



Integration Joint Board Co-bhòrd an Amalachaidh

Internal Audit Follow Up Review

PROJECT MANAGEMENT OF CAPITAL INVESTMENT AND DELIVERY

2021-22 Report

1 September 2021

INTEGRATION JOINT BOARD
INTERNAL AUDIT FOLLOW UP REPORT
PROJECT MANGEMENT OF CAPITAL INVESTMENT AND DELIVERY

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SECTION 1: EXECUTIVE SUMMARY

Introduction

- 1.1 The Report has been prepared for the Integration Joint Board's Audit Committee. The original report advised of a number of recommendations made in the Project Management of Capital Investment and Delivery report which was issued on 9 November 2020. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2021-22.

Internal Audit Objective

- 1.2 Following up internal audit reports and assessing the level of compliance with recommendations made is an important part of the internal audit function.
- 1.3 In accordance with the remit detailed in the operational annual internal audit plan for 2021-22, our internal audit work was designed to obtain assurance that the original recommendations have been implemented. We obtained this assurance through internal audit testing and undertaking discussions with key personnel.
- 1.4 The main recommendations in the original report were:
- A report should be put before the IJB at the earliest opportunity in order to communicate any potential funding issues and to make the board aware of any required changes to service delivery models as a result of funding gaps identified;
 - Updates outlining current financial position to be provided as a standing item until the conclusion of each project;
 - Arrangements need to be made to communicate key risks to all members of the IJB at each scheduled meeting. In addition, in the event of material change occurring outwith the planned schedule of meetings, these must be notified to members of the IJB timeously;
 - In order to provide the IJB with assurances that there is appropriate oversight and progress of projects, project updates should be provided as a standing item at each meeting with reports submitted to the Scottish Government and each of the parent body's committees also considered for circulation to IJB members.

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Detailed Findings

- 1.5 The current status of progress against the original recommendations can be summarised as follows:

Key to Status



Fully implemented;



Partly implemented, although further work is required to meet the objective of the recommendation; or



Insufficient progress to date

Recommendations	Action to Date	Status
A report be put before the IJB at the earliest opportunity in order to communicate any potential funding issues and to make the board aware of any required changes to service delivery models as a result of funding gaps identified.	Partly implemented	
Updates outlining current financial position to be provided as a standing item until the conclusion of each project.	Partly implemented	
Arrangements be made to communicate key risks to all members of the IJB at each scheduled meeting. In addition, in the event of material change occurring outwith the planned schedule of meetings, these must be notified to members of the IJB timeously.	Partly implemented	
Project updates be provided as a standing item at each meeting, with reports submitted to the Scottish Government and each of the parent body's committees also considered for circulation to IJB members.	Partly implemented	

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Concluding Remarks

- 1.6 From our follow up testing, we note that out of the 4 follow up recommendations made in the original report 0 appear to have been fully implemented, and management have confirmed that the remaining recommendations will be implemented by March 2022.
- 1.7 Chief Internal Auditor for the Integration Joint Board
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1 September 2021

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SECTION 2 - DETAILED FINDINGS AND RECOMMENDATIONS

Action Recommended	Action By	Progress to Date	Action Outstanding
2.1			
A report be put before the IJB at the earliest opportunity in order to communicate any potential funding issues and to make the board aware of any required changes to service delivery models as a result of funding gaps identified.	Chief Finance Officer December 2020	An internal report has been produced which appraises the current risks in relation to the staffing model for Goathill. A meeting with key partners has identified a set of actions to be undertaken to assess risks and outline mitigations actions. An update against the action plan will be presented to September IJB	Report to IJB (September 2021)
Updates outlining current financial position to be provided as a standing item until the conclusion of each project.	Chief Finance Officer/Chief Officer Ongoing until conclusion of project(s)	The FD provides monthly finance reports to the IJB. This will include risk assessment	
Arrangements be made to communicate key risks to all members of the IJB at each scheduled meeting. In addition, in the event of material change occurring outwith the planned schedule of meetings, these must be notified to members of the IJB timeously.	Chief Officer To be reviewed in April 2021	As outlined above a report will be presented to the scheduled September IJB.	Pending the outcome of the discussion, additional meeting of the IJB will be convened.

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Action Recommended	Action By	Progress to Date	Action Outstanding
2.2			
Project updates be provided as a standing item at each meeting, with reports submitted to the Scottish Government and each of the parent body's committees also considered for circulation to IJB members.	Chief Officer To be reviewed in April 2021	See notes above re Goathill In addition a current review of the proposed BVCC is being undertaken pending decision from SG re the increase in capital costs. The Executive Project Board is seeking assurance from SG regarding funding before moving forwards re the BVCC.	Additional assurance regarding funding and if secured moving onto the BVCC.

RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND INTERNAL AUDIT

Responsibility in Relation to Internal Controls

It is the responsibility of the Comhairle's management to maintain adequate and effective financial systems and to arrange for a system of internal controls. Our responsibility as internal auditors is to evaluate the financial systems and associated internal controls. In practice, we cannot examine every financial implication and accounting procedure within an activity, and we cannot substitute for management's responsibility to maintain adequate systems of internal controls over financial systems. We therefore may not identify all weaknesses that exist in this regard.

Responsibilities in Relation to Fraud and Corruption

The prime responsibility for the prevention and detection of fraud and irregularities rests with management. They also have a duty to take reasonable steps to limit the opportunity for corrupt practices. It is our responsibility to review the adequacy of these arrangements, but our work does not remove the possibility that fraud, corruption or irregularity may have occurred and remained undetected.

We nevertheless endeavour to plan our internal audit work so that we have reasonable expectation of detecting material fraud, but our examination should not be relied upon to disclose all such material frauds that may exist.