



Item No. 8

Meeting Date Wednesday 15th April 2026

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

Report By: Chief Internal Auditor to the Integration Joint Board

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Glasgow City Integration Joint Board Internal Audit Plan 2026/27

Purpose of Report:	To present to the IJB Finance, Audit and Scrutiny Committee the 2026/27 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 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:	<p>The matters contained within this paper have been previously considered by the following group(s) as part of its development.</p> <p>HSCP Senior Management Team <input type="checkbox"/></p> <p>Council Corporate Management Team <input type="checkbox"/></p> <p>Health Board Corporate Management Team <input type="checkbox"/></p> <p>Council Committee <input type="checkbox"/></p> <p>Update requested by IJB <input type="checkbox"/></p> <p>Other <input type="checkbox"/></p> <p>Not Applicable <input checked="" type="checkbox"/></p>
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Recommendations:	The IJB Finance, Audit and Scrutiny Committee is asked to: a) Approve the Internal Audit Plan for 2026/27; b) Approve the Internal Audit Mandate and Charter for 2026; and c) Note the responsibilities of the Finance, Audit and Scrutiny Committee as detailed in the Audit Charter.
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Relevance to Integration Joint Board Strategic Plan:
To provide assurance on various aspects of the Strategic Plan and the overall governance and internal control arrangements.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	N/a
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Personnel:	There are no personnel implications arising directly from this report.
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Carers:	There are no implications for carers arising directly from this paper.
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Provider Organisations:	There are no implications for provider organisations arising directly from this paper.
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Equalities:	There are no equalities implications arising from the paper.
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Fairer Scotland Compliance:	None
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Financial:	Reviews of service prioritisation and shifting the balance of care are included within the plan.
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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:	There is no direct wider economic impact within the city as a result of this report.
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Sustainability:	There are no direct sustainability implications as a result of the content of this paper.
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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:	In drafting the audit plan, consideration is given to the risks affecting the IJB.
Implications for Glasgow City Council:	The 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 internal auditors of NHSGGC 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 Integration 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 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.
- 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 Global Internal Audit Standards (GIAS) in the UK Public Sector require the Chief Internal Auditor to submit a risk-based audit plan to an appropriate Audit Committee for approval. This report presents the proposed internal annual audit plan for the Integration Joint Board for 2026/27.
- 1.5 The Chief Internal Auditor prepares an internal audit plan annually around February/March for the following financial year. This is subject to consideration and then approval by the Finance, Audit and Scrutiny Committee. The Internal Audit function complies with GIAS in the UK Public Sector. The audit plan is prepared and undertaken in accordance with the Standards.

1.6 In drafting the internal audit plan, we have:

- consulted with various members of the Health and Social Care Partnership senior management team;
- assessed the risks affecting the Glasgow City Integration Joint Board;
- considered both internal and external factors affecting the Glasgow City Integration Joint Board, and
- reviewed previous audit findings.

1.7 Internal Audit work is undertaken in accordance with GIAS in the UK Public Sector. These new standards came into effect from 1 April 2025 and were adopted by the Relevant Internal Audit Standard Setters (RIASS). The RIASS includes, among others, HM Treasury, the Scottish Government and the Chartered Institute of Public Finance and Accountancy (CIPFA).

1.8 The GIAS includes 15 principles that Internal Audit functions must follow and cover a range of areas including ethics and professionalism, governance of the Internal Audit function, management of the Internal Audit function and performing Internal Audit services. The Public Sector Internal Audit Standards (PSIAS) previously introduced a requirement for an external assessment of an organisation's Internal Audit function, which must be conducted at least once every five years by a qualified, independent reviewer from outside the organisation. This requirement continues under GIAS in the UK Public Sector. The latest external assessment was undertaken in 2021 at Glasgow City Council by the Assistant Director Audit and Risk Management and Principal Group Auditor from Birmingham City Council. The assessment confirmed that Internal Audit conforms to the requirements of the PSIAS. The next assessment under GIAS in the UK Public Sector is due by July 2026.

1.9 The Internal Audit Mandate formally defines the authority, role and responsibilities of Internal Audit. The Internal Audit Charter defines the purpose of Internal Audit. The Internal Audit Mandate and Charter are included at Appendix 3.

2. Internal Audit Plan 2026/27

2.1 The Audit Plan 2026/27 shows the outputs which members of the Finance, Audit and Scrutiny Committee and management can expect from Internal Audit during 2026/27. For each audit assignment, we will agree a terms of reference with management prior to commencing fieldwork. A summary of our findings will be agreed in draft with management, prior to reporting to the Audit Committee.

2.2 Our reports will include a summary of main audit findings, highlighting any control weaknesses and recommendations for improvement.

2.3 The GIAS in the UK Public Sector 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 IJB. The Finance, Audit and Scrutiny Committee will be asked to approve any material adjustments to the audit plan.

2.4 The proposed areas for inclusion in Glasgow City IJB Internal Audit Plan for 2026/27 are:

- Service Prioritisation,
- Performance Management

Flexible capacity has also been included within the plan which can be drawn down to address specific issues/risks that arise during the year. There is a total of 52 days available to deliver the areas within the plan, which excludes the Flexible Capacity. Further details on each of the above proposed reviews is contained within Appendix 1.

2.5 Service Prioritisation will be a key area of audit focus over the next few years. Internal Audit work commenced on this area in 2025/26 and we will build on this in 2026/27, reviewing compliance with the governance arrangements and providing assurance to the Finance, Audit and Scrutiny Committee on this.

2.6 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 Integration Joint Board. Specific Glasgow City Council reviews are planned of the following areas:

- SAP Replacement;
- ICT;
- Establishment Visits;
- Accounts Payable;
- Cyber Security Arrangements; and
- Procurement.

There are other corporate reviews which may also touch upon areas of interest to the Glasgow City Integration Joint Board.

2.7 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. Specific NHS Greater and Glasgow and Clyde reviews are still being agreed.

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

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

3. Recommendations

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

- a) Approve the Internal Audit Plan for 2026/27;
- b) Approve the Internal Audit Mandate and Charter for 2026; and
- c) Note the responsibilities of the Finance, Audit and Scrutiny Committee as detailed in the Audit Charter.

Assurance Area	Planned Internal Audit Activity	Link to Risks (where applicable)	Links to the Strategic Plan (where applicable)
Financial Management	<p>Service Prioritisation</p> <p>Following on from audit work undertaken in 2025/26, we will continue to provide assurance on the arrangements for the current Service Prioritisation programme that is progressing at pace within the HSCP.</p> <p>In 2026/27 the audit will focus on compliance with the governance arrangements and will also include consideration of shifting the balance of care.</p>	<p>IJB 2736 – Financial sustainability of the IJB. IJB 0518 – Purchase providers financial stability. IJB 0934 – Deliverability of Primary Care Improvement Plan (PCIP).</p>	<p>Priority 3 – Supporting people in their communities. Priority 4 – Strengthen communities to reduce harm. Priority 6 – Building a Sustainable Future. Section 8 – Financial Resources</p>
Governance	<p>Performance Management</p> <p>To provide assurance on performance management arrangements, focussing on delivery of the priorities within the IJB strategic plan. The audit will review performance measures and targets to assess whether these have been clearly defined, align with the strategic plan and highlight areas with insufficient performance arrangements in place. The audit will also provide assurance on the adequacy of the systems in place to ensure</p>	<p>IJB2311 – Homelessness and Asylum</p>	<p>Priority 1 – Prevention, early intervention and wellbeing. Priority 5 – A healthy, valued and supported workforce. Priority 6 – Building a Sustainable Future.</p>

Assurance Area	Planned Internal Audit Activity	Link to Risks (where applicable)	Links to the Strategic Plan (where applicable)
	<p>that performance information is accurate and routinely monitored to ensure that any under performance is addressed in a timely manner.</p>		
	<p>Flexible Capacity</p> <p>Reflecting the rapidly changing wider environment, a bank of time will be set aside to enable an agile approach to emerging risks and issues. Specific areas to be reviewed to be determined throughout the year and the Committee will be updated accordingly.</p>	<p>Not applicable</p>	<p>Not applicable</p>

Glasgow City Integration Joint Board – Internal Audit Coverage 2017/18 – 2026/27

APPENDIX 2

Assurance Area	Audit Activity	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Governance	Performance Management								✓		✓
	Governance			✓		✓				✓	
	Care Home 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		✓								
	ICT/Information Arrangements			✓	✓						
	Delayed Discharge				✓	✓					
	Supplier Sustainability					✓			✓		

INTERNAL AUDIT CHARTER

Presented to Finance, Audit and Scrutiny Committee: April 2026
Next Review Date: April 2027

1. Introduction

- 1.1 The Local Authority Accounts (Scotland) Regulations 2014 make it a statutory requirement for a local authority to operate a professional objective internal auditing service. The Integration Joint Board (IJB) is required to comply with Article 7 of the Local Authority Accounts (Scotland) Regulations 2014.
- 1.2 The authority for setting professional standards for internal audit in the UK public sector rests with the Relevant Internal Audit Standard Setters (RIASS). The RIASS have determined that the [Global Internal Audit Standards](#) (GIAS), issued by the Institute for Internal Auditors (IIA), are a suitable basis for the practice of internal auditing in the UK public sector, subject to interpretations and requirements set out in the [Application Note](#) “Global Internal Audit Standards in the UK Public Sector”. For UK Local Authorities, the [Code of Practice](#) on the Governance of Internal Audit should also be used to interpret some of the essential conditions in the new standards.
- 1.3 The GIAS requires the Chief Audit Executive (CAE) to implement and maintain an Internal Audit Charter and sets out the purpose, position and scope of Internal Audit in the organisation. The Charter is reviewed and approved annually by the Senior Management Team, and the Finance, Audit and Scrutiny Committee.
- 1.4 Internal Audit is currently outsourced and delivered by the team at Glasgow City Council. The CAE reports directly into the Chief Officer and the Corporate Management Team.

2. Purpose

- 2.1 In line with the GIAS, the purpose of Internal Audit is to strengthen the IJB’s ability to create, protect and sustain value by providing the IJB and management with independent, risk-based and objective assurance, advice, insight and foresight.
- 2.2 The GIAS also set out that Internal Audit is most effective when:
 - Internal Audit is performed by competent professionals in conformance with the GIAS (UK Public Sector);

- The Internal Audit function is independently positioned with direct accountability to the IJB Finance, Audit and Scrutiny Committee, and
 - Internal Auditors are free from undue influence and committed to making objective assessments.
- 2.3 Internal Audit assurance is provided by delivering an annual programme of audit work that independently and objectively assesses the design and effectiveness of the controls established to manage the IJB's most significant risks. The scope of Internal Audit covers all activities across the IJB.
- 2.4 The CAE will report annually to the IJB Finance, Audit and Scrutiny Committee and senior management on the function's conformance with the GIAS (UK Public Sector), which will be assessed through a quality assurance and improvement programme.
- 2.5 In addition to their primary role, the CAE will also support the IJB's Chief Officer and Depute Chief Officer - Finance and Resources in undertaking their duties. The CAE will also advise on the control implications of system or process changes; assist management in their duties to prevent and detect fraud and corruption; and aim to add value to the IJB in all its undertakings.

3. Internal Audit Mandate

- 3.1 The authority for Internal Audit is derived from the Local Authority Accounts (Scotland) Regulations 2014. The mandate sets out the authority, roles and responsibilities, and empowers the Internal Audit function to provide the Finance, Audit and Scrutiny Committee and senior management with independent, risk-based, and objective assurance, advice, insight, and foresight.
- 3.2 The Internal Audit function's authority is created by its direct reporting relationship to the IJB Finance, Audit and Scrutiny Committee. Such authority allows for unrestricted access to the IJB Finance, Audit and Scrutiny Committee. This authorises the Internal Audit function to:
- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out Internal Audit responsibilities;
 - Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives, and
 - Obtain assistance from the necessary personnel, and services from within or outside the IJB to complete internal audit services.
- 3.3 The GIAS set out the duty on Internal Auditors to be faithful custodians of the information they gather, sharing only in limited, defined and controlled ways, and describes the need for awareness of responsibilities in protecting information and demonstrating respect for the confidentiality, privacy and ownership of information.

3.4 In line with the GIAS (UK Public Sector), internal auditors must also be aware of circumstances under which sharing or publication of information will be required. They must be aware of their organisation's policies and procedures for routine publication of certain information and where there are statutory obligations to share or publish information, for example Freedom of Information requirements.

4. Definitions

4.1 The following definitions have been adopted as set out in the GIAS 2024 Glossary:

Internal Audit	<i>An independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation establish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.</i>
Assurance services	<i>Services through which internal auditors perform objective assessments to provide assurance. The nature and scope of assurance services are determined by Internal Audit.</i>
Advisory services	<i>Services through which internal auditors provide advice to an organisation's stakeholders without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders.</i>
Independence	<i>Freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner.</i>

5. Independence, Position and Reporting Relationships

5.1 The GIAS state that the CAE should be positioned at a level in the organisation that enables Internal Audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the Internal Audit function.

5.2 The CAE reports functionally to the IJB Finance, Audit and Scrutiny Committee and administratively (for example, day-to-day operations) to the Chief Officer and Corporate Management Team. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Finance, Audit and Scrutiny Committee, when necessary, without interference and supports the Internal Auditors' ability to maintain objectivity.

5.3 The CAE is required to confirm to the IJB Finance, Audit and Scrutiny Committee, at least annually, the organisational independence of the Internal Audit function. If the governance structure does not support organisational independence, the CAE

must document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The CAE must disclose to the IJB Finance, Audit and Scrutiny Committee any interference Internal Auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the Internal Audit function's effectiveness and ability to fulfil its mandate.

- 5.4 To ensure that Internal Audit independence and objectivity is maintained for assurance services, Internal Audit will remain free from interference from anyone within the IJB in relation to audit selection, scope, procedures, frequency, timing, and report content.
- 5.5 Where Internal Audit also has responsibility for non-audit activities, the GIAS require that appropriate arrangements are established to avoid conflicts of interest. Additionally, Internal Audit will not be permitted to audit any activities for which they have previously been responsible within a period of one year and will not engage in any other activity that may impair judgment or independence.
- 5.6 For advisory/'critical friend' services, the Internal Audit role will be specifically restricted to providing guidance, views, and opinions. To comply with independence requirements, Internal Audit will not be involved in any aspects of operational decisions subsequently taken by management

6. Internal Audit Authority and Oversight

- 6.1 To establish, maintain, and ensure that IJB's Internal Audit function has sufficient authority to fulfil its duties, the Finance, Audit and Scrutiny Committee will give consideration to the following requirements for review and approval.

GIAS requirement regarding authority and oversight	Review	Approve ¹
Consider, with the CAE and senior management, the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the Internal Audit function.	X	
Ensure the CAE has unrestricted access to and communicates and interacts directly with the IJB Finance, Audit and Scrutiny Committee, including in private meetings without senior management present.	X	
Consider with the CAE and senior management any other topics that should be included in the Internal Audit charter.	X	

¹ (or recommend approval to the appropriate decision-making corporate body)

GIAS requirement regarding authority and oversight	Review	Approve ¹
Participate in discussions with the CAE and senior management about the 'essential conditions' described in the GIAS which establish the foundation that enables an effective Internal Audit function.	X	
Approve the Internal Audit charter, which includes the internal audit mandate and the scope and types of Internal Audit services.		X
Review and approve the Internal Audit charter annually, specifically considering changes affecting the organisation, such as changes in the type, severity, and interdependencies of risks.	X	X
Approve the risk-based Internal Audit plan.	X	X
Review the Internal Audit function's budget and other resources.	X	
Provide input to senior management on the appointment and removal of the CAE, ensuring adequate competencies and qualifications and conformance with the GIAS (UK Public Sector).	X	
Review and provide input to senior management on the CAE's performance.	X	
Receive communications from the CAE about the Internal Audit function including its performance relative to its plan.	X	
Ensure a Quality Assurance and Improvement Programme (QAIP) has been established and review the results annually.	X	
Make appropriate inquiries of senior management and the CAE to determine whether scope or resource limitations are inappropriate.	X	

6.2 The IJB Finance, Audit and Scrutiny Committee, CAE and senior management will ensure that, at all times Internal Audit:

- Has unrestricted access to all records, cash, property, assets and people, where necessary on demand and without prior notice;
 - Can obtain explanations as is required to satisfy the probity of any matter under consideration, and
 - Can require the production of any records and other such property as is deemed necessary.
- 6.3 All senior officers must report to the CAE at the earliest opportunity all actual or perceived losses (cash, stock, equipment or data), all suspected or actual instances of theft, embezzlement, fraud, corruption or any other impropriety.

7. Internal Audit Objectives and Responsibilities

7.1 Ethics and Professionalism

The CAE will ensure that internal auditors:

- conform with the GIAS (UK Public Sector) including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, confidentiality and the Nolan Seven Principles of Public Life;
- understand, respect, meet, and contribute to the legitimate and ethical expectations of the IJB and can recognise conduct that is contrary to those expectations;
- encourage and promote an ethics-based culture in the IJB, and
- report organisational behaviour that is inconsistent with the IJB's ethical expectations, as described in applicable policies and procedures.

7.2 Objectivity

The CAE will ensure that the Internal Audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the CAE determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal Auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal Auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, Internal Auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- assessing specific operations for which they had responsibility within the previous year;
- performing operational duties for the IJB or its affiliates;
- initiating or approving transactions external to the Internal Audit function, and
- directing the activities of any employee that is not employed by the Internal Audit function, except to the extent that such employees have been appropriately assigned to Internal Audit teams or to assist internal auditors.

Internal Auditors will:

- disclose impairments of independence or objectivity, in fact or appearance, to the CAE as soon as possible;
- exhibit professional objectivity in gathering, evaluating, and communicating information;
- make balanced assessments of all available and relevant facts and circumstances, and
- make necessary precautions to avoid conflicts of interest, bias, and undue influence.

The CAE will disclose impairments of independence or objectivity to the Finance, Audit and Scrutiny Committee at least annually.

7.3 Managing the Internal Audit Function

The CAE has the responsibility to:

- at least annually, develop a risk-based Internal Audit plan that considers the input of the Finance, Audit and Scrutiny Committee, and senior management;
- discuss the plan with the Finance, Audit and Scrutiny Committee and senior management and submit the plan to the Finance, Audit and Scrutiny Committee for review and approval;
- communicate the impact of resource limitations on the Internal Audit plan to the Finance, Audit and Scrutiny Committee and senior management;
- review and adjust the Internal Audit plan, as necessary, in response to changes in the IJB's business, risks, programmes, systems, and controls;

- communicate with the IJB Finance, Audit and Scrutiny Committee and senior management if there are significant interim changes to the plan;
- ensure Internal Audit engagements are performed, documented, and communicated in accordance with the GIAS;
- follow up on audit findings and confirm the implementation of significant recommendations or action plans and communicate the results of Internal Audit services to the IJB Finance, Audit and Scrutiny Committee and senior management, and for each audit as appropriate;
- ensure the Internal Audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the GIAS and fulfil the Internal Audit mandate;
- identify and consider trends and emerging issues that could impact the IJB, and communicate these to the Finance, Audit and Scrutiny Committee and senior management as appropriate;
- consider emerging trends and successful practices in internal auditing;
- establish and ensure adherence to methodologies designed to guide the Internal Audit function;
- ensure adherence to the IJB's relevant policies and procedures unless such policies and procedures conflict with the Internal Audit Charter or GIAS. Any such conflicts will be resolved or documented and communicated to the IJB Finance, Audit and Scrutiny Committee and senior management, and
- co-ordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the CAE cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the IJB Finance, Audit and Scrutiny Committee.

7.4 Communication with the IJB Finance, Audit and Scrutiny Committee and Senior Management

The CAE will report to the IJB Finance, Audit and Scrutiny Committee and senior management on:

- the Internal Audit function's mandate;
- the Internal Audit plan and performance;
- Internal Audit resources;
- significant revisions to the Internal Audit plan and resources;

- potential impairments to independence, including relevant disclosures as applicable;
- results from the QAIP, which include the Internal Audit function's conformance with the GIAS (UK Public Sector) and action plans to address the Internal Audit function's deficiencies and opportunities for improvement;
- significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Finance, Audit and Scrutiny Committee that could interfere with the achievement of the IJB's strategic objectives;
- outcomes of assurance and advisory services, and
- management's responses to risk that the Internal Audit function determines may be unacceptable, or acceptance of a risk that is beyond the IJB's risk appetite.

8. Management Responsibilities

- 8.1 Management will co-operate with Internal Audit on audits and provide access to records, systems and personnel as required within a reasonable timeframe following the request.
- 8.2 Assurance engagements will be subject to a written terms of reference and report. Advisory and agile engagements will be agreed in writing (for example via email or written terms of reference) and a relevant output agreed (for example full report/summary findings, focused feedback or an action plan). Management will nominate a senior point of contact for each engagement.
- 8.3 All fieldwork will conclude with a clearance meeting where Internal Audit will brief the key contact(s) on the emerging findings. Draft reports will be shared with management for agreement as to the factual accuracy of draft findings raised, and understanding of Internal Audit recommendations designed to address the control weaknesses identified.
- 8.4 It is management's responsibility to agree to either:
- accept and fully implement all Internal Audit recommendations;
 - agree to address the risks identified by adopting an alternative approach to that recommended by Internal Audit, and
 - accept the risk associated with not implementing Internal Audit recommendations with supporting rationale.

- 8.5 When a draft audit report is delivered, management are required to agree to the recommendations in the action plan, including specifying officer responsibility and anticipated dates for the implementation. Internal Audit will consider the timeliness of implementation dates according to the associated risk level identified.
- 8.6 Management is responsible for ensuring that agreed management actions are implemented in full and effectively sustained.
- 8.7 The GIAS require the CAE to report to both senior management and the IJB Finance, Audit and Scrutiny Committee, details of management's response to risk that (based on the CAE's judgement) may be unacceptable to the IJB. Consequently, any Internal Audit findings where management has accepted the risk will be highlighted in Internal Audit reports.

9. Scope and Types of Internal Audit Services

- 9.1 The scope of Internal Audit services covers the entire breadth of the IJB as outlined in the IJB's Financial Statements.
- 9.2 The scope of Internal Audit activities also encompasses, but is not limited to, objective examinations of evidence to provide independent assurance and advisory services to the IJB Finance, Audit and Scrutiny Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for the IJB.
- 9.3 The nature and scope of any advisory services will be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.
- 9.4 Internal Audit engagements may include evaluating whether:
- risks relating to the achievement of the IJB's strategic objectives are appropriately identified and managed;
 - the actions of officers, directors, management, employees, and contractors or other relevant parties comply with the IJB's policies, procedures, and applicable laws, regulations, and governance standards;
 - the results of operations and projects/programmes are consistent with established goals and objectives;
 - operations and projects/programmes are being carried out effectively, efficiently, ethically, and equitably;

- established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the IJB;
- fraud risks are being managed effectively;
- the integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable, and
- resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

10. Internal Audit Plan

10.1 The CAE will submit an annual Internal Audit Plan to the Finance, Audit and Scrutiny Committee for review and approval which is designed to support provision of an evidence-based annual opinion. This Plan will be developed, based on a risk-based prioritisation of the audit universe. The CAE will seek input from a range of key stakeholders including Board Members, the Chief Officer, senior management, and Risk and Governance functions.

10.2 The nature of evolving risks makes it likely that the audit assignments included in the work programme may be subject to change. Consequently, the Internal Audit Plan will be subject to regular review by the CAE and any proposed changes to the approved plan (due to emerging risks and issues) will be approved by both senior management and the IJB Finance, Audit and Scrutiny Committee.

10.3 The GIAS (UK Public Sector) requires the CAE to coordinate with internal and external assurance providers to consider relying on their work and minimise duplication of effort.

10.4 The GIAS (UK Public sector) recognises that there are various relevant outside assurance providers whose authority flows from separate legal or regulatory sources beyond the control or influence of the CAE, and they may not have any ability to access the work of those assurance providers or gain insight into the scope and timing of their work. Under these circumstances, the CAE must consider whether it is possible or practical to co-ordinate. Where they do not co-ordinate, they must set out to the Committee the barriers which prevent effective co-ordination.

10.5 Where adopted, a consistent process for the basis of reliance should be established as, where reliance is placed on the work of others, the CAE remains accountable and responsible for ensuring that there is adequate support for conclusions and opinions reached where reliance has been placed on work performed by other assurance providers.

10.6 Therefore, when dealing with an external party, Internal Audit will clearly define the respective roles, responsibilities, and other expectations (including restrictions on distribution of results of the engagement and access to engagement records).

10.7 Internal Audit also reserves the right to raise findings on areas that have not been specifically included in the Plan where significant or systemic control gaps are evident.

11. Resourcing

11.1 The GIAS (UK Public Sector) requires the CAE to effectively deploy and manage financial, human and technological resources to implement the Internal Audit strategy and achieve its plan and mandate. The [Application Note: Global Internal Audit Standards in the UK Public Sector](#) notes that funding processes for Internal Audit functions in the public sector vary and may prevent the CAE from being able to seek or obtain additional funding due to other funding priorities within the organisation. This may impact the way in which the CAE uses resources. In line with the GIAS (UK Public Sector) the basis for conformance is as follows:

- where there are constraints on resources, the CAE must develop a resource strategy which suggests practical approaches for consideration by the relevant Committee;
- the CAE must inform the Committee of the impact of insufficient resources and any options available to mitigate that impact, and
- where there are constraints, the CAE must set out what alternative approaches apply to the Internal Audit service, and then seek to manage financial, human and IT resources within those constraints.

11.2 The CAE must inform the Committee of any resource management arrangements at the organisation that may put at risk the ability of the internal audit function to fulfil its mandate.

11.3 The IJB's Internal Audit Plan will include the budgeted resource requirements needed to deliver proposed audit engagements. It will also include a contingency to address unplanned work. Should circumstances arise during the year that suggests that available resource levels will fall or appear to be falling below the level required to deliver the Plan, the CAE will communicate the impact of resource limitations to senior management and the IJB Finance, Audit and Scrutiny Committee.

12. Prevention and Detection of Fraud and Corruption

12.1 Management is responsible for the prevention and detection of fraud or corruption. Internal Audit will assist management in the discharge of this responsibility. Audit procedures alone cannot guarantee that all fraud or corruption will be detected. Internal Audit will, however, exercise an appropriate level of professional

scepticism during audit work and be alert to risks and exposures that could allow the opportunity for fraud or corruption to occur.

12.2 Discovery of any suspected or actual fraud or irregularity that affects the IJB should be reported immediately to the CAE and information on suspected or actual fraud may inform the annual audit opinion and the risk-based Internal Audit work programme. The CAE may then direct Internal Audit resources to investigate, or assist management investigations, into suspected and actual cases.

13. Follow-Up of Agreed Audit Actions

13.1 It is Management's responsibility to implement agreed audit actions. Internal Audit will follow up and report progress with implementation of agreed management actions to support closure of findings raised on a regular basis and seek to confirm that they have been undertaken within agreed timescales.

13.2 The follow up process involves review of evidence provided by management to support implementation of agreed management actions, and proportionate re-performance testing to confirm that they have been effectively implemented and sustained.

13.3 If, following initial agreement to implement an agreed management action, management subsequently decide to risk accept either the full or partial risks associated with a recommendation, a risk acceptance proforma should be completed by management which details the mitigating actions and residual risks. Internal Audit will then process the closure as 'Closed – Management Accepts Risk' and all risk acceptances will be reported to the IJB Finance, Audit and Scrutiny Committee within the Follow-Up Report.

14. Quality Assurance and Improvement Programme (QAIP)

14.1 The CAE is responsible for ensuring the quality of audit work and that the Internal Audit function is continuously seeking improvement. The GIAS (UK Public Sector) defines quality as a combined measure of conformance with the GIAS and achievement of the Internal Audit function's performance objectives.

14.2 The CAE will develop, implement, and maintain a Quality Assurance & Improvement Programme (QAIP) that covers all aspects of the Internal Audit function. The QAIP will include external and internal assessments of the function's conformance with the GIAS (UK Public Sector), as well as performance measurement to assess the Internal Audit function's progress towards achievement of its objectives and promotion of continuous improvement. If applicable, the assessment must include plans to address the function's deficiencies and opportunities for improvement.

14.3 The CAE will report annually to the IJB Finance, Audit and Scrutiny Committee and senior management on progress with the QAIP, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments.

14.4 External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Council and IJB, whose qualifications must meet the requirements set out in the GIAS (UK Public Sector).

14.5 Compliance with the CIPFA [Code of Practice for the Governance of Internal Audit in Local Government](#) must also be reflected in internal and external quality assessments.

15. Annual Reporting and Overall Conclusion

15.1 In line with the GIAS (UK Public Sector) the CAE must, at least annually:

- conclude on the overall adequacy and effectiveness of the IJB’s framework of governance, risk management and control (annual opinion), and
- include a statement on conformance with the GIAS (UK Public Sector) and the results of the QAIP.

15.2 The annual opinion for the IJB is based on the outcomes of the audits included in the Internal Audit Plan, progress in addressing any prior year significant issues, progress with implementation of agreed management actions, the result of any other Internal Audit activities that have identified control gaps exposing the IJB to risk, and the professional judgement of the CAE.

16. Communication and Reporting

16.1 The CAE will report regularly to the IJB Finance, Audit and Scrutiny Committee on the progress with, and results of its work enabling review and scrutiny as summarised below.

Report	Frequency
Internal Audit Charter	Annually (March/April)
Internal Audit Strategy and Annual Plan	Annually (March/April)
Internal Audit Assurance reports, other Internal Audit activity reports and Follow-Up reports	At least quarterly
Proposed material changes to the Internal Audit Plan	At least 6-monthly
Internal Audit Annual Report and Opinion, including: <ul style="list-style-type: none"> • effectiveness of the governance, risk management and control framework 	Annually (June)

Report	Frequency
<ul style="list-style-type: none"> • Internal Audit independence • conformance with the GIAS (UK Public Sector) including ethics and professionalism requirements. 	
<p>Internal Audit Quality reporting, including:</p> <ul style="list-style-type: none"> • results of internal assessments • progress of corrective action plans • compliance with CIPFA Code of Practice for the Governance of Internal Audit in Local Government. 	Annually
External Quality Assessments	5-yearly

17. Approval and Changes to the Internal Audit Mandate and Charter

17.1 The Internal Audit Charter is subject to approval by the Chief Officer and IJB Finance, Audit and Scrutiny Committee on an annual basis. Approval is evidenced through Management Team and IJB Finance, Audit and Scrutiny Committee meeting papers and minutes.

17.2 Circumstances may justify changes to the Charter. Such circumstances may include, but are not limited to:

- a significant change in the GIAS (UK Public Sector);
- a significant reorganisation;
- significant changes in the CAE, the IJB Finance, Audit and Scrutiny Committee, and/or senior management;
- significant changes to the IJB's strategies, objectives, risk profile, or the environment in which the IJB operates, or
- changes to laws or regulations that may affect the nature and/or scope of Internal Audit Services.