
Report To: Inverclyde Integration Joint Board Audit Committee **Date:** 12 September 2017

Report By: Louise Long
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Inverclyde Health & Social Care Partnership **Report No:** IJBA/06/2017

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Subject: INTERNAL AUDIT - ANNUAL PLAN 2017-2018

1.0 PURPOSE

- 1.1 The purpose of this report is to present the Internal Audit Annual Plan for 2017-2018 for approval.

2.0 SUMMARY

- 2.1 At its meeting in June 2016, the Inverclyde IJB approved the appointment of Inverclyde Council's Chief Internal Auditor as the IJB's Chief Internal Auditor.
- 2.2 The Chief Internal Auditor will prepare an annual internal audit plan which will be subject to consideration and approval by the IJB Audit Committee.
- 2.3 Internal Audit follows a risk-based approach and it is intended that audit work will be focused on areas of greater risk taking into account management's own view of risk, previous audit findings and any other internal or external factors affecting the Inverclyde Integration Joint Board.
- 2.4 The proposed Internal Audit Annual Plan for 2017-2018 is set out at Appendix 1.
- 2.5 The total budget for the Internal Audit Annual Plan for 2017-2018 has been set at 50 days. The Plan does not contain any contingency provision. Where there are any unforeseen work demands that arise eg special investigations or provision of ad hoc advice, this will require to be commissioned as an additional piece of work which will be subject to a separate agreement.
- 2.6 The Public Sector Internal Audit Standards require that the annual audit plan should be kept under review to reflect any changing priorities and emerging risks. Any material changes to the audit plan will be presented to the IJB Audit Committee for approval.

3.0 RECOMMENDATION

- 3.1 It is recommended that Inverclyde IJB Audit Committee approves the Internal Audit Annual Plan for 2017-2018.

Louise Long
Corporate Director (Chief Officer)
Inverclyde Health & Social Care Partnership

4.0 BACKGROUND

- 4.1 Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising governance, risk management and control by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 4.2 As stated in the IRAG (Integrated Resources Advisory Group) 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.
- 4.3 In June 2016, the Inverclyde IJB approved the appointment of Inverclyde Council's Chief Internal Auditor as the IJB's Chief Internal Auditor.
- 4.4 Following on from that appointment, the Chief Internal Auditor will prepare an annual internal audit plan which will be subject to consideration and approval by the IJB Audit Committee.

5.0 CURRENT POSITION

- 5.1 Internal Audit follows a risk-based approach and it is intended that audit work will be focused on areas of greater risk taking into account management's own view of risk, previous audit findings and any other internal or external factors affecting the Inverclyde Integration Joint Board.
- 5.2 The proposed Internal Audit Annual Plan for 2017-2018 is set out at Appendix 1.
- 5.3 The total budget for the Internal Audit Annual Plan for 2017-2018 has been set at 50 days. The Plan does not contain any contingency provision. Where there are any unforeseen work demands that arise eg special investigations or provision of ad hoc advice, this will require to be commissioned as an additional piece of work which will be subject to a separate agreement.
- 5.4 The Public Sector Internal Audit Standards require that the annual audit plan should be kept under review to reflect any changing priorities and emerging risks. Any material changes to the audit plan will be presented to the IJB Audit Committee for approval.

6.0 IMPLICATIONS

Finance

- 6.1 The work required to deliver the Annual Internal Audit Plan will be contained within the existing Internal Audit budget set by Inverclyde Council.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

Legal

6.2 There are no direct legal implications arising from this report.

Human Resources

6.3 There are no direct HR implications arising from this report.

Equalities

6.4 There are no direct equalities implications arising from this report.

Clinical or Care Governance Implications

6.5 There are no direct clinical or care governance implications arising from this report.

National Wellbeing Outcomes

6.6 There are no direct national wellbeing outcomes arising from this report.

7.0 CONSULTATIONS

7.1 Discussions have taken place with the Inverclyde IJB's Chief Officer and Chief Financial Officer in relation to the proposed annual audit plan coverage for 2017-2018.

7.2 There will be regular ongoing discussion with External Audit to ensure respective audit plans are reviewed as circumstances change in order to minimise duplication of effort and maximise audit coverage for the Inverclyde IJB.

8.0 LIST OF BACKGROUND PAPERS

8.1 None.

Audit Area	Planned Activity	Risk Register Reference (March 2017)
Strategic Planning and Performance Management Arrangements	<p>The Inverclyde IJB Strategic Plan 2016-2019 was approved in March 2016.</p> <p>Internal Audit will review the adequacy and effectiveness of arrangements in place to review, monitor and update the Inverclyde IJB Strategic Plan.</p>	<p>IJB Risk 2 – Performance Management Information <i>Risk due to lack of quality, timeous performance information systems to inform strategic and operational planning and decision making.</i></p> <p>IJB Risk 4 – Financial Sustainability/Constraints/Resource Allocation <i>Risk due to increased demand for services, potentially not aligning budget to priorities, or anticipated future budget cuts to our funding partners which means that the level of funding provided by the funding partners to the IJB becomes insufficient to meet national and local outcomes and to deliver Strategic Plan Objectives.</i></p> <p>IJB Risk 6 – Understanding the needs of the Community <i>Risk due to the lack of quality data about the needs of service users in order to inform decision-making and allocation of resources to deliver the strategic plan.</i></p> <p>IJB Risk 8 – Strategic Capacity <i>Risk due to constrained resources within partner organisations, loss of key people or lack of commitment to IJB priorities.</i></p> <p>IJB Risk 9 – Legislative/Policy Developments <i>A risk of further legislative or policy development or change which impacts the IJB’s ability to deliver its strategic plan.</i></p>
Workforce Planning	<p>The Inverclyde HSCP People Plan 2017-2020 was approved in June 2017.</p> <p>Internal Audit will review the adequacy and effectiveness of arrangements in place to review, monitor and update the Inverclyde HSCP People Plan.</p>	<p>IJB Risk 1 – Workforce Sustainability <i>Risk due to changing workforce demographics and the type of skills required to deliver services in the future. The workforce may not have the skills, experience and capacity to deliver the type and quality of services that the community needs.</i></p>
Action Plan Follow Up	To monitor the progress of implementation of agreed internal audit action plans by management.	N/A
Audit Planning and Management	Review and update of the audit universe and attendance at IJB Audit Committee.	N/A
Internal Audit Annual Report	Annual report on 2017-2017 audit activity.	N/A