

Meeting of South Ayrshire Health and Social Care Partnership	Performance & Audit Committee
Held on	30 June 2022
Agenda Item:	12
Title:	IJB Internal Audit Plan 2022/23 – 2024/25
Summary:	
<p>The purpose of this report is to submit, for Audit & Performance Committee approval, the proposed internal audit plan for 2022/23 – 2024/25.</p>	
Author:	Cecilia McGhee, Chief Internal Auditor
Recommendations:	
<p>It is recommended that the Performance & Audit Committee:</p> <ul style="list-style-type: none"> i. approves the IJB internal audit plan for 2022/23; and ii. considers the proposed three-year rolling plan covering 2022/23 – 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 INTERNAL AUDIT PLAN 2022/23 – 2024/25

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to submit, for Audit & Performance Committee approval, the proposed internal audit plan for 2022/23.

2. RECOMMENDATION

2.1 It is recommended that the Performance & Audit Committee:

- i. approves the Integration Joint Board (IJB) internal audit plan for 2022/23; and**
- ii. considers the proposed three-year rolling plan covering 2022/23 – 2024/25.**

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 NHS Ayrshire & Arran Health Board (NHSAAA) and 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 16 March 2022. A separate Charter is not deemed necessary for the IJB.

4. GOVERNANCE

- 4.1 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.

- 4.2 The complete internal audit plans of both the South Ayrshire Council (SAC) and NHS Ayrshire and Arran (NHSAAA) continue to be approved by their respective audit committees including an 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. Significant elements of the wider audit plans of both SAC and NHSAAA will 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 It should be noted that the Chief Internal Auditor of the IJB has no responsibility for the internal audit of NHSAAA or for providing assurance to NHSAAA.

5. RESOURCES

- 5.1 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.
- 5.2 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.

6. INTERNAL AUDIT PLAN 2022/23

- 6.1 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.
- 6.2 The IJB internal audit plan for 2022/23 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.
- 6.3 A three-year proposed internal audit plan is in place for 2022/23 – 2024/25. This is intended to give comfort to the Committee over how other areas will be considered in future years. This is subject to ongoing review and potential change, however there is an intended link between the areas of coverage in the proposed strategic plan:
- 6.3.1 2022/23 – (i) Performance Monitoring - To review the controls around performance monitoring arrangements, with particular focus on

- assessing the improvements arising from integration and redesign of services. (ii) Risk Management Follow Up Review – To review implementation of audit recommendations arising from the 2021/22 Risk Management audit assignment
- 6.3.2 2023/24 – (i) Workforce Planning/Workforce Development - To review the controls around workforce planning and workforce development arrangements, including review of the workforce and people plans for the HSCP. (ii) Performance monitoring Follow Up Review – To review implementation of audit recommendations arising from the 2022/23 Performance Monitoring audit assignment.
- 6.3.3 2024/25 – (i) Decisions and Directions - Consider the decisions and directions issued by the IJB for compliance with the Scottish Government’s directions guidance and processes. (ii) Workforce Planning/Workforce Development Follow Up Review – To review implementation of audit recommendations arising from the 2023/24 Workforce Planning audit assignment
- 6.4 The SAC Annual Internal Audit Plans include an allocation of time to undertake work for the IJB. The SAC Internal Audit Plan for 2022/23 was approved by the Council’s Audit and Governance Panel on 22 June 2022 and includes the allocation of 25 days for IJB commitments which is consistent with prior year audit allocations. The complete internal audit plan for the Council is available for information at [Appendix 2](#).
- 6.5 Internal audit service for NHSAAA will be delivered by Grant Thornton LLP.
- 6.6 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.

7. REPORTING

- 7.1 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.
- 7.2 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.

8. STRATEGIC CONTEXT

- 8.1 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”.

9. IMPLICATIONS

9.1 Financial Implications

9.1.1 There are no financial implications arising from this report.

9.2 Human Resource Implications

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

9.3 Legal Implications

9.3.1 There are no legal implications arising from this report.

9.4 Equalities implications

9.4.1 There are no equality implications arising from this report.

9.5 Sustainability implications

9.5.1 There are no sustainability implications arising from this report.

9.6 Clinical/professional assessment

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

10. CONSULTATION AND PARTNERSHIP WORKING

10.1 There has been no public consultation on this report.

10.2 There has been no partnership working involved in the preparation of this report.

11. RISK ASSESSMENT

11.1. There are no risks arising from this report.

REPORT AUTHOR AND PERSON TO CONTACT

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BACKGROUND PAPERS

[Public Sector Internal Audit Standards \(March 2017\)](#)

[Internal Audit Charter \(approved March 2022\)](#)

22 June 2022

Proposed IJB Internal Audit Plan 2022/23

Appendix 1

Job Ref	Internal Audit Assignment	Internal Audit Resource	Indicative days
A	Performance Monitoring	South Ayrshire Council	15
B	Risk Management Follow Up	South Ayrshire Council	5
C	Support to the Integration Joint Board and Performance and Audit Committee	South Ayrshire Council	5
		Total audit days	25

Proposed Strategic IJB Internal Audit work 2022/23 – 2024/25

Year	Internal Audit Assignment	Objectives
2022/23	Performance monitoring	To review the controls around performance monitoring arrangements, with particular focus on assessing the improvements arising from integration and redesign of services.
	Risk Management - Follow Up Review	Follow up implementation of audit recommendations arising from the 2021/22 Risk Management audit assignment
2023/24	Workforce Planning/Workforce Development	To review the controls around the workforce planning and workforce development arrangements, including review of the workforce and people plans for HSCP.
	Performance monitoring - Follow Up Review	Follow up implementation of audit recommendations arising from the 2022/23 Performance Monitoring audit assignment
2024/25	Decisions and Directions	Consider the decisions and directions issued by the IJB for compliance with the Scottish Government's directions guidance and processes.
	Workforce Planning/Workforce Development - Follow Up Review	Follow up implementation of audit recommendations arising from the 2022/23 Workforce Planning audit assignment

South Ayrshire Council Internal Audit Plan 2022/23

Appendix 2

No	Audit Area	Objectives	Link to Council Plan	Link To Risk Register	Estimated Days	Total Estimated Days
Key Corporate Systems						
1	Main Accounting	Anti-Fraud Review - NDR Relief Review (Joint review between Internal Audit and Corporate Fraud)	4.4	4	15	
2	HR and Payroll	Conflict of Interests - Review of arrangements in place to ensure conflict of interests are declared. (consider using NFI report for sample checking).	1.2	3/10	15	30
Governance/Best Value						
3	Following the Public Pound	Ayrshire Growth Deal Testing of internal governance arrangements	4.1	1	20	
4	Contract Audit	Review of arrangements in place around the use of HubSW	5.2	9	20	
5	Transformational Change	Follow up of the 2021/22 Change Management assignment - review of progress of the SAW Change Programme specifically in relation to transformational change projects and COVID recovery.	1/2.5/4.2	1	20	
6	National Fraud Initiative	Commencement of 2022/23 Data Matching exercise	-	4	10	70
ICT Auditing						
7	Council System and Data Access	Review process and controls over granting and removing access to Council System and Data.	6.2	11	30	30
Directorates						
8	Place	Void Repairs - Procedural Review	1.3/5.2	12	25	
9	H&SCP	Fostering & Adoption Payments	3.2	5	15	
10	People	Education Maintenance Allowance	2.3	5	5	

11	H&SCP	Review of progress against implementation of Care Inspectorate/Scottish Government Improvement Plans	3	5	15	
12	Place	Review of Climate Change Public Sector Report (CCPSR) (Sample Check return to confirm supporting documentation available to support the contents)	6.1	1/3	20	
13	Finance, Economic Dev, Regulatory	Review of COVID-19 business grants	4.4	4/9	10	90
Regularity						
14	Schools	Internal Control Self-Assessment Toolkit - Initial Rollout and Management of the Annual Process	2	4	6	
15	Social Work Locations	Internal Control Self-Assessment Toolkit - Management of the Annual Process	3	4	5	
16	Continuous auditing	Development of Continuous Auditing to other key risk areas including procurement and payroll	1.3	4	20	31
Follow Up Reviews						
17	Main accounting	Follow up of 2020/21 Findings	1	9	3	
18	Benefits	Benefits - Scottish Welfare Fund Findings	1.4	9	2	
19	Following the Public Pound	Ayrshire Growth Deal	4.1	9	4	
20	ICT Auditing	PCI DSS	6.2	11	3	
22	Contract Audit	Capital contract	5.2	9	4	
22	Directorate and other Systems	Controls around Hall letting Procedure	2.4/6.2	4	2	
23	Directorate and other Systems	Controls around fuel systems	6.1	4	4	
24	Directorate and other Systems	Carefirst	3	4	2	
25	Regularity	Museums Stores	5.4	4	2	26
Other Entities						
26	AVJB	To be approved by AVJB	-	-	25	
27	IJB	To be approved by IJB	-	-	25	50
Other						
28	Investigations	Allowance for investigations of irregularities.	-	4	20	

29	Advice and Guidance	Client requests, advice and consultancy - including participation on working groups	-	-	15	
30	Contingency	Contingency budget for unplanned commitments arising during the year	-	-	30	
31	Closure of prior year assignments	Allowance of time for the closure of prior year audit work into 2021/22	-	-	50	
32	Management and Audit development	Internal Audit planning, annual reporting, and quarterly reporting	-	-	35	
33	EQA2	South Ayrshire Council independent review of Renfrewshire Council's compliance with PSIAS	-	-	10	
34	QAIP	Annual self-assessment of compliance with PSIAS	-	-	10	170
TOTAL						497

