



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD AUDIT COMMITTEE – 26 AUGUST 2020

ANNUAL INTERNAL AUDIT PLAN 2020/21

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

The aim of this paper is to seek approval for the Annual Internal Plan for Angus IJB for 2020/21.

1.0 RECOMMENDATIONS

It is recommended that the Integration Joint Board Audit Committee:-

- (i) Approve the Internal Audit Plan for 2020/21 (Appendix 1); and
- (ii) Request that Angus IJB's Internal Auditors proceed with the implementation of the approved Audit Plan and to report back as required to the Audit Committee regarding the progress of that plan.

2.0 BACKGROUND

2.1 The IJB has previously approved the appointment of Fife, Tayside and Forth Valley Management Services (FTF) as the IJB's Internal Auditors with support provided by Angus Council Internal Audit, all on an ongoing basis. Public Sector Internal Audit Standards set out the need to establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals

After discussion between the IJB's Internal Auditors and the Chief Finance Officer, taking into account the IJB's Strategic Risk Register and views of the IJB's Executive Management Team, a proposed Internal Audit plan for 2020/21 has been put forward by the IJB's Internal Auditors. This is attached at Appendix 1. The Internal Audit plan describes how the available resource will be utilised during the year.

The proposed plan reflects risks faced by the IJB but also acknowledges the breadth or previous Internal Audit activity. This year there is more flexibility within the plan to consider emerging issues resulting from COVID-19 or reviews of the Integration Scheme.

The choice of a review of the IJB's Commissioned Service Provider risk reflects the dynamic nature of this issue and the importance of the sustainability and resilience of that sector to the Partnership and the need for the IJB to have a well developed position with respect to this issue.

Noting that the IJB's Internal Auditors will flexibly adjust the plan as required, for example with respect to COVID-19 responses, the Audit Committee is now asked to approve this plan and request that Internal Audit proceed with the implementation of this plan and report back regarding progress at each Audit Committee and with intention of all final 2020/21 Internal Audit reports being completed and reported to the IJB by April 2020 (noting the Annual Internal Audit Report is due June 2021).

3.0 CONCLUSIONS

3.1 The Audit Committee requires to approve the Internal Audit plan for 2020/21.

REPORT AUTHOR: ALEXANDER BERRY, CHIEF FINANCE OFFICER
EMAIL DETAILS: hscianguis.tayside@nhs.net
DATE: August 2020

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Appendix 1: Internal Audit – Internal Audit Plan 2020/21

INTERNAL AUDIT PLAN 2020/21

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 2020/21.

2. RECOMMENDATIONS

The Audit Committee is asked to:

- Approve the 2020/21 annual internal audit plan.

3. BACKGROUND

As stated in the 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.

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. It therefore includes the delivery of standard products required each year, and is further based on professional judgement of audit need based on the IJB's risk environment. In addition, account is taken of assurance which can be provided to the IJB based on work performed under the Internal Audit plans of both parties.

We have reviewed the extant strategic risks of the organisation, several of which have been the subject of previous audit coverage. We have also discussed the proposed plan with the Chief Finance Officer to ensure the substantive audit assignments in 2020/21 add maximum value. This process identified that a review focused on the strategic risk in relation to Commissioned Service provider failure would be beneficial. The risk, created in December 2018 (noted in the 2019/20 Internal Audit plan as 'to be considered for future audit plans'), is currently rated Priority 2 which is defined as *'There are significant risks, which may have a serious impact on the Partnership or Service Delivery and the achievement of its objectives if not managed. Immediate management action needs to be taken to reduce the level of net risk'*.

As reported to the Audit Committee in June 2020, we are of the view that Covid-19 will have a substantial impact on the risk profile of the organisation and a review of the Strategic Commissioning Plan and its underlying assumptions will be required, potentially resulting in significant revisions to the IJB's Strategic Commissioning Plan, supporting documents and the strategic risk register.

We have therefore built in flexibility to both assist with and review any impact of Covid19 on existing governance arrangements, as well as the organisation's planning arrangements for recovery and reconfiguration. This would also provide us with the resources to provide advice on any review and update of the Integration Scheme which may commence this year.

Resources to deliver the plan will be provided by the NHS Tayside and Angus Council Internal Audit services. A total of 55 days have been included in the 2020/21 Internal Audit Plans of the parties. We would highlight that the plan is predicated on the basis that operational controls over services are maintained and assured through the parties. 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. Audit Committee members are asked to note that audits to be shared under the output sharing protocol will provide additional assurance to the IJB.

In order to ensure a timely flow of assurance, we are committed to ensuring that internal audit assignments are reported to the target audit committee date as noted in the proposed plan below.

The proposed plan is set out below:

Ref	Audit	Indicative Scope	Days	Target Audit Committee
AN01-21	Audit Planning	Agreeing audit universe and preparation of strategic plan	3	August 2020
AN02-21	Audit Management	Liaison with management and attendance at Audit Committee	5	Ongoing
AN03-21	Annual Internal Audit Report (2019/20)	CIA's annual assurance statement to the IJB and review of governance self-assessment	7	June 2020
AN04-21	Governance & Assurance	Ongoing support and advice in relation to governance arrangements in a changing environment, including as a response to Covid19 (e.g. remobilisation, review of Strategy etc) Flexible deployment of resources, e.g. Facilitation role during any review or update of the Integration Scheme	20	Ongoing plus yearend report- June 2021
AN05-21	Commissioned Service Providers	Review the controls established to manage Strategic Risk 11: <i>'A commissioned provider of personal care at home, residential care or supported housing, is unable to continue to provide services, thereby resulting in a shortage of provision and unmet service user need'</i> The scope will include both prevention and contingency management	20	Complete February 2021 To be reported to April 2021 Committee

Work to deliver the internal audit plan is undertaken under the supervision of the Chief Internal Auditor.

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.

A Gaskin BSc ACA
Chief Internal Auditor