

**PERTH AND KINROSS COUNCIL****Audit Committee****31 January 2018****INTERNAL AUDIT PRODUCT SHARING PROTOCOL****Report by the Chief Internal Auditor****PURPOSE OF REPORT**

This report presents the Product Sharing Protocol for outputs from the Internal Audit process relating to the Integrated Joint Board.

**1. BACKGROUND / MAIN ISSUES**

- 1.1 Following the creation of the three Integrated Joint Boards (IJBs) within the NHS Tayside area, there has been a corresponding need, informed by the Integrated Resource Advisory Group (IRAG) guidance, for each of these bodies to have an Internal Audit function. The nature of Health and Social Care Integration is such that the control systems of the Health Board, the Integrated Joint Boards (IJB) and the three Local Authorities are inextricably linked and it is therefore necessary to consider how relevant audit outputs of each of these bodies should be shared.
- 1.2 Following discussions with the NHS Chief Internal Auditor and the Chief Internal Auditors for Angus and Dundee City Councils, the attached paper has been prepared for consideration by all relevant Audit Committees. It was considered and approved by the Audit Committee of NHS Tayside in August 2017 and the IJB in September 2017.
- 1.3 In addition there is the need to consider the rights of IJB audit staff who may require access to Perth & Kinross Council employees, documents and property. Currently, under the Internal Audit Charter, such rights are granted to Perth & Kinross Council auditors.

**2. ASSESSMENT**

- 2.1 The IRAG guidance requires the sharing of IJB Internal Audit plans and annual reports with the parent bodies. The attached paper extends that principle to allow for relevant assurances to be provided to each body. Additional consideration will also need to be given to the scope of the information provided. At present, Internal Audit reports for Perth & Kinross Council are presented in full and are publically available. This is not the case for NHS Tayside, whose Internal Audit Reporting protocol allows all Audit Committee members full access to all NHS Tayside Internal Audit Reports, with reports graded 'D' or below presented in full to the NHS Audit Committee. There will need to be further discussion on the issue of whether IJB Audit Committee members will be entitled to receive full reports from NHS Tayside

and whether Perth & Kinross Council and NHS Tayside will be entitled to receive full reports from the IJB.

- 2.2 In order to ensure that IJB audits can be conducted efficiently and effectively, and to promote partnership working, it is necessary for all auditors to have equal rights of access to relevant officers and information required to undertake their duties, whether these officers are employed by, or the relevant information is held by, the NHS or Perth & Kinross Council. It is therefore sensible for NHS Tayside auditors undertaking IJB audits to have rights of access as detailed within Perth & Kinross Council's Internal Audit Charter (report 17/313 refers). Perth & Kinross Council auditors will also require similar access for relevant NHS records and officers.

### 3. CONCLUSION AND RECOMMENDATIONS

- 3.1 This report presents a protocol for sharing outputs from the Internal Audit process relating to the IJB.
- 3.2 It is recommended that the Committee approves:
- 3.2.1 the Product Sharing Protocol as the basis for an agreement with the NHS and IJB Internal Auditors; and
- 3.2.2 that NHS Internal Auditors will have the same rights of access as Perth & Kinross Council Internal Auditors to all relevant Council officers and information while conducting approved IJB audit work.

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	None
Strategic Plan	Yes
<b>Resource Implications</b>	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
<b>Assessments</b>	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
<b>Consultation</b>	
Internal	Yes
External	None
<b>Communication</b>	
Communications Plan	None

### 1. Strategic Implications

#### 1.1 Corporate Plan

- 1.1.1 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.1.2 This report relates to all of these objectives.

### 2. Assessments

#### 2.1 Equality Impact Assessment

- 2.1.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

- 2.1.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

## 2.2 Risk

- 2.2.1 The risks are associated with the level of assurance provided on the control environment in each of the parent bodies and the IJB.

## 3. **Consultation**

### 3.1 Internal

- 3.1.1 The Chief Executive and Head of Legal and Governance Services have been consulted in the preparation of this report.

## 2. **BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

## 3. **APPENDICES**

Appendix A – Internal Audit Product Sharing Protocol