



## **APPENDIX 1 – ANGUS IJB INTERNAL AUDIT PLAN 2021/22**

### **ABSTRACT**

The purpose of this paper is to seek approval of the Annual Internal Audit Plan for Angus Integrated Joint Board (IJB) for 2021/22.

### **1. RECOMMENDATIONS**

It is recommended that the Audit Committee is asked to:

- (i) Approve the 2021/22 annual internal audit plan.
- (ii) Note that no updates are required to the Internal Audit Charter.

### **2. 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. This includes determining who will provide the internal audit service for the IJB and nominating a Chief Internal Auditor. 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. Both Angus Council Internal Audit services and FTF will provide resources under the terms of the joint working arrangements already in place. The Chief Internal Auditor role would continue to be provided by FTF.

At its meeting in June 2020, the Audit Committee agreed that in future, the Internal Audit Charter would be re-approved as part of the approval of the Integration Joint Board's Annual Internal Audit Plan. The charter is attached at appendix 2 to this report and noting that no updates to the Charter are required at this point.

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.

Resources to deliver the plan will be provided by the NHS Tayside and Angus Council Internal Audit services. A total of 45 days have been included in the 2021/22 Internal Audit Plans of the parties. In addition, the internal audit review of Primary Care is to be jointly commissioned with NHS Tayside, adding a further 20 days.

Internal Audit would highlight that the plan is predicated on the basis that operational controls over services are maintained and assured through the partners. An Internal Audit Joint Working Protocol has been agreed as has a Protocol for sharing Internal Audit Outputs, of which only limited use has been made to date. Audit Committee members are asked to note that relevant audits will be shared under the output sharing protocol which will provide additional assurance to the IJB.

### 3. CURRENT POSITION

We have reviewed the extant strategic risks of the organisation, several of which have been subject to previous audit review and we have also discussed the proposed plan with the Chief Finance Officer to ensure the substantive audit assignments in 2021/22 add maximum value.

The risk register was updated in March 2021 to take account of Covid-19. As previously reported to the Audit Committee, Covid-19 will continue to have a substantial impact on the risk profile of the organisation.. Internal Audit time has been included under Governance & Assurance to assist the organisation and provide advice on the upcoming review and update of the Integration Scheme and the impact on governance arrangements. In addition, this element of the plan includes time for Internal Audit to provide ongoing advice and attendance at the Charging Group, which is expected to be involved with implementing improvements arising from internal audit report AN05/21- Charging for Services.

The only category 1 risk not yet covered by Internal Audit is Strategic Risk 01- Sustainability of Primary Care which is scored as the highest possible risk even with controls applied currently and therefore this issue features in the 2021/22 plan. As noted above, this audit will be carried out as a joint audit on behalf of both Angus IJB and NHS Tayside who also highlight Primary Care risks within their Audit & Risk Committee. This combined approach will allow local and regional risks to be more effectively explored.

In addition, to take account of both the previous suggestion by the Audit Committee and following consultation with Management, we have included audit coverage for the Strategic Risk11 - Commissioned Service Provider Failure, which is rated Yellow (priority 3). This audit was previously included in the 2020/21 plan and was replaced with the Charging for Services review at the request of management. While Strategic Risk 08 – Workforce is rated Red (priority 1) and the requirement for effective succession planning was previously raised at the August 2020 Audit Committee and was considered during the annual internal audit planning process, our risk based assessment concluded that internal audit can potentially add more value through review of the Commissioned Service Provider Failure risk.

### 4. PROPOSALS

The proposed plan is set out below:

Ref	Audit	Indicative Scope	Days	Target Audit Committee
AN01-22	Audit Planning	Agreeing audit universe and preparation of strategic plan.	2	June 2021
AN02-22	Audit Management	Liaison with management, Pre-Audit Committee liaison with Chief Finance Officer and attendance at Audit Committee.	5	Ongoing
AN03-22	Annual Internal Audit Report (2020/21)	CIA's annual assurance statement to the IJB and review of governance self-assessment.	8	June 2021
AN04a-22	Governance & Assurance	Support during review or update of the Integration Scheme. Attendance at Charging Group to provide ongoing advice on required improvements	2 5	Ongoing plus yearend report- June 2022
AN05-22	Sustainability of Primary Care Services	Review the controls established to manage Strategic Risk 01 - Sustainability of Primary Care Services.  <i>The cause of the risk is described: The risk arises as a result of an increase in GP vacancies due to retirement, difficulties in relation to recruitment and retention a significant factor is that this is arising due to national GP recruitment problem. Whilst a workforce plan is in progress, this</i>	23	August 2021

		<p><i>requires further work on medical education locally and nationally to prepare medical students for care in GP in the future, there are gaps in this area at present.</i></p> <p><i>Premises and IT development are the major risks other than workforce that NHST needs to be aware of this at the highest level,</i></p> <p>The scope will review selected controls to mitigate the risk.</p>		
<b>AN06-22</b>	Commissioned Service Providers	<p>Review the controls established to manage Strategic Risk 11 – Commissioned Service Provider failure:</p> <p><i>‘As a result of certain factors (for example market competition, shortage of suitably qualified staff, impact of Covid 19 on operational feasibility, a large scale adult protection investigation leading to embargo) 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></p> <p>The scope will be to review selected controls to mitigate the risk.</p>	20	December 2021

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.

## 5. FINANCIAL IMPLICATIONS

There are no direct financial implications. However, Financial Governance is a key pillar of governance and value for money is a core consideration in planning all internal audit reviews.

## 6. RISK

The internal audit planning process which produced this proposed Annual Internal Audit Plan takes into account the risk profile of the organisation. Individual internal audit assignments identify the key risks at the planning stage and our work is designed to evaluate whether appropriate systems are in place and operating effectively to mitigate the risks identified. Legislative requirements are a core consideration in planning all internal audit reviews.

## 7. OTHER IMPLICATIONS (IF APPLICABLE)

N/A

## 8. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment is not required. All internal audit reviews which involve review of policies and procedures will examine the way in which equality and diversity is incorporated within documentation.

## 9. DIRECTIONS

The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in Section 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Angus Council and NHS Tayside.

<b>Direction Required to Angus Council, NHS Tayside or Both</b>	<b>Direction to:</b>	
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	No Direction Required	X
	Angus Council	
	NHS Tayside	
	Angus Council and NHS Tayside	

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