



Item No. 5

Meeting Date Wednesday 22 February 2017

Glasgow City Integration Joint Board Finance and Audit Committee

Report By: Chief Internal Auditor to the Integrated Joint Board

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DRAFT INTERNAL AUDIT PLAN 2017/18
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Purpose of Report:	To present to the IJB Finance and Audit Committee a draft audit plan for 2017/18 for the Glasgow City Integration Joint Board.
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Recommendations:	The IJB Finance and Audit Committee is asked to: a) comment on the draft Internal Audit Plan for 2017/18; and b) instruct the Chief Internal Auditor to submit a final plan to the next IJB Finance and Audit Committee meeting.
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Implications for Integration Joint Board:

Financial:	None
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Personnel:	None
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Legal:	The IJB will be compliant with: - The Integrated Resource Advisory Group guidance in relation to audit provision. - The Local Authority Accounts (Scotland) Regulations 2014
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Economic Impact:	None
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Sustainability:	None
Sustainable Procurement and Article 19:	None
Equalities:	None
Implications for Glasgow City Council:	The current internal auditors of the Council will continue to report to the Council on operational matters relating to Social Care services.
Implications for NHS Greater Glasgow & Clyde:	The current internal auditors of NHSGG&C will continue to report to the NHS Board on operational matters relating to NHS services.

1. Background

- 1.1 The Public Bodies (Joint Working) (Scotland) Act 2014, requires that the Integrated Joint Board is subject to the audit and accounts regulations and legislation under Section 106 of the Local Government (Scotland) Act 1973.
- 1.2 The Integrated Joint Board is required to comply with Article 7 of the Local Authority Accounts (Scotland) Regulations 2014. The regulations requires a local authority to operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing.
- 1.3 The national Integrated Resources Advisory Group (IRAG) guidance states that (in relation to Internal Audit) “it is the responsibility of the Integration Joint Board to establish adequate and proportionate internal audit arrangements for risk management, governance and control of the delegated resources”. The guidance further states that “the Integration Joint Board should make appropriate and proportionate arrangements, for consideration of the audit provision and annual financial statements”.
- 1.4 At its meeting in February 2016, the Glasgow City Integration Joint Board agreed the appointment of Glasgow City Council’s Head of Audit and Inspection as the Chief Internal Auditor to the Glasgow City Integration Joint Board. The Head of Audit and Inspection will prepare an internal audit plan annually around February / March for the following financial year. This will be subject to consideration and approval by the Finance and Audit Committee. The Glasgow

City Council Internal Audit function complies with the Public Sector Internal Audit Standards, with an external quality assessment undertaken in 2016 that confirmed this to be the case. The audit plan will be prepared and undertaken in accordance with the Standards.

1.5 In drafting the internal audit plan, we have:

- consulted with various members of the health and social care partnership senior management team,
- considered the risks affecting the Glasgow City Integration Joint Board,
- considered both internal and external factors affecting the Glasgow City Integration Joint Board,
- considered previous audit findings.

1.6 The Public Sector Internal Audit Standards require that the audit plan should be kept under review to reflect any changing priorities and emerging risks. We will therefore ensure the plan remains relevant and reflects any changes to the inherent risks at the Glasgow City Integrated Joint Board. The Finance and Audit Committee will approve any material adjustments to the audit plan.

2. Draft Internal Audit Plan 2017/18

2.1 The draft areas for inclusion in Glasgow City IJB Internal Audit Plan for 2017/18 are:

- Compliance with the Integration Scheme
- Risk Management
- Integration of Services
- Strategic Plan
- Directions
- Financial Planning
- Follow up

Further details on each of the above proposed reviews is contained within Appendix 1.

3. 2016/17 Update

3.1 There were three reviews in the 2016/17 audit plan. The current status of each is:

- Governance – fieldwork complete, will be reported to the next Finance and Audit Committee

- Financial Management – fieldwork almost complete, will be reported to the next Finance and Audit Committee
- Performance – fieldwork due to start – will be reported to the June Finance and Audit Committee

3.2 In addition we have been preparing an Assurance Map for the IJB. This work is almost complete, with some additional information to be collated and mapped. The assurance map should be reported to the next Finance and Audit Committee.

4. Recommendations

4.1 The IJB Finance and Audit Committee is asked to:

- a) comment on the draft Internal Audit Plan for 2017/18; and
- b) instruct the Chief Internal Auditor to submit a final plan to the next IJB Finance and Audit Committee meeting.

Glasgow City Integration Joint Board – Draft Audit Plan 2017/18

Assurance Area	Planned Internal Audit Activity	Link to Risks (where applicable)
Governance	<p>Compliance with the Integration Scheme To review various elements of the legally binding Glasgow City Integration Scheme and obtain evidence that these are being complied with.</p>	
	<p>Risk Management To provide assurance that the overall risk management framework adopted by the IJB is fit for purpose and enables the Board to be aware of the potential risks strategically affecting the IJB and its ability to deliver on the strategic plan.</p>	
	<p>Integration of Services To review the arrangements for integrating specific services e.g. older people, and provide assurance of the actions taken and the model used to enable lessons learned to be taken account of for the future roll out of the model.</p>	
	<p>Review of the Strategic Plan To gain assurance that there are arrangements in place to review, monitor and update the Glasgow City Strategic Plan. This will tie in the locality plans and the overall engagement arrangements that are in place/being developed.</p>	<p>IJB Risk 2 - There is a risk of the IJB being unable to budget within allocated resources which could lead to being unable to deliver on the Strategic Plan</p>
	<p>Directions To gain assurance that there are adequate arrangements in place within the IJB for providing Directions to the Council and NHS Board, that compliance with these is monitored and that there are adequate reporting arrangements in place to ensure the Board is kept up to date and can make informed decisions.</p>	

Assurance Area	Planned Internal Audit Activity	Link to Risks (where applicable)
Financial Management	<p>Financial Planning To gain assurance that there are adequate arrangements in place at the strategic level for overall financial planning of the IJB.</p>	<p>IJB Risk 11 - There is a risk that the budget allocation from the GGC Health Board to the GHSCP will not be agreed at level which allows the IJB to direct Sufficient financial resources pursuant to its Strategic Plan. The budget offer letter from the Health Board in July 2016 assumes a level of savings in excess of the HSCP's current savings plan and so there is a risk that there is shortfall in this plan, both in-year and on a recurring basis, or that the IJB will be unable to approve the budget allocation</p>
Follow up	Audit the progress against Internal Audit recommendations, undertaking additional testing as required. Summary progress updates will be reported to the Finance and Audit Committee	n/a
Head of Audit's Annual Opinion		n/a