



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

30 October 2023

INTERNAL AUDIT STRATEGY & PLAN 2023/24

**Report by Chief Internal Auditor
(Report No. G/23/146)**

PURPOSE OF REPORT

The purpose of this report is to seek approval of the Annual Internal Audit Plan for Perth & Kinross Integration Joint Board for 2023/24.

1. BACKGROUND

Internal Audit, as defined in the Public Sector Internal Audit Standards (PSIAS), is an independent, objective assurance and consulting activity designed to add value and improve the effectiveness of an organisation's operations. It helps the Integration Joint Board (IJB) to accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of risk management, control and governance processes.

The PSIAS require the Chief Internal Auditor to prepare a risk based Internal Audit Plan (the Plan) setting out the team's annual work programme. The Plan should take account of the IJB's objectives, risk and performance management arrangements.

As stated in the Scottish Government's Integrated Resources Advisory Group (IRAG) guidance, it is the responsibility of the IJB to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. Perth & Kinross Council's Chief Internal Auditor was appointed as Chief Internal Auditor for the IJB in July 2020.

Resources to deliver the plan will be provided by the Perth & Kinross Council and NHS Tayside Internal Audit services. A total of 40 days have been included in the 2023/24 Internal Audit Plans of the statutory partners.

2. APPROACH

The strategy for Internal Audit is to deliver a risk based Internal Audit Service by designing planned activity around the key risks to the IJB achieving its objectives. Internal Audit also aims to add value to the organisation by ensuring that there is appropriate and enabling risk management, governance and controls in place.

In order to ensure compliance with the PSIAS requirement of undertaking an annual risk assessment, a review of the arrangements which have been put in place for the identification and assessment of risks has been undertaken. In addition, evidence provided to support the Annual Governance Statement, submissions to the Ministerial Steering Group and the response to the outcomes from the external inspection have been taken into consideration.

A mapping exercise was undertaken comparing Internal Audit activity for the IJB with the most recently considered Risk Register. This was also considered in line with the strategic priorities of the Integration Joint Board. The review highlighted areas for consideration for inclusion within the Plan and discussions subsequently took place with the Chief Officer and the interim Chief Finance Officer to arrive at an achievable Plan for the current year, with potential areas highlighted for timing in future Internal Audit plans.

It was agreed in the June meeting of the Audit & Performance Committee ([Report G/23/91](#) refers) that the planned audit of the sustainability of Commissioned Service providers would be delayed until the autumn as a result of a specific resourcing issue within the Partnership. This assignment has been included within the Internal Audit Plan for 2023/24.

Of the 10 Strategic Risks highlighted to the Audit & Performance Committee in June 2023, Internal Audit assurance activity has yet to be considered for 4 risk areas, 2 of which are Priority 1 risks. These areas are therefore included within the Internal Audit Plan for 2023/24. It is noted that work is ongoing relating to the Internal Audit of SR14 Premises.

The Plan also takes account of the assurances which can be provided to the IJB based on work performed under the Internal Audit plans of both Perth & Kinross Council and NHS Tayside, once approved.

3. PLANNED INTERNAL AUDIT ACTIVITY

The Audit Plan is designed to provide the Chief Internal Auditor with sufficient evidence to form an opinion on the adequacy and effectiveness of internal controls. The Plan for 2023/24 has been designed to target the priority issues and risks identified during the course of the review outlined in section 2 above.

In addition to the specific assignments, resources will be allocated to undertake the planning and management of the Internal Audit service, along with supporting the work of the Audit & Performance Committee of the IJB.

This will include the provision of the Annual Report, as required by PSIAS, and ensuring the adequacy of the implementation of agreed audit actions.

The following specific assignments have been highlighted for review during the year:

Reference	Title	Indicative Scope
PKIJB 23-01	Sustainability of commissioned service providers	To review the sustainability of commissioned service providers.
PKIJB 23-02	Workforce	To provide assurance over the management of the workforce planning risks
PKIJB 23-03	Joint Equipment Loans Store	To ensure the efficient and effective provision of services which supports people in their own homes.

Work to deliver the Plan will be undertaken through a Joint Working Protocol agreed by the Chief Internal Auditors of both statutory partners.

4. RECOMMENDATION

The Audit & Performance Committee is asked to approve the Internal Audit Strategy and Plan for 2023/24.

5. CONSULTATION

The Chief Officer and Chief Finance Officer have been consulted on the content of this paper.

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APPENDICES

1. Internal Audit Plan