



Integration Joint Board  
Audit and Risk Committee

11<sup>th</sup> September 2018

This Report relates to  
Item 11 on the Agenda

# Proposed Internal Audit Arrangements for 2018/19 onwards

*(Paper presented by Katy Lewis)*

*For Approval*

<b>Approved for Submission by</b>	Chief Finance Officer, Integration Joint Board
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<b>List of Background Papers</b>	
<b>Appendices</b>	

## SECTION 1: REPORT CONTENT

<b>Title/Subject:</b>	Proposed Internal Audit Arrangements for 2018/19
<b>Meeting:</b>	Audit and Risk Committee
<b>Date:</b>	11 <sup>th</sup> September 2018
<b>Submitted By:</b>	Katy Lewis Chief Finance Officer
<b>Action:</b>	For Approval

### 1. Introduction

- 1.1 The purpose of this report is to present the proposed arrangements for Internal Audit provision for the Integration Joint Board for 2018/19.

### 2. Recommendations

- 2.1 **The Audit and Risk Committee is asked to:**
- 2.2 **Approve the Internal Audit arrangements for the Integration Joint Board for 2018/19 onwards as proposed by the Chief Finance Officer.**

### 3. Background

- 3.1 In June 2015, the Scottish Government Integrated Resources Advisory Group (IRAG) issued the latest “Guidance for Integrated Financial Assurance” in support of the Public Bodies (Joint Working) (Scotland) Act 2014.
- 3.2 The guidance requires the Integration Joint Board (IJB) to seek assurance that its resources are sufficient to allow it to carry out its functions and assess the risks associated with this, and further to establish adequate and proportionate internal audit arrangements for the review of risk management, governance and control of the delegated resources.
- 3.3 The guidance recommends that a Chief Internal Auditor be appointed for the IJB who should develop a risk based audit plan for approval by the IJB or relevant Committee.
- 3.4 A paper was presented and approved by the Audit and Risk Committee in September 2016 which confirmed the appointment of the NHS Internal Audit and Chief Internal Auditor of the Integration Board for one year only, with this arrangement extended for 2017/18. It is proposed that this arrangement be continued for 2018/19 as no other provision has been secured and the services

provided by the NHS Internal Audit arrangements have provided appropriate assurance.

#### **4. Main Body of the report**

- 4.1 The guidance provided by Scottish Government around the financial arrangements of the Integration Joint Board identifies the requirement to have an internal auditor appointed for the partnership.
- 4.2 The Chief Finance Officer has discussed with the NHS Chief Internal Auditor whether they would consider undertaking this role on a permanent basis for 2018/19 onwards. Other options have been considered including buying in internal audit support from a third party (such as one of the large accounting firms) but this was deemed to be too costly. Closer working with council internal audit has been explored but no long term solution achieved to date.
- 4.3 A review of resources required to undertake the plan was previously considered. Much of the work for the IJB is developed by the Chief Internal Auditor themselves although additional budget of £20k remains set aside to support this additional capacity if required, with the aim to ensure as efficient an audit process is developed to minimise duplication and assurance sought from existing audit activity from either the Council or NHS.

## SECTION 2: COMPLIANCE WITH GOVERNANCE STANDARDS

### 5. Resource Implications

5.1 This has been considered by Chief Finance Officer and Chief Internal Auditor and considered to be minimal at this stage.

### 6. Impact on Integration Joint Board Outcomes, Priorities and Policy

6.1 Internal Audit is a key element of the delivery of independent assurances around the achievement of the IJB's objectives.

### 7. Legal & Risk Implications

7.1 Non identified.

### 8. Consultation

8.1 The Chief Finance Officer (IJB) and NHS Chief Internal Auditor, Chair and Vice Chair of the Audit and Risk Committee (IJB) have been consulted.

### 9. Equality and Human Rights Impact Assessment

9.1 The Equality Framework within NHS D&G has been considered in creating the audit plan. An equalities impact assessment has not been completed.

### 10. Glossary

10.1. The following details the abbreviations and associated terms encountered throughout the course of this report.

Abbreviation	Term
D&GC	Dumfries and Galloway Council
IJB	Integration Joint Board
NHS D&G	NHS Dumfries and Galloway
PSIAS	Public Sector Internal Audit Standards
IRAG	Integrated Resources Advisory Group