

Governance, Risk and Best Value Committee

10.00am, Tuesday, 31 October 2024

Internal Audit Activity Report: October 2024

Executive/routine

Wards

1. Recommendations

- 1.1 It is recommended that the Committee:
 - 1.1.1. notes inclusion of review of recruitment processes of supply workers in school establishments in the scope of the current Flexible Workforce audit underway, as requested by management following conclusion of a whistleblowing investigation
 - 1.1.2. notes progress on establishing internal control assurance arrangements for Council Arm's Length Organisations (ALEOs) as requested by Committee in March 2024 and June 2024
 - 1.1.3. notes progress with key issues impacting IA including progress with implementation of the new Global Internal Audit Standards
 - 1.1.4. notes progress with other IA key activities and risks.

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Internal Audit Activity Report: October 2024

2. Executive Summary

- 2.1 This report provides an update to Committee on Internal Audit (IA) key issues and activity as at 2 October 2024 including overall progress with delivery of the 2024/25 IA plan. As at 2 October, 13 audits are complete, 6 are in fieldwork and 12 are in planning.
- 2.2 As reported to the Whistleblowing Sub-Committee in September 2024, the current internal audit of Flexible Workforce now includes consideration of recruitment of supply workers within school establishments in the scope. Outcomes of the audit are expected to be presented to Committee in January 2025.
- 2.3 This report also provides progress with considering internal control assurance arrangements for the 7 Council Arm's Length External Audit Arrangements (ALEOs) included in the Council's Governance Hub as requested by GRBV members in March 2024 and June 2024.
- 2.4 An update on progress in preparing for implementation of the [Global Internal Audit Standards \(GIAS\)](#) which come into effect in January 2025 is also provided.
- 2.5 The IA risk register was reviewed in September 2024, actions to mitigate several risks including effective supplier management and ensuring continued legislative and regulatory compliance are underway.

3. Background

- 3.1 The 2024/25 IA annual plan was approved by Committee in [March 2024](#), and updated in [May 2024](#) following approval from Committee to add two additional audits to the plan.
- 3.2 Following the June 2024 Committee, the GRBV Convenor requested that separate reports on audit outcomes, IA activity and progress with addressing agreed management actions from previous audits are provided to Committee to enable sufficient time to consider these reports individually. Reports on audit outcomes and progress with addressing agreed management actions from previous audits are presented as separate agenda items for this Committee.
- 3.3 A recent whistleblowing investigation (CEC-35-23) recommended an audit of all supply worker posts was undertaken to ensure the Council are complying with their

own policy. The Children's, Education and Justice Services directorate advised they did not have capacity to support this audit within the service.

- 3.4 At the [March 2024 GRBV meeting](#), members requested information on the internal control assurance arrangements for the Council's ALEOs which was collated by IA and presented to Committee in June 2024. At the June 2024 meeting, an addendum was agreed to request consideration of proportionate internal control assurance arrangements for ALEOs alongside the future ALEO framework due to be considered by GRBV in October.
- 3.5 In January 2024, the Institute of Internal Auditors launched new [Global Internal Audit Standards \(GIAS\)](#), which will come into effect in January 2025.
- 3.6 The IA risk register is reviewed quarterly, and mitigating actions being taken to address high scoring or emerging risks, issues and priorities are reported to Committee.

4. Main report

- 4.1 The [approved 2024/25 IA plan](#) as at May 2024 consists of 50 engagements (37 for the Council and 13 for other organisations).
- 4.2 As at 2 October 2024, a total of 13 audits are complete. 11 of these are audits for the Council and outcomes of these audits are reported in a separate paper on audit outcomes to this Committee. A further 6 audits are in fieldwork, 12 in planning and 19 are not yet started.
- 4.3 The following audit for Lothian Pension Fund (LPF) was completed in August 2024, with outcomes presented to the Pensions Committee on [25 September 2024](#):

- Pensions Committee Governance and Operational Effectiveness

- 4.4 In addition, the following audit for the Edinburgh Integration Joint Board (EIJB) was completed in August 2024 with outcomes presented to the EIJB Audit and Assurance Committee on 10 September 2024 and referred to GRBV in this report for information.

- EIJB Governance and Assurance

Addition to the scope of the planned Flexible Workforce audit

- 4.5 A recent whistleblowing investigation (CEC-35-23) included the following recommendation:

7.1 - an audit of all supply worker posts should be undertaken to ensure the Council are complying with their own policy.

The Children's, Education and Justice Services directorate advised they did not have capacity to support this audit work within the service.

- 4.6 Internal Audit agreed to include a focused element on supply workers within school establishments in the scope of the Flexible Workforce audit which is part of the approved 2024/25 IA plan to examine specific issues raised further.

- 4.7 The audit will not cover all supply workers, however, and should the audit identify the need for a further review of all supply workers this will be referred to the service for completion. The outcomes of the Flexible Workforce audit is expected to be reported to Committee in January 2025.

Internal control assurance arrangements for Council Arm's Length External Audit Arrangements (ALEOs)

- 4.8 Details of internal control assurance arrangements, as advised by each ALEO was reported to Committee in [June 2024](#). At the June meeting, an [addendum](#) was agreed to request that '*Internal Audit to give consideration to proportionate internal control assurance arrangements for ALEOs and to make recommendations alongside the future ALEO framework due to be considered by GRBV in October*'.
- 4.9 Work to consider proportionate internal control assurance arrangements has commenced, however has been dependent on understanding the outcomes of the revised ALEO framework which will be presented to Committee in January 2025.
- 4.10 Following approval of the revised ALEO framework, Internal Audit will work with Governance colleagues and the ALEOs to develop recommendations for proportionate internal control arrangements aligned to the framework requirements. The proposed arrangements will be reported to the Committee in June 2025.

Global Internal Audit Standards (GIAS)

- 4.11 During 2024, the IA team has progressed an action plan to ensure readiness for the implementation of the new GIAS in January 2025. This includes completing a gap analysis of current IA procedures in line with the new requirements, developing an IA Strategy and Communications Plan and delivering training to key stakeholders including GRBV members. An awareness session for elected members has been arranged for November 2024.
- 4.12 In addition, as a result of the new GIAS, the UK Public Sector Internal Audit Standards (PSIAS) will be replaced with an Application Note for the Global Internal Audit Standards in the UK Public Sector which will form the basis for expected requirements, effective from 1 April 2025 alongside the GIAS.

IA Risk register and progress with key priorities

- 4.13 The IA risk register was reviewed in August 2024 and actions to mitigate the following risks are underway:
- Supplier, Contractor, and Partnership Management – a tender process is currently underway to appoint a new co-source IA provider for the next two years to support the in-house IA team with delivery of assurance and advisory work in specialist areas such as pensions, information technology, treasury and health and safety with the contract expected to commence in November 2024.
 - Legislative and regulatory compliance – as detailed at section 5.8, work continues to ensure compliance with the new Global Internal Audit Standards ahead of January 2025 and the new Public Sector Internal Audit Standards by April 2025.

4.14 Progress with IA key priorities are detailed below:

- continuing progress with our Data Analytics Strategy and use of data analytics tools to increase sample sizes and improve reliability of data across audits completed
- coordination of assurance work with the Council's Corporate Risk Team and Governance and Assurance team to support assurance mapping which will support the 2025/26 annual risk assessment process
- engagement for the 2025/26 IA internal audit plans due to be presented to Committee in March 2025 will commence in November 2024, this will include drop in sessions with GRBV members, wider elected members, senior management, the Corporate Risk Team, trade union representatives and external assurance providers.

5. Next Steps

- 5.1 Delivery of the 2024/25 IA plans will continue, together with ongoing follow-up of management actions as a result of audit findings raised.
- 5.2 Engagement on internal control arrangements for ALEOs will continue with outcomes expected to be presented to Committee in June 2025.
- 5.3 Internal Audit will progress planning for implementation of the new audit standards and provide training and support to key stakeholders.
- 5.4 Actions to mitigate key risks which may impact effective delivery of internal audit services will continue, as well as key priorities to support continuous improvement.

6. Financial impacts

- 6.1 There are no in-year costs for delivery of co-source audit services year to date, with all work completed in-house.
- 6.2 Planned audits will be completed within the agreed budget with use of co-source resource limited to specialist areas, where possible.

7. Equality and Poverty Impact

- 7.1 None. An assessment is not required because the reason for this report is to report Internal Audit activity to Committee. Consequently, there will be no differential equality or poverty impacts as a result of the proposals in this report.

8. Climate and Nature Emergency Implications

- 8.1 None. The reason for this report is to report Internal Audit activity to Committee. Consequently, there will be no differential climate or nature emergency implications as a result of the proposals in this report.

9. Risk, policy, compliance, governance, and community impact

- 9.1 Council officers and elected members are consulted on the outcomes of Internal Audit work throughout the year. No specific consultations have taken place in relation to this report.

10. Background reading/external references

- 10.1 [Public Sector Internal Audit Standards](#)
- 10.2 [Global Internal Audit Standards](#)
- 10.3 [Approved 2024/25 IA Plan GRBV March 2024 – item 8.2](#)
- 10.4 [Minute of Governance, Risk and Best Value Committee of 19 March 2024 – item 1.2 ALEOs](#)
- 10.5 [Minute of the Governance, Risk and Best Value Committee May 2025 – item 4.1 – additions to the 2024/25 IA plan](#)
- 10.6 [Governance, Risk and Best Value Committee June 2024 – item 8.1 – Addendum by the Green Group: Internal control assurance arrangements for ALEOs](#)

11. Appendices

- 11.1 Appendix 1 – 2024/25 Internal Audit Plan delivery and timescales as at 2 October 2024
- 11.2 Appendix 2 – Internal Audit Report: EIJB Governance and Assurance

Appendix 1 – 2024/25 Internal Audit Plan delivery as at 2 October 2024

Audits complete			Outcome
1.	Cross Directorate	Non-Contracted Spend and Waivers – review of arrangements for managing and limiting non-contracted spend (the procurement of goods and services out with the approved suppliers list or contract frameworks) and waivers (where requirement to comply with Contract Standing Orders has been waived).	Reasonable Assurance
2.		Security of Council Premises – review of processes in place for managing physical and building security across the Council estate, included a review of a sample of buildings.	Limited Assurance
3.		Partnership Working (Edinburgh Partnership Board) - review of the adequacy of design of the key controls established to ensure that the Council realises proposed partnership working benefits, efficiencies and improved outcomes as set out in the 2023-27 Business Plan.	Limited Assurance
4.	Corporate Services	Voter Photo ID - review of arrangements established including awareness raising and processing acceptable forms of ID, Voter Authority Certificates, Anonymous Elector's Documents and working with partner agencies to support voters as required.	Substantial Assurance
5.	Children, Education and Justice Services	Educational Support Provision – review of the removal of Educational Support Base (ESB) provision in schools and the decision to provide no places for the next school year from a risk, planning and budgetary perspective.	Reasonable Assurance
6.		Early Years Cross Boundary Places – review of proposals for early years funding and cross boundary places to ensure that the arrangements meet the Statutory Guidance and that the Council is ensuring that all funding due is being received or is otherwise offsetting the costs to the children's home authorities.	Substantial Assurance
7.	Place	Transfer of the Management Development Funding - bi-annual review of the key controls supporting TMDF from the Council to registered social landlords in line with Scottish Government requirements.	Reasonable Assurance
8.		City Deal Cost Inflation – review of approach to managing cost inflation via an advisory workshop-based advisory review to consider a review of risks associated with cost inflation and scrutiny of project costs set out in business cases.	Advisory
9.		Safety of Council Operated Heavy Vehicles - review of Council operated heavy vehicles and whether Council drivers meet all the qualifications for driving such vehicles linked to previous internal audit work on Council Drivers.	Limited Assurance
10.		Port Facility Security Plan - annual review of existence and operation of the Port Facility Security Plan as per Department for Transport requirements.	Reasonable Assurance

11.	Health and Social Care Partnership	Social Care Direct (Adult Services) - review of Social Care Direct Team with a specific focus on processes for screening referrals received, initial triage for adult concern and the response service for people to meet immediate needs.	Reasonable Assurance
12.	Lothian Pension Fund (LPF)	Pensions Committee Governance & Operational Effectiveness – review of the governance arrangements for the Pensions Committee to provide assurance on operational effectiveness in line with the delegated functions set out in the Terms of Reference and relevant regulations as well as consideration of fiduciary duties. Will also consider member skills, knowledge, and training.	Reasonable Assurance
13.	Edinburgh Integrated Joint Board	EIJB Governance and Assurance – review of the effectiveness of governance arrangements for the EIJB Board and Committee structure including preparation and review of committee assurance statements.	Substantial Assurance
Total audits completed			13
Audits in fieldwork			Reporting Date
14.	Cross Directorate	Attendance Management – review of cross directorate adherence to the Council’s Sickness Absence Policy and supporting guidance including managing thresholds, return to work conversations, formal review meetings, referrals, and provision of support.	January 2025
15.		Flexible Workforce - This review will consider the Council’s strategic approach to utilising a flexible workforce, as well as monitoring, reporting and governance of use of overtime, agency staff and temporary/casual contracts.	January 2025
16.		CEC Annual Validation Audit - review of a sample of previously implemented and closed IA agreed management actions to confirm that they have been effectively sustained	January 2025
17.	Lothian Pension Fund (LPF)	LPF Annual Validation review - review of a sample of previously implemented and closed audit actions to confirm that they have been effectively sustained.	December 2024
18.	Edinburgh Integrated Joint Board	Performance Reporting (NHSL) – review of arrangements to support collation and validation of accurate and timely performance data to the EIJB and its Committees including preparation of the EIJB Annual Performance Report.	December 2024
19.		EIJB Annual Validation Audit – review of a sample of previously implemented audit actions to ensure they remain implemented and associated risks are adequately managed.	December 2024
Total audits in fieldwork			6

Audits in planning			Reporting Date
20.	Cross Directorate	Value for Money – review of the Council’s approach to delivering value for money with consideration of governance and how the Council’s demonstrates the principles of economy, efficiency, effectiveness including review of cost and performance information to improve and manage delivery of services.	March 2025
21.		Implementation of Whistleblowing and Assurance Actions - in line with Tanner Review, review of progress with implementation of a sample of whistleblowing recommendations and other assurance actions. Will consider effectiveness of directorate oversight arrangements.	March 2025
22.	Corporate Services	Democracy and Governance: Committee Reporting – review of administrative arrangements established to support effective committee reporting and review of a sample of meetings/papers/action logs to ensure adequate and timely information is provided as required and requested to aid informed decision making.	March 2025
23.	Children, Education and Justice Services	Getting it Right for Every Child (GIRFEC) – review of administrative arrangements established to support effective committee reporting and review of a sample of meetings/papers/action logs to ensure adequate and timely information is provided as required and requested to aid informed decision making.	March 2025
24.	Justice Services	Refugee and Migration Services - review of approach to supporting refugees and adults with no recourse to public funds and alignment with the Scottish Government New Scot Refugee Integration Strategy. Will also consider approach to unaccompanied asylum-seeking children.	June 2025
25.	Place	Reinforced Autoclaved Aerated Concrete (RAAC) – review of the Council’s response to managing RAAC including monitoring, reporting and governance of the programme of building assessments and progress with remedial actions.	January 2025
26.		Short Term Lets Licencing – review of arrangements established to manage licencing of short-term lets including submission of required supporting information, fees, statutory notices, exemptions, compliance, and enforcement.	March 2025
27.		Food Hygiene and Food Standards – review of Council arrangements to discharge the statutory duties set out in the Food Law Code. The audit will be aligned to the Food Standards Scotland local authority performance and auditing programme.	March 2025
28.	Major Projects	New Social Care Operating System (Agile Review) – ongoing agile review of progress with designing, implementing, and rolling out the new Social Care Operating System (Mosaic) which will replace SWIFT.	June 2025

		Will consider governance, oversight, project management, system development lifecycle including testing and data migration.	
29.	Health and Social Care Partnership	Waiting lists and assessments – review of the design and effectiveness of the key controls established to ensure that the Partnership effectively prioritises adult social care assessments and manages waiting lists effectively and in line with applicable legislation and guidance.	March 2025
30.	Lothian Pension Fund (LPF)	Member Payments – review of design adequacy and operating effectiveness of key controls and processes established to ensure member payments are accurate and on time, including payment administration of regular payments, pro-rata payments, one-off lump sum payments, change of bank details, and management of under/overpayments.	December 2024
31.	Other Organisations	Royal Edinburgh Military Tattoo - One audit delivered for Royal Edinburgh Military Tattoo (REMT) as part of established audit service arrangement.	May 2025
Total audits in planning			12
Audits not yet started			Start Date
32.	Cross Directorate	Integrated Impact Assessments - review of adherence to the Council’s Integrated Impact Assessment guidance and toolkit to ensure legal obligations in relation to equality, socioeconomic disadvantage, climate change, sustainability, the environment and human rights are adequately considered when making decisions, developing proposals, and delivering services.	June 2025
33.		Service Level Agreements (SLAs) – review of established processes for managing SLAs for both internal and externally provided services to ensure they provide clarity about what is required of a service provider and vice versa, are up to date and are supported by robust processes for the management, monitoring, and evaluation of performance with corrective action taken as necessary.	June 2025
34.		Quality Assurance – review of arrangements for improving the quality of planning and delivery of social work and social care services including monitoring processes, practice evaluations, case file reviews and progress towards improving practice outcomes identified by the Care Inspectorate.	June 2025
35.		Customer Contact Journey – review will consider the customer journey from the point of contact to resolution including liaison between teams, service standards, complaints and lessons learned.	June 2025
36.	Major Projects	Financial Management/Governance of Major Projects – review of the monitoring and oversight arrangements to oversee governance and financial management of major projects. 2024/25 will focus on Granton Waterfront and Community Transport.	March 2025

37.		Change Programme and Delivery of Medium Term Financial Plan (MTFP) – review of established arrangements for governance and oversight of the Change Programme established to address the significant MTFP gaps beyond 2024/25 including monitoring delivery of proposed savings.	June 2025
38.		CGI Service Stability – review of CGI’s arrangements to limit service disruptions and ensure service stability including lessons learned to analyse and identify the root cause of service outages to reduce future occurrences.	March 2025
39.	Corporate Services	CGI Incident Response – review of CGI’s Incident Response Plan for the Council including lifecycle, governance and oversight and testing/exercising the plan.	March 2025
40.		Investigations Team – review in line with Tanner Report recommendations. This review will consider the overall strategy and service delivery planning for the newly established Investigations Team including delivery timescales, monitoring, reporting and oversight arrangements.	June 2025
41.	Children, Education and Justice Services	Devolved School Management - review of processes established to ensure compliance with the Scottish Government devolved school management guidance which set out how local authorities fund schools and the accountability and responsibility for financial decisions. Will include review of processes for a sample of schools.	June 2025
42.	Place	New Parking Rules - review of the Council’s arrangements established for managing prohibited parking including parking on pavements, double parking, parking at crossing points and parking on verges. Will consider enforcement and awareness campaign.	March 2025
43.		Flooding and Surface Water Management - the audit will consider climate change adaptation and the impact of changing climate on CEC infrastructure and the Council’s strategic approach to surface water management and ongoing work to mitigate the risks presented by surface water flooding.	March 2025
44.	Health and Social Care Partnership	Support for carers – including respite support – review of established processes to provide information, advice and support for unpaid carers including short breaks and respite support.	June 2025
45.	Lothian Pension Fund (LPF)	Infrastructure Asset Selection, Management & Oversight – review of will consider how infrastructure assets are selected and managed including the investment strategy, costs, investment risk management, investment performance and consideration of climate change.	March 2025
46.		Investment Governance Improvement Plan (IGIP) Implementation – review of progress with implementation of the improvement actions set out in the IGIP, to address the gaps and weaknesses identified in the themed review of Investment Services.	June 2025

47.	Edinburgh Integrated Joint Board	Financial monitoring, reporting and oversight – review of EIJB financial monitoring, reporting and oversight processes including progress with delivery of medium-term financial plan, savings recovery programme and general cost and budget monitoring.	March 2025
48.		Strategic Planning - recognising delays to finalising the 2023- 26 EIJB Strategic Plan, this follow-up review of the previous audit completed in 2019 will consider the administrative arrangements for resourcing strategic planning in line with relevant guidance including Healthcare Improvement Scotland's Strategic Planning – Good Practice Framework.	June 2025
49.	Other Organisations	LVJB - One audit delivered for Lothian Valuation Joint Board (LVJB) as part of established audit service arrangement.	April 2025
50.		SEStran - One audit delivered for South-East of Scotland Transport Network (SEStran) as part of established audit service arrangement.	May 2025
Total audits not yet started			19

Appendix 2

Internal Audit Report

Governance and Assurance

12 August 2024

EIJB2401

Overall Assessment	Significant Assurance
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This internal audit review is conducted for the Edinburgh Integration Joint Board under the auspices of the 2024/25 internal audit plan approved by the Audit and Assurance Committee in March 2024. The review is designed to help the Edinburgh Integration Joint Board assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Where recommendations are included in this report to strengthen internal control, it is management’s responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the Edinburgh Integration Joint Board of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings are raised with senior management and members as appropriate.

Executive Summary

Overall Assessment

Significant Assurance

Overall opinion and summary of findings

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 for EIJB Governance and Assurance.

The following improvement actions which aim to further strengthen governance arrangements were identified:

- all EIJB Board members should be listed on the Council’s website
- a formal, annual review of the conduct and contributions of members should be conducted by the Chair of the EIJB
- the Annual Cycle of Business should be adhered to, including ensuring that all reports are provided to the Board at the required frequency.

In addition, the current EIJB Strategic Plan covers the period 2019-22 and a revised plan should have been in place by April 2022. However, this was delayed. A [draft plan](#) was presented to the EIJB in June 2024, with the formal consultation starting on 1 July 2024.

Audit Assessment

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Governance Arrangements			Finding 1 - Listing of Board Members	Low
2. Board Membership and Attendance			Finding 2 – Annual Review of Board Members’ Performance	Medium
3. Board Reporting			Finding 3 – Completeness of Board Reporting	Low
4. Decision Making and Action Tracking			No findings	N/A
5. Committee Assurance Statements			No findings	N/A
6. Risk Management			No findings	N/A

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Areas of good practice identified

- a comprehensive suite of relevant governance documentation is in place, including:
 - [Code of Conduct](#) for Board members
 - [Standing Orders](#)
 - [Governance Handbook](#)
 - [Annual Performance Report 2022/2023](#)
 - [Strategic Plan 2019-22](#)
 - [Edinburgh Integration Joint Board Complaints Handling Procedures](#)
 - [Complaints Handling Procedures – Customer Facing Complaints](#)
- the EIJB Board meets regularly, with good attendance
- annual governance statements are comprehensive, and are approved in a timely manner
- a clear and comprehensive reporting framework is in place
- decisions are recorded completely and accurately, and supported by an action tracker.

Background and scope

The legislation which underpins health and social care integration is [The Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#). The Act places a duty on Health Boards and Local Authorities to enter into arrangements (the Integration Scheme) to delegate functions and appropriate resources, ensuring the effective delivery of health and social care services.

The Edinburgh Integration Joint Board (EIJB) [Integration Scheme](#) sets out which services and functions are delegated, governance arrangements, and the financial model.

The EIJB Board is served by four committees:

- **Audit and Assurance Committee** - advises the EIJB on the adequacy of financial reporting arrangements, governance activities, internal and external audit provisions, and the implications of assurances provided in respect of risk and internal control
- **Clinical and Care Governance Committee** - monitors, reviews, and reports to the EIJB on the standard and quality of care delivered across delegated services
- **Performance and Delivery Committee** - provides advice and assurance to the EIJB on the effectiveness on the financial management and service performance for services delegated to the EIJB
- **Strategic Planning Group** - monitors, reviews, and reports to the Board on the strategy, plans and delivery of the delegated Partnership's service.

The Board and each Committee has an [annual cycle of business](#), which includes items on governance, strategy, finance, and performance. To support this work, there is reporting to the Board in the form of annual assurance statements, and ad-hoc reports as required. The work of the Board is guided by the [EIJB Governance Handbook](#), which includes guidance on the committee structure, remits, roles and responsibilities, and assurance arrangements.

The EIJB agreed a [Board Assurance Framework](#) in March 2022. All EIJB committees submit an annual assurance statement covering the remit of the committees which support the assurance levels the committees are providing to the EIJB and identify any significant issues. A template is issued to all committee members for completion and the returns are collated by the Operations Manager. This forms the basis of the first iteration of the committee assurance statement submitted to the committees for discussion and amendment / agreement. The committee annual assurance statements are then submitted to the EIJB Audit and Assurance Committee for scrutiny. The committees' terms of reference are mapped to the annual cycle of business to ensure that they fulfil their remit. An attendance record is also maintained for each Board and committee meeting.

[An all-party motion](#) in November 2023 raised the interdependency of decisions made by the Council and the EIJB, highlighting a need to recalibrate the relationship between the Council and the EIJB to ensure better coordination and mutual support. Management noted that this was a Council initiative, and as such there is no requirement for the Integration Joint Board to comply.

Scope

The objective of this review was to assess the effectiveness of governance arrangements for the EIJB Board and Committee structure including preparation and review of committee assurance statements.

Alignment to EIJB Risks

- the EIJB is unable to deliver its strategic objectives
- the EIJB is unable to influence decision-making over delegated services that are not managed by the Partnership
- NHS Lothian and the Council do not deliver directions set by the EIJB.

Limitations of Scope

The audit did not consider training and development, including induction and onboarding as this was reviewed as part of the EIJB Risk Management and Board Rotation audit completed in May 2022.

Reporting Date

Testing was undertaken between 15 and 27 July 2024.

Our audit work concluded on 25 July 2024 and our findings and opinion are based on the conclusion of our work as at that date.

Findings and Management Action Plan

Finding 1 – Listing of Board Members

There are currently 22 members of the EIJB Board, comprising the Chair and Vice Chair, 8 voting members, and 12 non-voting members. A list of these members is maintained on both the [EIJB](#) and [Council](#) websites.

However, while the EIJB website accurately details all members, 2 of them were not listed on the Council’s website: a lay representative, and the Chief Social Work Officer.

Committee Services were notified of this during the audit, and the issue has now been resolved with a full listing of Board members now included on both websites.

Finding Rating	Low Priority
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Risks

- if online resources are not kept up-to-date and accurate, stakeholders will not have all necessary information.

Finding 2 – Annual Review of Board Members’ Performance

Finding Rating	Medium Priority
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The EIJB’s [Governance Handbook](#)’s purpose is ‘...to act as an up-to-date, authoritative, and dynamic reference point on the fundamentals of good governance thinking and practice for the EIJB.’ The Handbook sets out requirements for EIJB Board members on their conduct and their contributions to the effective working of the Board.

[Scottish Government guidance for board members of public bodies](#) includes roles and responsibilities for the Chair, which includes assessing the performance of individual Board members on a continuous basis and undertakes a formal appraisal at least annually. There is currently no formal, annual review of the conduct and contributions of EIJB members by the Chair.

A paper on the outcome from Knowledge and Skills Audit Questionnaire is due to be presented to the EIJB in August 2024 and is noted to include a statement that ‘All board members will have an annual appraisal with the Chair / Vice Chair’.

Risks

- lack of a regular, formal review of all Board members may result in ineffective contributions and limit opportunities to identify training and development needs to support members.

Recommendations and Management Action Plan: Annual Review of Board Members’ Performance

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
2.1	<p>The proposed annual appraisal of Board members by the Chair and Vice Chair should implemented with a clear timetable developed to support timely review.</p> <p>The appraisal could include a checklist which is aligned with the requirements stated in the EIJB’s Governance Handbook, including an assessment of the conduct, contributions, and attendance levels of each Board member. The appraisal could also identify any training and development needs for members.</p>	<p>Officers will work with the Chair to implement an appraisal process for board members commencing in 2025, which is in line with the timeline agree within the skills and knowledge outcome report.</p> <p>The stated timeframe of 31 December 2025 is to allow for all board members to have had an appraisal.</p>	Chief Officer, EIJB	Operations Manager, EIJB	31/12/2025

Finding 3 – Completeness of Board Reporting

Finding Rating	Low Priority
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The EIJB’s [Annual Cycle of Business](#) sets out the reports which will be provided to the Board throughout the year, together with the frequency, and the names of responsible officers. This includes a requirement to provide an updated Annual Cycle of Business to each meeting.

However, for the 10 meetings of the Board during the period April 2023 to May 2024, the Annual Cycle of Business report was not provided in 1 instance (8 August 2023).





Risks

- there is a risk that Board members do not have timely and effective oversight of the reporting to the Board.

Recommendations and Management Action Plan: Completeness of Board Reporting

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
3.1	All reports including the Annual Cycle of Business should be provided to the Board in line with the required frequency.	Agreed. The Annual Cycle of Business will be on the agenda in alignment with the published frequency for the annual cycle of business.	Chief Officer, EIJB	Operations Manager, EIJB	31/10/2024

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings	
Significant 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.
Moderate 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.

Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Appendix 2 – Areas of Audit Focus and Control Objectives

Audit Areas	Control Objectives
Governance Arrangements	<ul style="list-style-type: none"> up-to-date policies and procedures aligned with legislation and best practice have been approved which cover all required elements of governance for the EIJB Board, including remits of the Board and its committees, and reporting and assurance arrangements
Board Membership and Attendance	<ul style="list-style-type: none"> the Board membership is aligned to policies and procedures, and relevant legislation there is regular attendance and contributions at the Board by all relevant members and stakeholders.
Preparation and Provision of Board Reports	<ul style="list-style-type: none"> a reporting framework is in place, which is aligned to the policies and procedures, and which states what is to be provided to the Board, when, and by whom procedures in place which set out how each Board report should be prepared, when, and by whom reports are complete, accurate, and timely and provide sufficient information to inform scrutiny and decision making and are reviewed by a senior officer prior to submission to the Board.
Decision Making and Action Tracking	<ul style="list-style-type: none"> there is evidence of effective review, and challenge, by the Board on papers provided with requests for further information to support decision making as required the decision-making authorities for the Board, its committees, and relevant officers are clearly stated, and are aligned with relevant legislation the Board's decision-making process is clearly stated, and with adherence to this process and a clear audit trail and record of authority for any decisions taken out with the approved process decisions made are clearly and accurately recorded in the minutes of the meeting and are reviewed for accuracy at the following meeting with any required amendments made an action tracker is maintained to record all further actions and follow-up required on agenda items and is reviewed at each meeting of the Board. The action tracker includes detail on what will be done, when, and by whom and regular updates and revised dates are provided as needed.
Committee Assurance Statements	<ul style="list-style-type: none"> there is an effective process in place for completion of committee assurance statements that covers the following topics: skills, ethics, role and scope of the committee, support and resources, and communication and reporting statements are supported by validation process which reviews the information provided together with supporting evidence where required

	<ul style="list-style-type: none">actions arising from assurance statements are tracked and the Chair provides an update on progress with actions identified on the previous committee assurance statements.
Risk Management	<ul style="list-style-type: none">risks related to the EIJB's governance arrangements are identified, recorded, and managed within a risk register, and regularly reviewed to ensure appropriate mitigating actions are in place and remain effective, with escalation to risk committees where required.