Agenda Item 5

Internal Audit Progress Report

Falkirk Integration Joint Board Audit Committee

5 March 2021

Internal Audit Progress Report

For Decision

1.   Executive Summary

1.1   This report provides an update on progress completing the 2020/21 Internal Audit Plan.

1.2   Given the impact of Covid 19 on the IJB and on the resources available to Internal Audit, plan progress has been limited.

2.   Recommendations

The Audit Committee is asked to:

2.1   Note the progress to date in completing the 2020/21 Internal Audit Plan and agree to defer the Directions audit to 2021/22.

3.   Progress with Completing 2020/21 Internal Audit Plan

3.1   Responsibility for leading on the provision of Internal Audit services to Falkirk IJB rotates on a three-yearly cycle between the Chief Internal Auditor of NHS Fife, Tayside, and Forth Valley NHS Internal Audit consortium and Falkirk Council's Internal Audit Manager.

3.2   Prior to 01 April 2019, this provision was led by the Chief Internal Auditor of NHS Fife, Tayside, and Forth Valley NHS Internal Audit consortium. From 01 April 2019 Falkirk Council's Internal Audit Manager took over.

3.3   The current 2020/21 position is summarised in the table below and overleaf.

2020/21 Internal Audit Plan:	
Directions	In January 2020 the Scottish Government published Statutory Guidance on "Directions from Integration Authorities to Health Boards and Local Authorities" (the Guidance). A paper on the use of Directions, and the impact of the Guidance, was considered by the Integration Joint Board on 4 September 2020 where a directions template was agreed. A Directions Policy has yet to be drafted and agreed by the Integration Joint Board due to the impact of Covid 19. Given that the

2020/21 Internal Audit Plan:	
	guidance is fairly recent, and the policy is not yet in place, Internal Audit work will be scheduled for quarter 2 or 3 of 2021/22.
Risk Management Arrangements	Fieldwork is due to commence in February 2020. A summary of key findings will be reported to Audit Committee on 18 June 2021.

4.   Conclusions

4.1   Internal Audit progress during 2020/21 was limited by the impact of Covid 19. Work will be completed on the Risk Management audit prior to the year-end. The Directions audit will, however, be deferred (pending approval) to allow time for the policy to be implemented. This work will be completed as part of the 2021/22 Internal Audit Plan.

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
The role of Internal Audit is to provide assurance on the IJB's arrangements for risk management, governance, and control. Recommendations made by Internal Audit aim to reduce or mitigate risk to which the IJB may be exposed.

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

Equalities Assessment
No equalities issues arise from the recommendations of this report.

5.   Report Author

5.1   Isabel Wright, Internal Audit Manager (Acting)

6. List of Background Papers

6.1 The papers that may be referred to within the report or previous papers on the same or related subjects.

7. Appendices

Appendix 1: Definition of Internal Audit Assurance Categories

Definition of Internal Audit Assurance Categories

Level of Assurance	Definition
Substantial assurance	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.
Limited assurance	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.
No assurance	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.