

INTERNAL AUDIT PLAN 2018/19**1. PURPOSE OF THE REPORT**

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

2. RECOMMENDATIONS

The IJB is asked to:

- Approve the 2018/19 annual plan.

3. BACKGROUND

As stated in the 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. Following a meeting of Angus IJB in March 2016, Fife, Tayside and Forth Valley Audit and Management Services (FTF) were appointed as the IJB's Internal Audit Service annually on an ongoing basis.

Resources to deliver the plan will be provided by the NHS Tayside and Angus Council Internal Audit services. A total of 50 days have been included in the 2018/19 Internal Audit Plans of the parties.

As in 2017/18, the discretionary elements of this year's plan will be focused around the Angus IJB's Strategic Risk Register, 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 Angus Council are included as Appendices A & B to this report. Audit 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 Finance Officer to ensure the substantive audit assignments add value.

The proposed plan is set out below:

Ref	Audit	Indicative Scope	Days	Target Audit Committee
AN01-19	Audit Planning	Agreeing audit universe and preparation of strategic plan	3	August 2018
AN02-19	Audit Management	Liaison with management and attendance at Audit Committee	5	Ongoing
AN03-19	Annual Internal Audit Report	CIA's annual assurance statement to the IJB and review of governance self-assessment	7	June 2018

AN04-19	Governance & Assurance	Ongoing support and advice on further development of governance and assurance structures, including issues identified as part of the annual report process, including development of a governance action plan	5	Ongoing
AN05-19	GP Prescribing	Actions to address overspends Detailed review following on from overview across NHS Tayside under internal audit report T20b/18	15	December 2018
AN06-19	Workforce Optimisation	Implementation of the integrated workforce plan and actions to address workforce risks	15	December 2018

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.

4. CONSULTATION

The Chief Officer, the Chief Finance Officer and the Chief Internal Auditor of Angus 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.

A Gaskin BSc ACA
Chief Internal Auditor

Audit Need Assessment based on Angus IJB Strategic Risk Register as at June 2018					
	Risk Title / Description	Owner Manager	Current Risk Level	Planned Risk Level	Internal Audit coverage 2018-19
			L = Likelihood C = Consequence		
1	<p>STRATEGIC RISK 1 – SUSTAINABILITY OF PRIMARY CARE SERVICES</p> <p>As a result of an increase in GP vacancies due to retirement and difficulties being experience in relation to recruitment and retention, there is a risk that NHS Tayside will be unable to provide GP services in hours cover to a number of Practices and out of hours when GP practices are closed and the NHS Tayside Out of Hours Services covers. This risk includes risk of being able to cover smaller more specialist areas such as Forensic and Custody Healthcare and Prison Healthcare.</p> <p>This risk recognises that failure to maintain sustainable Primary Care Services both in and out of hours in each locality across Tayside will result in a failure to achieve the 20/20 Vision, the National Clinical Strategy and local Primary Care Strategy resulting in patient being unable to access Primary Care Services across the geographical location and provide continuity of service, which may lead to adverse publicity, reputational damage and unsatisfactory patient experience</p>	<p>Risk Owner: Associate Director – Primary Care Risk Manager: Head of Prisoner Healthcare/Out of Hours/Forensic Medical Services</p>	<p>L= 4 C= 3</p> <p>12</p>	<p>L= 3 C= 3</p> <p>9</p>	<p>Included? No</p> <p><u>Rationale</u> This is an area in progress and would best be reviewed once settled arrangements have been in place and operating for a period sufficient to allow meaningful assessment.</p>

Audit Need Assessment based on Angus IJB Strategic Risk Register as at June 2018					
Risk Title / Description	Owner Manager	Current Risk Level	Planned Risk Level	Internal Audit coverage 2018-19	
		L = Likelihood C = Consequence			
<p>2</p> <p>STRATEGIC RISK 2 – GP PRESCRIBING</p> <p>Angus IJB has a c£21m FHS prescribing budget. This budget could be c£2.6m overspent this year. This is the single most significant costs pressure within the IJB and the overspend is equivalent to about 1.75% of the IJB's overall budget. Without a material reduction in FHS prescribing spend, then Angus IJB will need to realign resources from other services to support ongoing prescribing spend levels.</p>	<p>Risk Owner: Clinical Director Risk Manager: Primary Care Manager/Long Term Conditions Lead</p>	<p>L= 5 C= 5</p> <p><u>25</u></p>	<p>L= 4 C= 5</p> <p><u>20</u></p>	<p>Included? Yes</p> <p><u>Rationale</u> NHS Tayside Internal Audit T20b/18 Effective Prescribing will provide an overview. Recommendations will feed into terms of reference for this review. High Financial risk impact.</p>	
<p>3</p> <p>STRATEGIC RISK 3 – EFFECTIVE FINANCIAL MANAGEMENT</p>	<p>Risk Owner: Chief Officer Risk Manager: Chief Finance Officer</p>	<p>L= 5 C= 5</p> <p><u>25</u></p>	<p>L= 4 C= 5</p> <p><u>20</u></p>	<p>Included? No</p> <p><u>Rationale</u> Previous audit coverage in 2016/17 under AN07/17 and followed up in 2017/18 plan under AN07/18. Audits T22/19 – Savings programme, T23/19 – financial Planning and T24/19 – Financial Management included in 2018/19 NHS Tayside internal audit plan. Angus Council internal audit plan includes Savings Targets / Income Generation.</p>	

Audit Need Assessment based on Angus IJB Strategic Risk Register as at June 2018					
	Risk Title / Description	Owner Manager	Current Risk Level	Planned Risk Level	Internal Audit coverage 2018-19
			L = Likelihood C = Consequence		
4	<p>STRATEGIC RISK 4 – ENHANCED COMMUNITY SUPPORT Ability to deliver on Enhanced Community Support (ECS) across all Angus localities.</p>	<p>Risk Owner: Head of Community Health & Care Services (North Angus) Risk Manager: Clinical Services Manager, Adult Services</p>	<p>L= 4 C= 4 <u>16</u></p>	<p>L= 2 C= 2 <u>4</u></p>	<p>Included? No <u>Rationale</u> Limited audit resource. To be taken into account for future audit plans.</p>
5	<p>STRATEGIC RISK 5 – Clinical, Care & Professional Governance Unable to provide effective and embedded systems for Clinical, Care & Professional Governance in all services within the Angus Health & Social Care Partnership</p> <p>As a result of the complexities associated with becoming an Angus Health and Social Care Partnership, there is a risk that we will be unable to deliver reliable, safe, effective and person centred care and meet statutory requirements due to the number and diversity of services within the partnership.</p>	<p>Risk Owner: Clinical Director Risk Manager: Chief Social Work Officer (CSWO)/Clinical Director (CD)/Associate Nurse Director (AND)</p>	<p>L= 3 C= 3 <u>9</u></p>	<p>L= 2 C= 3 <u>6</u></p>	<p>Included? No <u>Rationale</u> Previous audit coverage in 2017/18 plan under AN05/18</p>

Audit Need Assessment based on Angus IJB Strategic Risk Register as at June 2018					
	Risk Title / Description	Owner Manager	Current Risk Level	Planned Risk Level	Internal Audit coverage 2018-19
			L = Likelihood C = Consequence		
6	<p>STRATEGIC RISK 6 – IMPLEMENTATION OF STRATEGIC PLAN PRIORITIES</p> <p>Failure to deliver the intentions set out in the health and social care partnership strategic plan leads to the inability to meet the aspirations of the Integration Joint Board (IJB) and deliver on commitments made to the population of Angus.</p>	<p>Risk Owner: Head of Community Health & Care Services (South Angus) Risk Manager: Principal Planning Officer, Strategic Planning & Performance</p>	<p>L= 1 C= 3</p> <p><u>3</u></p>	<p>L= 2 C= 4</p> <p><u>8</u></p>	<p>Included? No</p> <p><u>Rationale</u> Low current risk score, risk to be archived</p>
7	<p>STRATEGIC RISK 7 – PERFORMANCE MANAGEMENT</p> <p>Failure to deliver an appropriate performance management framework and arrangements for delivery of the framework.</p>	<p>Risk Owner: Chief Executives Risk Manager: Head of Community Health & Care Services (North Angus)</p>	<p>L= 3 C= 4</p> <p><u>12</u></p>	<p>L= 2 C= 4</p> <p><u>8</u></p>	<p>Included? No</p> <p><u>Rationale</u> Previous audit coverage in 2016/17 plan under AN06/17</p>
8	<p>STRATEGIC RISK 8 – WORKFORCE OPTIMISATION</p> <p>As a result of changing demographics affecting our staff and people who use our services there is a risk that Angus HSCP will be unable to develop and sustain its workforce to meet its legal obligations under the Public Bodies (Joint Working) (Scotland) Act 2014</p>	<p>Risk Owner: Head of Mental Health Services Risk Manager: Head of HR, IT & Organisational Development/HR Business Lead</p>	<p>L= 4 C= 3</p> <p><u>12</u></p>	<p>L= 2 C= 3</p> <p><u>6</u></p>	<p>Included? Yes</p> <p><u>Rationale</u> Controls have a strong effect on the risk score which itself, may not fully reflect current pressures. Opportunity for audit to add value, audit may add value. Reviewing the Integrated Workforce Plan agreed in March 2018</p>

Audit Need Assessment based on Angus IJB Strategic Risk Register as at June 2018					
	Risk Title / Description	Owner Manager	Current Risk Level	Planned Risk Level	Internal Audit coverage 2018-19
			L = Likelihood C = Consequence		
9	<p>STRATEGIC RISK 9 – Complex and Co-existing Conditions</p> <p>Within the Angus Health and Social Care Partnership (AHSCP), vulnerable adults with complex and co-existing conditions may come to harm because our pathways of care are not sufficiently comprehensive to meet the needs of people with complex and co-existing conditions.</p>	<p>Risk Owner: Clinical Director Risk Manager: Principal Officer (AHSCP)</p>	<p>L= 4 C=5</p> <p><u>20</u></p>	<p>L=2 C=5</p> <p><u>10</u></p>	<p>Included? No</p> <p><u>Rationale</u> New risk with a high score. To be considered for future audit plans</p>
10	<p>Strategic Risk 10 – IJB is Unable to Achieve Compliance with GDPR and Data Protection Act 2018</p> <p>The IJB lacks the resources to implement the GDPR within a reasonable period of its coming into force (May 2018) in particular in relation to directly managed health services. There are significant risks in relation to IT and paper systems, formal information sharing arrangements, and staff preparedness.</p>	<p>Risk Owner: Clinical Director Risk Manager: Head of Community Health & Care Services (North Angus)</p>	<p>L=4 C=5</p> <p><u>20</u></p>	<p>L=2 C=2</p> <p><u>4</u></p>	<p>Included? No</p> <p><u>Rationale</u> Included in both NHS Tayside and Angus Council 2018/19 Internal Audit Plans</p>

Angus Council 2018-19 Audit Plan – Detailed Outputs

The table below sets out the individual audits to be conducted during the 2018-19 financial year and the output that will be generated from each piece of work. We have included, where relevant, a link to those risks contained within the Corporate Risk Register (CRR ref.) as at February 2018 (see Annex 1). This allows Members and management to identify where Internal Audit can provide assurance on the effectiveness of the controls implemented to mitigate risks. A number of projects were considered for inclusion in the current plan but were excluded on a risk assessed basis due to the available resources. These may be included, following discussion with management and the Scrutiny & Audit Committee, if for any reason a project is postponed.

- Performance Framework, and public reporting of performance
- Data protection compliance in schools
- Income and debtors management
- Community participation requests
- Community planning partnership/partnership governance/LOIP
- Participatory budgeting
- Review of contract monitoring arrangements in place re Tayside Contracts
- Recharges to HRA for support services
- Review how charitable trusts are managed/Governance/OSCR compliance
- Arrangements for achievement of 2020 Landfill targets
- Protection of vulnerable groups

Audits	Output	Commentary	CRR ref.
Corporate Governance			
Corporate Governance annual review – 2017-18	Annual Report	Review of the self-assessment process and progress with action plans.	N/A
New Management Structure - revised Governance Arrangements	Consultancy input / Report	Governance review following implementation of new Mgt. Structure. Consultancy/advice on good governance, e.g. new Scheme of Delegation.	2,3

Appendix A

Audits	Output	Commentary	CRR ref.
Corporate Governance (cont.)			
General Data Protection Regulations (GDPR) Readiness	Report	Follow up work re previous review of corporate arrangements for compliance with new data protection legislation that will be enacted May 2018.	7
Risk management	Report	Review of risk management arrangements at corporate and departmental level, including risk appetite, escalation procedures and monitoring and review arrangements.	all
Arrangements with Angus Alive	Report	Review of Council governance and oversight of the arrangements with Angus Alive.	1,4
Council oversight of IJB	Annual assurance input	Overview of Council governance & oversight to inform assurance arrangements and planning for IJB audit.	15
Financial Governance			
Schools' Funds – Governance (follow-up)	Report	Follow-up of implementation of previous actions plans in a sample of schools.	1
Savings targets/Income generation	Report	Review procedures to set, monitor and report progress with savings targets and income generation.	1, 3
Change programme	Report	Review realisation of Agile savings and anticipated outcome.	1, 3
Review of Voluntary Severance scheme	Report	Review of operation of Voluntary Severance scheme and checking of all payments over £50,000.	1

Appendix A

Audits	Output	Commentary	CRR ref.
On-line payments/ "Cashless Council"	Report	Review of progress with implementation of on-line payments and move towards "Cashless Council".	1, 3
On-line school payments	Report	Post-implementation review of on-line school payments.	1, 3
BACS system	Report	Review of BACS payment controls.	1
Data Analysis – Payroll and Accounts Payable	Report(s)	Data analytics tools will be used to analyse payroll data to identify data trends, anomalous or missing data, etc. Duplication with National Fraud Initiative will be avoided.	1
IT Governance			
Carefirst Social Work system	Report	Post-implementation review of upgraded system.	N/A
Integra User Access Admin. - Integra	Report	Follow-up 2017/18 audit/further work if required.	1, 7
IT User Access Administration - Resourcelink	Report	Administration of user access to IT systems is devolved to local managers and a core financial system is reviewed each year. Resourcelink has been selected this year.	1, 7
Internal Controls			

Appendix A

Audits	Output	Commentary	CRR ref.
Contract specification process	Report	A review of procedures and processes, (including approach to maximising value for money/best value) in place to develop contract specifications.	1
Change Management/ project management procedures	Report	Review of Change Management procedures, to include Project Management procedures at individual project level.	3, 4
Business continuity planning and disaster recovery	Report	Review of BCP arrangements, including IT disaster recovery and back-up arrangements. This is a high risk area, particularly during a period of change.	19
School transport	Report	Review of arrangements for contract management and contract failure procedures.	16, 20
Nursery/Early years expansion	Report	Review progress towards meeting legislative requirements by 2020.	6, 18
Asset Management			
Stocks	Report	Review of stock control arrangements in two locations.	1
MEB (Formerly DERL)	Report	Review of contract management and monitoring arrangements.	1

Appendix A

Audits	Output	Commentary	CRR ref.
Property Repairs Work Allocation	Report	Review of new Schedule of Rates for planned maintenance, electrical work, heating, painting, roofing, etc.	1
Section 75 agreements	Report	Review procedures for and management of contributions.	18
Legislative and Other Compliance			
LEADER	Report	Annual review of LEADER programme expenditure.	1
Carbon Reduction/Climate change responsibilities	Report	Annual review of Carbon Reduction return.	1,4,16
Climate change targets 2020	Report and/or Advice	Review monitoring and reporting arrangements around management of achieving targets and/or advice re climate change peer review process.	4,18
IR35 (off payroll working rules)	Report	Review arrangements for compliance with new legislation in place April 2017	18
Procurement Reform (Scotland) Act 2014	Report	Review arrangements to ensure compliance with new requirements	18

Appendix A

Audits	Output	Commentary	CRR ref.
EESHH 2020 housing standards compliance	Report	Review arrangements to monitor, report and manage compliance	18
Environmental Health, Consumer Protection and Food Safety Enforcement	Report	Review arrangements to ensure statutory obligations are met	16,18,20
Corporate Health & Safety	Report	Review of arrangements and staff training	20
Interreg (European Funding)	Report	On-going advice as required and review of payroll information for next claim	1

Appendix B

NHS Tayside Operational Internal Audit Plan 2018-2019

Reference			Description	Scope
AUDIT PROCESS				
T	1	19	Audit Risk Assessment & Planning	Audit Risk Assessment & Operational Planning
T	2	19	Audit Management & Liaison with Directors	Audit Management, Liaison with Directors of Finance and other Officers
T	3	19	Liaison with External Auditors	Liaison and co-ordination with External Audit
T	4	19	Audit Committee	Briefings, preparation, attendance and action points
T	5	19	Clearance of Prior Year	Provision for clearance and reporting of 2017-2018 Audit Reports
CORPORATE GOVERNANCE				
<i>Accountability and Assurance</i>				
T	6	19	Annual Internal Audit Report	CIA's annual assurance to Audit Committee
T	7	19	Governance Statement	Preparation of portfolio of evidence to support governance statement
T	8	19	Interim Review	Overall assessment of adequacy & effectiveness of the framework of internal control
T	9	19	Audit Follow-up	Review of the audit follow-up mechanism & selective examination
<i>Control Environment</i>				
T	10	19	Code of Corporate Governance (SOs, SFIs and SoD)	Contribution to Governance Review Group
T	11	19	Board, Operational Committees and Accountable Officer	Attendance at Board meetings
T	12	19	Policies and Procedures	Identification, review, approval, communication and implementation of policies
<i>Risk Management</i>				
T	13	19	Staff and Patient Environment	Overall assurance mechanisms for risk 28 - Health Safety

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T	14	19	<i>Sustainability</i> Environmental costs	Final review of CRC targets
HEALTH PLANNING				
T	15	19	<i>Health Plan</i> Three Year Transformation Plan	Review of key programme management controls operating over the Transformation Plan as highlighted within T08/18
T	16	19	Improvement, innovation and operational planning	Review of specific projects
T	17	19	<i>Service Monitoring</i> Organisational Performance Reporting	Review of implementation of performance reporting improvements recommended in T08/18
T	18	19	Organisational Performance Management	Specific review of CAMHS service
T	19	19	<i>Effective Partnerships and Integrated Care</i> Health and Social Care Integration	Working with local authority partners to deliver IJB Internal Audit Plan ongoing review of Health Board HSCI risk and associated controls
CLINICAL GOVERNANCE				
T	20	19	<i>Patient Safety</i> Medical Equipment and Devices	Review of restructure of Medical Equipment groups following Internal audit recommendations
FINANCIAL ASSURANCE				
T	21	19	<i>Accountability</i> Fraud Liaison Officer duties <i>Use of resources</i>	Deputy Fraud Liaison Officer duties including reporting to Audit Committee, annual fraud checklist, responding to risk assessment

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T	22	19	Savings programme	Review of new arrangements to identify, deliver and report on recurrent and non-recurrent savings
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FINANCIAL MANAGEMENT

T	23	19	Financial Planning	Review of 2017/18 Strategic Financial Planning process to identify areas for improvement for 2018/19.
T	24	19	Financial Management	Budgetary control; reporting, remediation and data accuracy

CAPITAL INVESTMENT

			<i>Capital Strategy</i>	
T	25	19	Property Management Strategy	Property strategy to support organisations strategies and priorities: purchase, disposal and maintenance.
			<i>Capital and Property</i>	
T	26	19	Contract Management	Project appraisal, pre-contract arrangements, contract management and post implementation review
T	27	19	Property Transaction Monitoring and Property disposals	Post Transaction Monitoring, Efficient effective planning for property disposal
			<i>Capital Finance</i>	
T	28	19	Asset control	Recording, identification and monitoring of assets.

TRANSACTION SYSTEMS

T	29	19	SSPS	
T	30	19	Ordering, Requisitioning & Receipt	Purchasing and requisitioning
T	31	19	Service contract expenditure	Contracts for services received including arrangements for PFI/PPP and the 3rd sector
T	32	19	Service Contract income	Identification, monitoring and financial control of contracts for services provided

ENDOWMENT FUNDS

Appendix B

T	33	19	Endowment Funds/Patients funds	Operation of endowment committee and compliance with national endowment guidance.
INFORMATION GOVERNANCE				
T	34	19	Information Governance Standards Information Assurance/Information Security Framework	Implementation of NHSScotland information security policy framework including ICT Asset Security, e-health Business Continuity and Disaster Recovery
T	35	19	eHealth eHealth Strategic Planning and Governance	Alignment of eHealth strategic plan with the Board's clinical strategy and transformation programme, the National eHealth Strategy. Review of supporting governance processes.
T	36	19	eHealth Project Management, Development, Procurement, Implementation and Training	eHealth Project Management and procurement processes including planning and implementation stage of eHealth projects, learning from previous experience
CONTINGENCY				
T	37	19	<i>Contingency</i> Departmental Reviews	Review requested by management, focused on rostering within support and admin services as well as medical staffing
TOTAL				