



Item No. 6

Meeting Date **Wednesday 4th April 2018**

Glasgow City Integration Joint Board Finance and Audit Committee

Report By: Chief Internal Auditor to the Integration Joint Board

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INTERNAL AUDIT PLAN 2018/19

Purpose of Report:	To present to the IJB Finance and Audit Committee the 2018/19 internal audit plan for the Glasgow City Integration Joint Board.
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Background/Engagement:	The Integration 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
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Recommendations:	The IJB Finance and Audit Committee is asked to approve the implementation of the Internal Audit plan for 2018/19.
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Relevance to Integration Joint Board Strategic Plan:

To provide assurance on various aspects of the Strategic Plan.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	n/a
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Personnel:	None
Carers:	None
Provider Organisations:	None
Equalities:	None
Financial:	None
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
Economic Impact:	None
Sustainability:	None
Sustainable Procurement and Article 19:	None
Risk Implications:	In drafting the audit plan, consideration is given to the risks affecting the IJB.
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 in the first instance.
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 in the first instance.

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 Integration 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 The Chief Internal Auditor prepares an internal audit plan annually around February / March for the following financial year. This is subject to consideration and approval by the Finance and Audit Committee. The Internal Audit function complies with the Public Sector Internal Audit Standards. The audit plan is 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, and
 - 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 be asked to approve any material adjustments to the audit plan.

2. INTERNAL AUDIT PLAN 2018/19

2.1 The areas for inclusion in Glasgow City IJB Internal Audit Plan for 2018/19 are:

- Participation Engagement
- Financial Governance
- Scheme of Delegation and Board / Committee Governance
- Business Continuity Planning and Disaster Recovery
- Property Strategy
- Follow up

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

2.2 In addition to the Integration Joint Board reviews set out above, Internal Audit will also undertake reviews specific to Glasgow City Council. Some of this assurance work will be of relevance to the Glasgow City Integrated Joint Board. Specific Glasgow City Council reviews are planned of the following areas:

- Performance management arrangements
- Capital project management
- Personal budgets
- PayPoint
- Case conference arrangements
- Emergency planning

There may also be more corporate reviews which will also touch upon areas of interest to the Glasgow City Integration Joint Board such as cyber security, General Data Protection Regulations and information security, procurement and new ICT arrangements.

2.3 Similarly, Internal Audit will work with the Internal Auditors of NHS Greater Glasgow and Clyde to help inform their audit plan and keep abreast of relevant outputs. The current contract for the provider of the Internal Audit service to NHS Greater Glasgow and Clyde is currently out to tender. Once an appointment is confirmed we will discuss the audit plan and arrangements with the provider.

2.4 Summary information on these Glasgow City Council and NHS Greater Glasgow and Clyde outputs will be reported 6-monthly to the Finance and Audit Committee.

2.5 The Audit Universe, which details all the key areas we have reviewed since the formation of the Integration Joint Board, is included at Appendix 2.

3. RECOMMENDATION

3.1 The IJB Finance and Audit Committee is asked to approve the implementation of the Internal Audit Plan for 2018/19.

Glasgow City Integration Joint Board – Audit Plan 2018/19

Assurance Area	Planned Internal Audit Activity	Link to Risks (where applicable)
Governance	<p>Scheme of Delegation/Board and Committee Governance</p> <p>To gain assurance that the scheme of delegation is being complied with. In particular that the Board and sub Committees are operating as intended, that decisions are being taken at the correct level and that the level of information being considered is appropriate. In addition the review will seek to ensure that there is no overlap in the roles and responsibilities of Boards/sub Committees. Part of this audit will be delivered via a self assessment questionnaire.</p>	
	<p>Participation Engagement</p> <p>To gain assurance that the Public Engagement Forum is performing as expected and that the Participation and Engagement Strategy is being monitored and delivered.</p>	
	<p>Business Continuity Planning and Disaster Recovery</p> <p>To gain assurance that the IJB has effective arrangements in place for business continuity and disaster recovery. In addition the audit will seek to gain assurance that there are arrangements in place for receiving assurances from both the Council and NHSGGC on the adequacy of arrangements at the respective organisations which may have an impact on the IJB.</p>	<p>SWS Risk 31 - The careFirst disaster recovery solution is in transition between the old solution and a new solution, and full implementation is dependent on new hardware which has not been ordered. IF careFirst fails THEN there is a risk that the disaster recovery solution may not be available at all, or may take a number of days to arrange, RESULTING in lack of full access to careFirst for staff and the significant business impacts that would have.</p>

Assurance Area	Planned Internal Audit Activity	Link to Risks (where applicable)
	<p>Property Strategy The IJB approved a property strategy in September 2017. The purpose of the audit is to gain assurance that property strategy action plan is being delivered as expected.</p>	
Financial Management	<p>Financial Governance To gain assurance that there is strong ongoing financial governance arrangements in place and that controls are operating as intended.</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>IJB Risk 14 - There is a risk that, as a result of the December 2017 budget, the settlement for both GCC and the NHS will be worse than had been previously included within respective planning assumptions. This could lead to budget allocations to the HSCP from both Partners requiring unprecedented levels of savings, resulting in an overspend within the HSCP, and impact on the reserves of the IJB and ability to deliver the Strategic Plan.</p> <p>IJB Risk 9 - There is a risk that the funding provided by the Scottish Government to cover the Scottish Living Wage is not sufficient, creating a financial challenge which could lead to reputational issues to the Partnership</p>
Follow up	<p>Audit the progress against Internal Audit recommendations, undertaking additional testing as required. Summary progress updates will be reported to the Finance and Audit Committee</p>	

Assurance Area	Planned Internal Audit Activity	Link to Risks (where applicable)
Head of Audit's Annual Opinion	This provides assurance to the Finance and Audit Committee, the Board and senior management on matters of governance and internal control within the Integration Joint Board.	

Glasgow City Integration Joint Board – Internal Audit Coverage 2016/17 – 2018/19

Assurance Area	Audit Activity	2016/17	2017/18	2018/19
Governance	Performance	✓		
	Governance	✓		
	Compliance with the Integration Scheme		✓	
	Risk Management		✓	
	Integration of Services		✓	
	Directions		✓	
	Scheme of Delegation/Board and Committee Governance			✓
	Participation Engagement			✓
	Business Continuity Planning/Disaster Recovery			✓
	Property Strategy			✓
Financial Management	Financial Management	✓		
	Financial Planning		✓	
	Financial Governance			✓