



Integration Joint Board
Audit and Risk Committee

19 March 2018

This Report relates to
Item 6 on the Agenda

Chief Internal Auditor Quarterly Update March 2018

Paper presented by Julie Watters

For Discussion and Noting

Approved for Submission by	Chief Finance Officer, Integration Joint Board
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List of Background Papers	
Appendices	Appendix 1 – NHS Internal Audit plan 2017/18 Appendix 2 – IJB Internal Audit plan 2017/18

SECTION 1: REPORT CONTENT

Title/Subject:	Internal Audit Update March 2018
Meeting:	Audit and Risk Committee
Date:	19 March 2018
Submitted By:	Julie Watters
Action:	For Discussion and Noting

1. Introduction

- 1.1 The purpose of this report is to provide an update to Audit and Risk Committee on delivery of the Internal Audit Plan for the Integration Joint Board for the year 2017/18 and to detail the methods of delivering the appropriate assurances required as part of the overall governance and risk management processes.

2. Recommendations

- 2.1 The IJB Audit and Risk Committee is asked to note the proposals for delivery of the Internal Audit plan for 2017/18 and to consider the process for receiving assurances on audit work undertaken.

3. Background

- 3.1 As detailed at the December committee meeting when the plan was approved, the Scottish Government Integrated Resources Advisory Group (IRAG) issued "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 establish adequate and proportionate internal audit arrangements for the review of risk management, governance and control of the delegated resources.
- 3.3 The approved internal audit plan for the IJB takes into consideration the operational delivery of services within the Health Board and Local Authority on behalf of the IJB and the assurances expected to be delivered by the separate internal audit plans already approved for 2017/18. It is of the utmost importance that there is open communication between the two host organisation Chief Internal Auditors to ensure that independent assurances can be shared where relevant.

4. Main Body of the report

- 4.1 As detailed in the December Committee paper, the audit plan for 2017/18 addresses the requirements at this stage in the integration process and recognises that assurances required at an early stage are different from those on an ongoing

basis. This is a period of transition and feedback and continual improvement are essential to ensure that processes are fit for purpose.

- 4.2 Audit assurances to the IJB are not delivered in isolation and the internal audit functions of both the NHS and Council will deliver assurances to their own organisations that should also be considered by the IJB where relevant. The Chief Internal Auditor for the IJB will ensure that this coordination of reporting on assurances is undertaken.
- 4.3 The NHS audit plan for 2017/18 is detailed in Appendix 1 with an indication of audits completed this year and the assurances that these have provided. Reporting to the NHS Audit and Risk Committee consists of a summary of audits delivered in the reporting period along with the Assurance level that is given for each audit along with the number of recommendations made. This information is summarised at year end within the Statement of Assurance provided within the annual report.
- 4.4 The level of detail brought to the IJB Audit and Risk Committee can be adjusted to meet the requirements of the members and should therefore be agreed.
- 4.5 The approved IJB plan for 2017/18 in Appendix 2 details the work that was proposed to deliver on required assurances at this stage. There was some discussion around the plan in particular where this links into the wider scope audit work undertaken by the IJB's External Auditors. The focus for this year's audit work is the provision of a balanced range of assurances giving consideration to the work undertaken by all assurance providers and the follow up on last year's audit recommendations.
- 4.6 Future planning can only be undertaken once the Internal Audit arrangements for future years have been confirmed, although as the NHS Internal Audit Plan is currently being drafted it has been assumed that the current arrangements will remain unchanged for future years. This has been discussed with the Chief Officer and Chief Finance Officer for the IJB who agree that this is the most pragmatic approach to take at this time.

SECTION 2: COMPLIANCE WITH GOVERNANCE STANDARDS

5. Resource Implications

- 5.1 The Internal Audit provision for the IJB will come from the existing NHS resource as per IRAG guidance.
- 5.2 Future resources will depend on the audit model considered moving forward.

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 There are a number of limitations to the audit plan in that the risk register for the IJB was not available to inform the plan and ensure that it is based on management's view of risk. This is an area that will need to be enhanced for the future. Information that will be used to inform scoping of the audits will be Committee Terms of Reference, Standing Financial Instructions/Scheme of Delegation, the Integration Scheme, Strategic and Locality Plans, and papers presented to the IJB and its committees.
- 7.2 Agreement must be secured on the sharing of information from NHS and Council audit reports to ensure that, where relevant, assurances will be provided to the IJB Audit and Risk Committee. This area is being taken forward by the IJB Chief Internal Auditor, to discuss with the Council's Chief Internal Auditor.

8. Consultation

- 8.1 The IJB Chief Finance Officer and Chair of the Audit and Risk Committee have been consulted and their views have been incorporated into this paper.

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
IRAG	Integrated Resources Advisory Group
NHS D&G	NHS Dumfries and Galloway
PSIAS	Public Sector Internal Audit Standards

Audit	Audit Subject	Days	Q'ter	Status	Rec's	Assurance	Comments
TS/06/18	Ledger Controls and Reconciliations	13	Q1	Final	3	Significant	
TS/12/18	Cash Control & Banking	15	Q1	Final	3	Significant	
F/01/18	Property Transaction Monitoring	10	Q1	Final	-	Comprehensive	Reported to SG following Committee
A/05/18	New Hospital - Migration and Commissioning Plans	40	Q1/Q3	Prelim	4	Moderate	Initial observations fed back to New Hospital Steering Group
A/07/18	Capacity Management	25	Q2	Prelim	4	Significant	Response due back 6 th March
A/08/18	Out of Hours Service	20	Q2	WIP			Reporting stage - debrief meetings to be held 8 th and 20 th March 2018
A/10/18	Commissioning	25	Q2	WIP			Reporting stage – debrief meeting to be held 16 th March 2018
A/04/18	Info. Gov. & Security Improvement Measures - DL17(2015)	25	Q2	WIP			Reporting stage – debrief meeting to be held 14 th March 2018
A/09/18	Child Protection	20	Q3	-			
A/02/18	Health and Safety Policy and Procedures	20	Q3	WIP			Reporting stage – debrief meeting to be held 13 th March 2018
E/03/18	Losses and Compensation	15	Q3	WIP			Reporting stage – debrief meeting to be held 9 th March 2018
A/01/18	Board Governance and Decision Making - Structures	20	Q4	WIP			Scoped and underway
A/03/18	Nurse Revalidation (incl. Midwifery and AHPs)	20	Q4	-			
A/06/18	Laboratories	20	Q4	-			
E/04/18	Budgetary Control - Ring Fenced Funding	20	Q4	-			

Integration Joint Board Audit and Assurance requirements 2017/18 onwards

Assurance Area	Timing	Who	Days	Comments
Audit Planning	Dec 2017	IJB CIA	-	Draft Internal Audit plan 2017/18 and onwards
Audit Management	Ongoing	IJB CIA	-	Liaison with managers and Directors and liaison between HB and NHS audit functions
Committee reporting	Quarterly	IJB CIA	-	Updates to Committee on audit progress and attendance at Audit and Risk Committee
Annual Internal Audit Report	June 2018	IJB CIA	-	Including CIA's annual assurance statement to Audit Committee To inform IJB Governance Statement
Governance and Assurance arrangements – Ongoing	2017/18	IJB IA	35	Review of decision making processes along with monitoring and reporting mechanisms across the IJB and partner organisations.
Compliance with the Integration Scheme	2017/18	IJB IA		To review various elements of the Integration Scheme and obtain evidence that these are being complied with
Audit Follow up	2017/18	IJB IA		To follow up on the action from the 2016/17 internal audit
Risk Management	2018/19 onwards	IJB IA	tbc	To review the Risk Management framework within the IJB and provide assurance that this reflects the key risks
Performance Management	2018/19 onwards	IJB IA	tbc	Arrangements for monitoring of performance of the IJB in delivering its objectives

Previous work undertaken in the 2016/17 IJB audit

Governance and Assurance arrangements - Initial	2016/17 – Q4	IJB IA	15	Review of Health and Social Care Integration within Dumfries and Galloway, focussing on: <ul style="list-style-type: none"> • Financial, • Staff, • Information, and • Clinical and Care Governance and include Risk and Performance Management arrangements
Strategic Planning	2016/17 – Q4	IJB IA	10	Initial review of the processes around the preparation of the IJB Strategic Plan