

## **Agenda Item 6**

# **Internal Audit Plan 2019/20**



**Title / Subject:** Internal Audit Plan 2019/20  
**Meeting:** Integration Joint Board Audit Committee  
**Date:** 27 June 2019  
**Submitted By:** Chief Internal Auditor  
**Action:** For Approval

**1. INTRODUCTION**

- 1.1. This report presents a 2019/20 Internal Audit Plan for approval.

**2. RECOMMENDATIONS**

It is recommended that the Audit Committee:

- 2.1 approves the Internal Audit Plan for 2019/20; and  
2.2 notes that progress will be reported to the Audit Committee on an ongoing basis.

**3. FALKIRK IJB INTERNAL AUDIT PLAN – INTERNAL AUDIT RESOURCE, PLANNED WORK, AND REPORTING ARRANGEMENTS**

- 3.1. The IJB Internal Audit service is provided jointly by Falkirk Council and Fife, Tayside, and Forth Valley NHS Internal Audit Consortium. Chief Internal Auditor responsibility rotates on a three yearly basis and, from 01 April 2019, that role falls to Falkirk Council's Internal Audit Manager. Resourcing of the team will continue to be shared between the two organisations.
- 3.2. Internal Audit's role is to provide a balanced and evidence based opinion to Members on the adequacy of the IJB's arrangements for risk management, governance, and control.
- 3.3. To do this, the Internal Audit team must be:
- independent;
  - objective in performing audit work; and
  - adequately resourced, experienced, qualified, and knowledgeable.



- 3.4. All Internal Audit staff are experienced and professionally qualified and, as required by Public Sector Internal Audit Standards (PSIAS) 2017, each partner has an Internal Audit Charter setting out their role, authority, and responsibility.
- 3.5. To facilitate the provision of a balanced and evidence based opinion on arrangements for risk management, governance, and control, PSIAS require the preparation of a risk based Internal Audit Plan setting out the team's annual work programme.
- 3.6. The resource available to deliver the 2019/20 Falkirk IJB Internal Audit Plan is summarised in the table below:

	Days
Falkirk Council	30
FTF NHS Internal Audit Consortium	20
<b>Total Available Resource</b>	<b>50</b>

- 3.7. For 2019/20 I propose that this resource is used to deliver the following two main assignments:
- 3.7.1 Carers (Scotland) Act 2016 and Participation and Engagement Strategy Arrangements. We will focus on the IJB's arrangements for obtaining assurance that:
- implementation of the Carers (Scotland) Act 2016 has been informed by stakeholder engagement and participation;
  - the Participation and Engagement Strategy, and subsequent and ongoing implementation of this, is adequate to provide the IJB with assurance that the HSCP engages adequately and fully with stakeholders; and
  - there are sufficient arrangements for consultation with stakeholders, including service users, patients, and unpaid carers.

This work will provide assurance in relation to the strategic risk 'Partnerships'.

- 3.7.2 Medium Term Financial Planning. This work will focus on the IJB's arrangements for:
- developing, managing, and reporting on its own Medium Term Financial Plan; and
  - obtaining assurance on the robustness of partners' Medium Term Financial Plans and the process for developing and maintaining these.

This work will provide assurance in relation to the strategic risk 'Funding and / or demographic pressures'.

- 3.8. In addition, Falkirk Council resource will be allocated to duties associated with the Chief Internal Auditor role, such as drafting of Committee papers, and attendance at relevant Committee meetings.
- 3.9. In compliance with PSIAS, this Plan has been developed taking account of key financial and other risks. This has been done by:
  - considering the IJB's Strategic Risk Register; and
  - consulting with the Chief Officer and Chief Finance Officer.
- 3.10. For each assignment, a more detailed Terms of Reference will be agreed with the Chief Officer and Chief Finance Officer prior to the commencement of fieldwork. This will set out the scope of work to be undertaken.
- 3.11. On completion of each review, Internal Audit will issue a draft report to the Chief Officer and Chief Finance Officer. This will include an opinion on the adequacy of risk management, governance, and control arrangements in the area under review, and an action plan setting out any recommendations for improvement. The assurance will be provided in line with the definitions set out at Appendix 1.
- 3.12. Where Internal Audit makes recommendations, the Chief Officer will be required to provide formal responses (including action dates). The report and completed action plan will then form the final record of the assignment. The Chief Officer will be responsible for ensuring that all recommendations are implemented by the agreed action date.
- 3.13. Progress with completing the 2019/20 Internal Audit Plan will be reported to Audit Committee throughout the year.
- 3.14. On an annual basis, an Internal Audit Assurance Report will be presented to Audit Committee. This will give an overall opinion on the IJB's risk management, governance, and control arrangements, based on the work Internal Audit has carried out over the course of the year.

#### **4. CONCLUSIONS**

##### **Resource Implications**

There are no resource implications arising from the recommendations in this report.

##### **Impact on IJB Outcomes and Priorities**

Effective governance, including risk management and internal control, will be necessary to deliver the outcomes and priorities of the IJB.

**Legal & Risk Implications**

Risk management is part of the Internal Audit plan.

**Consultation**

All Internal Audit reports are circulated and reviewed by management prior to final publication.

**Equalities Assessment**

No equalities issues arise from the recommendations of this report.

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Approved for Submission by: **Gordon O'Connor, Chief Internal Auditor**

**Date: 31 May 2019**

**DEFINITION OF INTERNAL AUDIT ASSURANCE CATEGORIES**

<b>Level of Assurance</b>	<b>Definition</b>
<b>Substantial assurance</b>	Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives or leave them vulnerable to error or abuse.
<b>Limited assurance</b>	Risk, control, and governance systems have some satisfactory aspects. There are, however, some significant weaknesses likely to undermine the achievement of objectives and leave them vulnerable to an unacceptable risk of error or abuse.
<b>No assurance</b>	The systems for risk, control, and governance are ineffectively designed and operated. Objectives are not being achieved and the risk of serious error or abuse is unacceptable. Significant improvements are required.