

Agenda Item 6

Internal Audit Plan 2021/22



Falkirk Integration Joint Board Audit Committee

5 March 2021

Internal Audit Plan 2021/22

For Approval

1. Executive Summary

- 1.1 This report presents the 2021/22 Internal Audit Plan for approval.
- 1.2 The Public Sector Internal Audit Standards 2017 (PSIAS) require the preparation of a risk based Internal Audit Plan setting out the team's annual work programme.

2. Recommendations

The Audit Committee is asked to:

- 2.1 approve the Internal Audit Plan for 2021/22 and
- 2.2 note that progress will be reported to the Audit Committee on an ongoing basis.

3. Planned Internal Audit Work

- 3.1 Internal Audit's role is to provide a balanced and evidence-based opinion on the adequacy of the IJB's arrangements for risk management, governance, and control.
- 3.2 Annual Internal Audit coverage is based on discussion with the Chief Officer and Chief Finance Officer. We also take account of relevant documentation, including the Strategic Plan and IJB Risk Register.
- 3.3 Our Internal Audit Plan for 2021/22 can be broken down into the following two assignments.
 - a) **Carried forward from 2020/21 - Directions:** In January 2020 the Scottish Government published Statutory Guidance on "[Directions from Integration Authorities to Health Boards and Local Authorities](#)" (the Guidance). This Guidance re-emphasises the requirement that Integration Authorities action strategic commissioning plans via binding 'Directions' to each partner. A Direction must be given in relation to every function that has been delegated to the IJB, setting out what is to be delivered using the integrated budget.

At a meeting of the Integration Joint Board on 4 September 2020, 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.

Internal Audit work will focus on the extent to which Section 3 (Process for Issuing Directions), Section 4 (Form and Content of Directions), and Section 5 (Process for Issuing and Revising Directions) of the Guidance are being applied. Given that the guidance is fairly recent, and that the Directions Policy has yet to be agreed, Internal Audit work will be scheduled for quarter 2 or 3 of 2021/22.

- b) **Business Continuity and Resilience:** Review the impact of Covid 19 on existing business continuity and resilience arrangements, as well as the arrangements for recovery and reconfiguration. This should include a focus on the review and integration of Health and Social Care Partnership resilience planning frameworks.
- 3.4 Detailed Terms of Reference for these reviews will be developed, in conjunction with senior management, following this meeting.
- 3.5 Findings and matters arising from Internal Audit work will be reported to senior management in the form of a draft audit report. The draft report will provide a statement on the level of assurance that can be provided on the systems of risk management, governance, and control, as well as an action plan setting out specific audit recommendations. The overall assurance will be provided in line with the definitions set out at **Appendix 1**, and senior management will be expected to provide responses to each recommendation in line with timeframes agreed prior to the commencement of the review. This report and completed action plan will form the final report and record of the audit, and the basis for subsequent follow-up work.
- 3.6 Reports will be provided to the Audit Committee detailing progress in completing the 2021/22 Internal Audit Plan and highlighting any key findings or emerging themes.
- 3.7 Internal Audit will produce an Annual Assurance Report providing an opinion on the overall adequacy and effectiveness of the IJB's control environment. This report will include a summary of work undertaken and a comparison of work completed against work planned.

4. Conclusions

- 4.1 Completion of planned work will allow Internal Audit to provide a balanced and evidenced based assurance on the IJB's arrangements for risk management, governance, and control.

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.