

Item No. 7

Meeting Date Wednesday 11th December 2024

**Glasgow City
Integration Joint Board
Finance, Audit and Scrutiny Committee**

Report By: Chief Internal Auditor for the Integration Joint Board

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Internal Audit Mid Year Report

Purpose of Report:	To present to the Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee details on the performance of the Internal Audit section during the first half of 2024/25. The report includes a balanced score card for the Internal Audit section.
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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 require 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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Governance Route:	The matters contained within this paper have been previously considered by the following group(s) as part of its development. HSCP Senior Management Team ☐ Council Corporate Management Team ☐ Health Board Corporate Management Team ☐ Council Committee ☐ Update requested by IJB ☐ Other ☐ Not Applicable ☒
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Recommendations:	The IJB Finance, Audit and Scrutiny Committee is asked to: a) Note the contents of the report.
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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

Personnel:

There are no direct personnel implications as a result of the content of this paper.

Carers:

There are no direct implications for carers as a result of the content of this paper.

Provider Organisations:

There are no direct implications for provider organisations as a result of the content of this paper.

Equalities:

n/a

Fairer Scotland Compliance:

n/a

Financial:

There are no direct financial implications as a result of the content of this paper.

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:

There is no wider economic impact within the city of proceeding with the course proposed.

Sustainability:

There are no direct sustainability implications as a result of the content of this paper.

Sustainable Procurement and Article 19:

There are no direct sustainable procurement and Article 19 implications as a result of the content of this paper.

Risk Implications:

Internal Audit facilitates the reduction of risks identified during the audit process.

Implications for Glasgow City Council:

There are no direct implications for Glasgow City Council.

Implications for NHS Greater Glasgow & Clyde:

There are no direct implications for NHS Greater Glasgow & Clyde.

1. Purpose

- 1.1 To present to the Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee details on the performance of the Internal Audit section during the first half of 2024/25. The report includes a balanced score card for the Internal Audit section.

2. Background

- 2.1 Internal Audit is an independent appraisal function and its work is based on an annual audit plan which is prepared after a risk assessment of all potential audit issues identified by Internal Audit and Chief Officers and takes account of the work of the IJB's external auditor, EY.
- 2.2 The purpose of this report is to provide an overview of Internal Audit performance for the first half of the year ending 2024/25.

Table 1. Overall Internal Audit Team – Establishment

Analysis of staff	Oct 2023	Oct 2024
Number of Qualified staff (FTE*)	17.7	14.7
Number of staff with a recognised counter fraud qualification (FTE)	4.6	4.6
Number of Trainees (FTE)	5	6
Number of graduate apprentices (FTE)	2	2
Training Days (including professional qualification)	134	126
Training Days per Staff Member	4.6	4.6
Sickness absence per staff member (annual target 5 days)	2.4	9.1

* Full Time Equivalent

- 2.3 Table 1 shows that there has been a net reduction in the number of qualified staff from this same point last year. The recruitment market for qualified accountants and auditors remains very challenging and therefore when staff accept external opportunities, it is currently difficult to backfill these posts. Our focus remains on “growing our own” through our graduate and apprentice trainee program.
- 2.4 There has also been a spike in sickness absence, exceeding our target days. Management continue to apply the Council's Attendance Management Policies and we expect this figure to return to the levels seen in recent years.

Table 2. Internal Audit targets

	Target	2023/24	2024/25
1	Complete all required fieldwork to prepare the Annual Opinion that is necessary to inform the IJB's Annual Governance Statement	Compliant	On track - Green
2	Maintain British Standards Institute ISO 9001:2008 accreditation	Compliant	Not yet due

3	Internal and External quality assessments against Public Sector Internal Audit Standards ¹	Compliant	Not yet due
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- 2.5 To date there has been no changes to the approved 2024/25 audit plan. We will continue to maintain an agile approach to the Audit Plan and keep Committee updated of any other material changes.
- 2.6 An audit plan for Internal Audit has been set out for 2024/25, and incorporates the following three areas:

Review	Current Status
Property - Repairs and Maintenance Charges	Fieldwork ongoing
Performance Management Arrangements	Planned to start in Q4

- 2.7 Overall the assurance work for 2024/25 is progressing well and is expected to be completed to enable the Chief Auditor to provide the annual audit opinion for 2024/25.

Global Internal Audit Standards (GIAS)

- 2.8 The Public Sector Internal Audit Standards (PSIAS) have been in place for a number of years and act as a mandatory framework for Internal Audit services in the public sector. On 9 January 2024, the Institute of Internal Auditors released the new GIAS to guide the professional practice of internal auditing. They are principle-based and serve as a basis of elevating, and evaluating the quality of, internal audit functions worldwide. The Relevant Internal Audit Standard Setters (RIASS) agreed to use the new GIAS as the basis for internal auditing for the UK Public Sector.
- 2.9 The GIAS will apply to the UK public sector from 1 April 2025 and will involve some changes to existing processes and documentation to ensure compliance. The UK Public Sector Internal Auditing Standards Advisory Board (IASAB) is reviewing the GIAS with a view to drawing sector specific interpretations and developing revised material suitable for use in the UK public sector. As part of this, a Code of Practice for the Governance of Internal Audit in Local Government is currently out for consultation.
- 2.10 Internal Audit work during 2024/25 will continue to be carried out in accordance with the Public Sector Internal Audit Standards (PSIAS), however the principles of the GIAS and any changes resulting from them will be taken account of during the year. The five-yearly External Quality Assessment (EQA) remains a key component of the GIAS – Internal Audit's next EQA is scheduled for 2025/26, so it will be a priority task to quickly understand the requirements of GIAS and ensure compliance in advance of the next assessment. Further updates will be provided to the Committee as the new framework is finalised, and Internal Audit implements the transition plan.

¹ New Global Internal Audit Standards, issued in early 2024, will be used as the basis for internal auditing for the UK Public Sector. However, sector specific interpretations are still awaited to make them suitable for the UK Public Sector use. These are expected in early 2025 with an effective date of 1 April 2025.

3. Recommendations

3.1. The IJB Finance, Audit and Scrutiny Committee is asked to:

- a) Note the contents of the report.