonstrating how the financial plan drives forward financial sustainability aligned with the strategy while delivering the needs of the local community under the agreed strategic aims.</p> <p>Internal Audit is in discussion with officers on the provision of evidence to close the action. Extended briefly to facilitate this work.</p>	In Progress
IJB Budget Setting and Monitoring	AC2507	Moderate	The HSCP should set out its budget/MTFF to more explicitly demonstrate the level of investment planned in delivering each of the Aims set out in the Strategic Plan.	Mar-25	Jun-25	<p>AS above.</p> <p>Investment in technology is part of the strategic delivery pathway. The AC H&SCP has been fortunate to receive additional funding to assist in this area.</p> <p>Internal Audit is in discussion with officers on the provision of evidence to close the action. Extended briefly to facilitate this work.</p>	In Progress

Overall Report Area	Report	Grading	Recommendation	Original Due Date	Current Due Date	Committee Update	Status
IJB Budget Setting and Monitoring	AC2507	Moderate	The IJB should review plans with the Council and NHS Grampian for the strategic allocation of its resources between partners and activities in the medium term, setting out the case for change in funding and allocation where required. Agreed changes to the balance of funding should be underlined through issue of a formal Direction from the IJB.	Mar-25	Jun-25	<p>Directions were issued to NHS Grampian and ACC when the budget was set at the March 2025 IJB.</p> <p>Internal Audit is in discussion with officers on the provision of evidence to close the action. Extended briefly to facilitate this work.</p>	In Progress
IJB Budget Setting and Monitoring	AC2507	Moderate	The IJB should review the cost base in detail to ensure the current budget is reflective of its ongoing costs.	Mar-25	Jun-25	<p>The cost base was reviewed as part of the March 2025 budget setting process. The budget highlighted the need to make savings of £14.4m after an additional partner contribution was made of £10.9m - partners agreed to protect frontline services and support change as transformation work continues. Work to deliver savings is therefore ongoing during 2025/26 as change work commences to support savings in 2026/27.</p> <p>Internal Audit is in discussion with officers on the provision of evidence to close the action. Extended briefly to facilitate this work.</p>	In Progress
