

Report To: Inverclyde Integration Joint Board Audit Committee **Date:** 24.01.17

Report By: Brian Moore
 Corporate Director (Chief Officer)
 Inverclyde HSCP **Report No:** IJBA/01/2017

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Subject: INTERNAL AUDIT - ANNUAL PLAN 2016-2017

1.0 PURPOSE

1.1 The purpose of this report is to present the Internal Audit Annual Plan for 2016-2017 for approval.

2.0 SUMMARY

- 2.1 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 Following on from that appointment, the Internal Audit Annual Plan for 2016-2017 requires to be approved.
- 2.3 As it is the first year of the appointment, the scope will be limited to providing assurance on the governance arrangements, undertaking relevant risk-based audit planning which will determine the work of Internal Audit in future years and providing an Annual Internal Audit Report which will inform the work required to review and update the Annual Governance Statement for 2016-2017.

The proposed Internal Audit Annual Plan for 2016-2017 is set out below:

Audit Area	Indicative Scope
Governance Arrangements	A report was presented to the Inverclyde IJB meeting on 26 January 2016 which outlined the progress made in implementing the key legislative and other requirements which are necessary to ensure sound governance arrangements are in place for integrated health and social care. Internal Audit will review the current status of the governance arrangements to ensure that these are adequate and effective.
Audit Planning and Management	Developing the audit universe, liaison with Chief Officer and CFO and attendance at Audit Committee.
Annual Internal Audit Report	Chief Internal Auditor's annual assurance statement to the Inverclyde IJB.

2.4 The total budget for the Internal Audit Annual Plan for 2016-2017 has been set at 25 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.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Inverclyde IJB Audit Committee approve the Internal Audit Annual Plan for 2016-2017.

Brian Moore
Corporate Director (Chief Officer)
Inverclyde HSCP

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 Internal Audit Annual Plan for 2016-2017 requires to be approved.

5.0 CURRENT POSITION

- 5.1 As it is the first year of the appointment, the scope will be limited to providing assurance on the governance arrangements, undertaking relevant risk-based audit planning which will determine the work of Internal Audit in future years and providing an Annual Internal Audit Report which will inform the work required to review and update the Annual Governance Statement for 2016-2017.

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- 5.2 The total budget for the Internal Audit Annual Plan for 2016-2017 has been set at 25 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.

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

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

6.5 National Wellbeing Outcomes

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 2016-2017.
- 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.