



AUDIT & PERFORMANCE COMMITTEE

16 September 2019

INTERNAL AUDIT STRATEGY & PLAN 2019/20 & 2018/19 PROGRESS UPDATE

Report by Chief Internal Auditor (Report No. G/19/141)

PURPOSE OF REPORT

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

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 June 2019.

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 2019/20 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 has been examined and the submission to the Ministerial Steering Group has also been reviewed.

The Health & Social Care Partnership has recently been subject to external inspection. Whilst the report is not currently available, the outcomes from this review may influence the direction of some elements of Internal Audit activity within the year and also the scoping of those reviews already identified for inclusion within the Internal Audit Plan.

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 \(Item 8.3\)](#).

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 2019/20 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 19-01	Financial Risks	To provide assurance over the consideration of the financial risks for the Partnership, including engagement with statutory partners.
PKIJB 19-02	Performance Management	To review arrangements in place for the adequacy and effectiveness of the measurement and reporting of performance

PKIJB 19-03	Improvement Actions	To review the arrangements in place for the consolidation of improvement actions; the efficiency and effectiveness of their completion and the ensuing reporting arrangements.
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In addition to the specific assignments listed above, the Chief Internal Auditor will continue to work with the Chief Officer and Chief Financial Officer following the publication of the Joint Inspection report, where resources permit, to ensure the adequacy of governance, risk management and internal control.

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 2019/20.

5. CONSULTATION

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

Author(s)

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APPENDICES

1. Internal Audit Plan