



## **AUDIT & PERFORMANCE COMMITTEE**

**14 September 2020**

### **INTERNAL AUDIT STRATEGY & PLAN 2020/21**

**Report by Chief Internal Auditor (Report No. G/20/83)**

#### **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 2020/21.

#### **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 2020/21 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.

Following the onset of the COVID-19 pandemic, Internal Audit activity was paused to enable the Partnership to focus its attention on delivering its critical services. Internal Audit resources were directed in part to support this. As such, there will be a shortened time period for the completion of this Audit Plan which takes into account limitation in resources.

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 2020/21 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.

In addition to finalising the Financial Risks audit from the 2019/20 Internal Audit Plan, the following specific assignments have been highlighted for review during the year:

Reference	Title	Indicative Scope
PKIJB 20-01	Improvement Actions	To review the efficiency and effectiveness of their completion of agreed improvement actions and the ensuing reporting arrangements.
PKIJB 20-02	Corporate Support	To ensure that adequate arrangements are in place for the delivery of corporate

		support functions for the Partnership and IJB. This will include reference to relevant sections of the Integration Scheme and benchmark against statutory partner arrangements.
PKIJB 20-03	Commissioned Service Providers	To provide assurance over arrangements for the identification and authorisation of sustainability grants.

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 2020/21.

#### **5. CONSULTATION**

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

#### **Author(s)**

<b>Name</b>	<b>Designation</b>	<b>Contact Details</b>
J Clark	Chief Internal Auditor	<a href="mailto:InternalAudit@pkc.gov.uk">InternalAudit@pkc.gov.uk</a>

### **APPENDICES**

#### **1. Internal Audit Plan**