



Meeting of South Ayrshire Health and Social Care Partnership	Performance & Audit Committee
Held on:	28th May 2024
Agenda Item:	11
Title:	Proposed South Ayrshire Integration Joint Board (IJB) Internal Audit Plan 2024/25
Summary: The purpose of this report is to submit, for Audit & Performance Committee approval, the proposed IJB internal audit plan for 2024/25.	
Author:	Cecilia McGhee, Chief Internal Auditor
Recommendations: It is recommended that the Performance & Audit Committee approves the IJB internal audit plan for 2024/25.	
Route to meeting:	
Implications:	
Financial	<input type="checkbox"/>
HR	<input type="checkbox"/>
Legal	<input type="checkbox"/>
Equalities	<input type="checkbox"/>
Sustainability	<input type="checkbox"/>
Policy	<input type="checkbox"/>
ICT	<input type="checkbox"/>

PROPOSED SOUTH AYRSHIRE INTEGRATION JOINT BOARD INTERNAL AUDIT PLAN 2023/24

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to submit, for Audit & Performance Committee approval, the proposed Integration Joint Board (IJB) Internal Audit Plan for 2024/25.

2. RECOMMENDATION

2.1 It is recommended that the Performance & Audit Committee:

- i. **approves the IJB internal audit plan for 2024/25 as detailed at Appendix 1.**

3. BACKGROUND INFORMATION

- 3.1 The Public Bodies (Joint Working) (Scotland) Act 2014 requires that the IJB is subject to the audit and accounts regulations and legislation under Section 106 of the Local Government (Scotland) Act 1973.
- 3.2 The national Integrated Resources Advisory Group (IRAG) guidance requires the IJB to establish adequate and proportionate internal audit arrangements for risk management, governance and control of the delegated resources. At its meeting of 28 October 2015, the IJB appointed the Chief Internal Auditor of South Ayrshire Council as the Chief Internal Auditor of the South Ayrshire IJB.
- 3.3 Operational delivery of services within the Council on behalf of the IJB will be covered by their respective internal audit arrangements.
- 3.4 Internal Audit operates in accordance with the Internal Audit Charter, which is in compliance with the Public Sector Internal Audit Standards (PSIAS). The updated Charter was approved by the Council's Audit and Governance Panel on 20 March 2024. A separate Charter is not deemed necessary for the IJB.

4. REPORT

4.1 Governance

- 4.1.1 The IJB is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. The internal audit plan forms one element of the IJB's review of the effectiveness of the systems of internal control. The IJB's response to internal audit activity should lead to the strengthening of the control environment and therefore contribute to the achievement of the IJB's objectives.
- 4.1.2 The complete internal audit plan of South Ayrshire Council (SAC) is approved by Council's Audit and Governance Panel and includes allocation for IJB work. The detail of that IJB work is then presented in the separate IJB internal audit plan for review and approval by the Performance and Audit Committee on behalf of the IJB.

4.1.3 It should be noted that neither the Chief Internal Auditor of the IJB nor the Performance and Audit Committee have responsibility for the internal audit service of NHSAAA or for providing assurance to NHSAAA.

4.2. Resources

4.2.1 The risk-based plan must explain how Internal Audit's resource requirements have been assessed. No formula exists that can be applied to determine internal audit coverage needs. As a guide, the minimum level of coverage is that required to give an annual evidence-based opinion.

4.2.2 The Chief Internal Auditor is required to advise the Committee should resourcing levels impact adversely on the provision of the annual Internal Audit opinion. It is not anticipated that this situation would arise however in such circumstances the Chief Officer and the Chief Finance Officer will be immediately advised, with arrangements made to report to the IJB as appropriate. The audit plan is prepared on a risk-based approach in order to prioritise higher risk items within the plan.

4.3 Internal Audit Plan 2024/25

4.3.1 PSIAS sets out a number of obligations, including the requirement for the Chief Internal Auditor to establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals. The Chief Internal Auditor must communicate the internal audit plans and resource requirements, including significant interim changes, to senior management and the IJB as appropriate for review and approval.

4.3.2 The proposed IJB Internal Audit Plan for 2024/25 is included at Appendix 1 and is compiled with the objective of giving an evidence-based opinion for the IJB at the end of the financial year. The plan has been prepared by the IJB Chief Internal Auditor in consultation with the IJB Chief Officer.

4.3.3 The proposed plan was compiled with the objective of giving an evidence-based opinion for the IJB at the end of the financial year. The HSCP risk register and the results of previous audit were considered when developing the proposed plan. In addition, Internal Audit held discussions with the IJB Chief Officer and HSCP senior officers. These discussions focussed on areas of risk within the HSCP and included consideration of changes to organisational structure or operational practices resulting from service redesigns, changes in legislation or external reporting requirements, ICT system developments and additional funding, where relevant. The link to the HSCP risks is noted in Appendix 1 .

4.3.4 Significant elements of the wider audit plans of both SAC and NHSAAA may also be of interest to the IJB. This will include not only health and social care delivery but core financial systems such as payroll and creditors which support the delivery of health and social care activities.

4.3.5 The SAC Annual Internal Audit Plan includes an allocation of time to undertake work for the IJB. The SAC Internal Audit Plan for 2024/25 was approved by the Council's Audit and Governance Panel on 20 March 2024 and includes the allocation of 25 days for IJB commitments which is consistent with prior year audit allocations. The complete 2024/25 internal audit plan for the Council is available for information at Appendix 2.

- 4.3.6 Internal audit service for NHSAAA will be delivered by Azets. The 2024/25 NHSAAA Internal Audit Plan does not include a specific allocation of time to undertake work for the IJB. As detailed in paragraph 4.3.4 above there may be elements of the wider audit plan of NHSAAA which will also be of interest to the IJB. The complete NHSAAA internal audit plan for 2023/24 is included at Appendix 3 for information. Assignments A.7 Business Continuity Planning and C.3 Health and Social Care Partnership Review may be of specific relevance to the IJB.
- 4.3.7 The PSIAS requires that the Chief Internal Auditor continually reviews and adjusts the plan in accordance with changes to the organisation's business, risks, operations, programs, systems and controls. Any material variations to the proposed audit plan will be brought back to the Committee for approval.

4.4 Reporting

- 4.4.1 IRAG guidance states that the IJB internal audit plan is shared with the relevant committees of the Health Board and Local Authority. Accordingly, the agreed IJB Financial Regulations recommend the IJB audit plan is shared with the relevant committees of NHSAAA and the Council.
- 4.4.2 The IJB Financial Regulations require the IJB Chief Internal Auditor to submit an annual audit report of the Internal Audit function to the Chief Officer and the Integration Joint Board indicating the extent of audit cover achieved and providing a summary of audit activity during the year. As a minimum the annual audit report and Chief Internal Auditor's opinion will also be reported to the NHSAAA Audit Committee and the Council's Audit and Governance Panel.

5. STRATEGIC CONTEXT

- 5.1 The proposals contained in this report link to the Integration Joint Board Strategic Plan 2021-2031 strategic objective number six, "We are transparent and listen to you".

6. IMPLICATIONS

6.1 Financial Implications

- 6.1.1 There are no financial implications arising from this report.

6.2 Human Resource Implications

- 6.2.1 There are no Human Resources' implications arising from this report.

6.3 Legal Implications

- 6.3.1 There are no legal implications arising from this report.

6.4 Equalities implications

- 6.4.1 There are no equality implications arising from this report.

6.5 Sustainability implications

- 6.5.1 There are no sustainability implications arising from this report.

6.6 Clinical/professional assessment

- 6.6.1 There are no clinical/professional assessments required for this report.

7. CONSULTATION AND PARTNERSHIP WORKING

- 7.1 There has been no public consultation on this report.
- 7.2 There has been no partnership working involved in the preparation of this report.

8. RISK ASSESSMENT

- 8.1 The proposed Internal Audit plan is risk based. The proposed assignment links to risks 4 – External Factors including Contingency Planning and risk 6 – Good Governance Strategic Planning and Business Resilience within the HSCP strategic risk register.
- 8.2 There are no risks arising from this report.

REPORT AUTHOR AND PERSON TO CONTACT

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APPENDICES

Appendix 1 - Proposed IJB Internal Audit Plan 2024/25
Appendix 2 - South Ayrshire Council Internal Audit Plan 2024/25
Appendix 3 - NHS Ayrshire and Arran Internal Audit Plan 2024/25

BACKGROUND PAPERS

Internal Audit Charter (March 2024)

Public Sector Internal Audit Standards

14 May 2024