



## **AUDIT & PERFORMANCE COMMITTEE**

**20 September 2018**

### **INTERNAL AUDIT PLAN 2018/19**

**Report by Chief Internal Auditor (Report No. G/18/125)**

#### **PURPOSE OF REPORT**

The purpose of this paper is to seek approval of the Annual Internal Audit Plan for Perth & Kinross Integrated Joint Board (IJB) for 2018/19.

#### **1. BACKGROUND**

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. Fife, Tayside and Forth Valley Audit and Management Services (FTF) were appointed as the IJB's Internal Audit Service in September 2017.

Resources to deliver the plan will be provided by the NHS Tayside and Perth & Kinross Council Internal Audit services. A total of 40 days have been included in the 2018/19 Internal Audit Plans of the parties.

As in 2017/18 and in line with Public Sector Internal Audit Standards, the discretionary elements of this year's plan were centred on the Perth & Kinross IJB's Strategic Risk Register (noting that the Risk Register is currently under review), with individual topics also informed by the professional views of the IJB Chief Officer and Chief Financial Officer and the Chief Internal Auditors of both parties.

It also takes account of assurance which can be provided to the IJB based on work performed under the Internal Audit plans of both parties.

We would highlight that the plan is predicated on the basis that operational controls over services are maintained and assured through the parties. As such, the Internal Audit plans of NHS Tayside and Perth & Kinross Council are included as Appendices A & B to this report. Audit and Performance Committee members are asked to note the audits highlighted which are likely to be shared under the output sharing protocol which will provide additional assurance to the IJB.

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 draft operational plan for 2018/19 has been designed to target the priority issues identified by our assessment of risk. The plan includes the delivery of standard products required each year, and is further based on professional judgement of the IJB risk environment. We therefore assessed audit need based on the IJB's own strategic risks as well as areas for improvement noted in the Governance Statement, our findings from our 2017/18 Annual Internal Audit Report and benchmarking with other IJBs. We have also discussed the proposed plan with the Chief Officer and Chief Financial Officer to ensure the substantive audit assignments add value.

The proposed plan is set out below:

<b>Ref</b>	<b>Audit</b>	<b>Indicative Scope</b>	<b>Days</b>	<b>Target Committee</b>
PK01-19	Audit Planning	Agreeing audit universe and preparation of strategic plan	2	September 2018
PK02-19	Audit Management	Liaison with managers and Directors and attendance at Audit and Performance Committee	4	Ongoing
PK03-19	Annual Internal Audit Report	CIA's annual assurance statement to the IJB, review of governance self-assessment and follow-up of previous Internal Audit recommendations	7	June 2018
PK04-19	PK07-17 follow-up	Follow-up of Internal Audit Report PK07-17 which highlighted a number of areas relating to Clinical and Care Governance, including those in relation to hosted services, to ensure actions have been implemented and to take into account events subsequent to the issue of that report.	4	February 2019
PK05-19	Performance management	Accurate, relevant and reliable reporting against strategic plan objectives and core integration indicators. Compliance with DL 2016 (05) - Guidance for Health and Social Care Integration Partnership Performance Reports	15	February 2019

PK06-19	Governance & Assurance	Ongoing support and advice on further development of governance and assurance structures, including issues identified as part of the annual report process and operation of the Audit & Performance Committee	5	Ongoing
PK07-19	Information Governance	Extension of testing within parent bodies' IA plans to ensure assurance systems adequately cover IJB Information Governance and GDPR.	3	February 2019

Work to deliver the internal audit plan is undertaken under the supervision of the Chief Internal Auditor. An Internal Audit Joint Working Protocol has been agreed by the Internal Auditors of both parties as has a Protocol for sharing Internal Audit Outputs.

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.

## 2. RECOMMENDATION

The IJB is asked to:

- (i) Approve the 2018/19 annual plan.

## 3. CONSULTATION

The Chief Officer, the Chief Finance Officer and the Chief Internal Auditor of Perth & Kinross Council have been consulted on the content of this paper. The draft plan has also been issued to the IJB's external auditors for comment.

### Author(s)

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