



**Item No. 9**

**Meeting Date Wednesday 17<sup>th</sup> April 2024**

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

**Report By: Chief Internal Auditor to the Integration Joint Board**

**Contact: Duncan Black, Head of Audit and Inspection**

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**Glasgow City Integration Joint Board Internal Audit Plan 2024/25**

<b>Purpose of Report:</b>	To present to the IJB Finance, Audit and Scrutiny Committee the 2024/25 Internal Audit plan for the Glasgow City Integration Joint Board.
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<b>Background/Engagement:</b>	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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<b>Governance Route:</b>	The matters contained within this paper have been previously considered by the following group(s) as part of its development.  HSCP Senior Management Team <input type="checkbox"/> Council Corporate Management Team <input type="checkbox"/> Health Board Corporate Management Team <input type="checkbox"/> Council Committee <input type="checkbox"/> Update requested by IJB <input type="checkbox"/> Other <input checked="" type="checkbox"/> IJB Finance, Audit and Scrutiny Committee (7 February 2024) Not Applicable <input type="checkbox"/>
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<b>Recommendations:</b>	The IJB Finance, Audit and Scrutiny Committee is asked to:  a) approve the 2024/25 Internal Audit plan.
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<b>Relevance to Integration Joint Board Strategic Plan:</b>
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:**

<b>Reference to National Health &amp; Wellbeing Outcome:</b>	N/a
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<b>Personnel:</b>	There are no personnel implications arising directly from this report.
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<b>Carers:</b>	There are no implications for carers arising directly from this paper.
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<b>Provider Organisations:</b>	The review of provider sustainability will review the arrangements for payments to social care providers.
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<b>Equalities:</b>	There are no equalities implications arising from the paper.
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<b>Fairer Scotland Compliance:</b>	None
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<b>Financial:</b>	Reviews of financial management and provider sustainability are included within the plan.
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<b>Legal:</b>	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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<b>Economic Impact:</b>	There is no direct wider economic impact within the city as a result of this report.
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<b>Sustainability:</b>	There are no direct sustainability implications as a result of the content of this paper.
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<b>Sustainable Procurement and Article 19:</b>	There are no direct sustainable procurement and Article 19 implications as a result of the content of this paper.
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<b>Risk Implications:</b>	In drafting the audit plan, consideration is given to the risks affecting the IJB.
<b>Implications for Glasgow City Council:</b>	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.
<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	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 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 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;
  - 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.

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- 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 Integration Joint Board. The Finance, Audit and Scrutiny Committee will be asked to approve any material adjustments to the audit plan.

## 2. INTERNAL AUDIT PLAN 2024/25

- 2.1 The proposed areas for inclusion in Glasgow City IJB Internal Audit Plan for 2024/25 are:

- Property - repairs and maintenance charges; and
- Performance management arrangements.

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 are 40 days available to undertake this work. 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 Integration Joint Board. Specific Glasgow City Council reviews are planned of the following areas:

- SAP ERP;
- Future ICT;
- Financial planning, monitoring and reporting;
- Risk Management workshops;
- 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.

- 2.3 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. Specific NHS Greater and Glasgow and Clyde reviews are still being agreed and further details will be provided when these are available.
- 2.4 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.
- 2.5 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.

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2.6 The Internal Audit Charter formally defines the purpose, authority and responsibility of Internal Audit. The Audit Charter is included at Appendix 3.

### **3. RECOMMENDATIONS**

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

a) approve the 2024/25 Internal Audit plan.

Assurance Area	Planned Internal Audit Activity	Link to Risks (where applicable)
<p><b>Performance</b></p>	<p><b>Performance Management arrangements</b></p> <p>To review the performance management arrangements in place that underpin the delivery of the strategic plan. This will include a review of the reporting and monitoring arrangements and a sample checking of performance figures reported back to source data.</p>	<p>519 - IJB unable to fulfil its functions due to a failure of or disruption to property, people and/or infrastructure.</p>
<p><b>Financial Management</b></p>	<p><b>Property - repairs and maintenance charges</b></p> <p>To review the arrangements for the charging by contractors for the repairs and maintenance work undertaken and the reconciliation of these to works instructed.</p> <p>There will be particular focus on temporary furnished flats but also the general arrangements for properties outwith the GCC corporate landlord function.</p>	<p>512 - The IJB is unable to budget within allocated resources.</p> <p>519 - IJB unable to fulfil its functions due to a failure of or disruption to property, people and/or infrastructure.</p>
	<p><b>Flexible Capacity</b></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 consulted and updated accordingly.</p>	<p>N/A</p>

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Glasgow City Integration Joint Board – Internal Audit Coverage 2016/17 – 2024/25

APPENDIX 2

Assurance Area	Audit Activity	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Governance</b>	Performance	✓								✓
	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						✓			✓

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Assurance Area	Audit Activity	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Governance (cont)</b>	Compliance with Policies and Procedures							✓		
	Workforce Planning/Succession Planning							✓		
<b>Financial Management</b>	Financial Management	✓							✓	
	Financial Planning		✓							
	Financial Governance			✓						
	Set aside Budgets				✓					
	Property re-charges									✓





## **Internal Audit Charter (February 2024)**

### **1. Introduction**

- 1.1 The Internal Audit Charter formally defines the purpose, authority and responsibility of Internal Audit, in accordance with the Public Sector Internal Audit Standards (PSIAS) adopted by the Relevant Internal Audit Standard Setters.
- 1.2 Internal Audit is led by the Head of Audit and Inspection, who reports directly to the Executive Director of Finance within Glasgow City Council with open access to the Chief Executive and the Chief Officer.
- 1.3 The Internal Audit Charter will be reviewed and reported to Senior Management and Committee as appropriate.

### **2. Definitions**

- 2.1 The PSIAS include specific definitions that have been interpreted as:

*Chief Audit Executive* – the Head of Audit and Inspection

*Board* – the appropriate Committee with responsibility for audit matters

*Senior Management* – IJB/HSCP senior officers

### **3. Purpose**

- 3.1 Internal Audit is defined within the PSIAS as an independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes

### **4. Internal Audit Mission**

- 4.1 The mission of Internal Audit is to enhance and protect organisational value by providing risk based and objective assurance, advice and insight.
- 4.2 The purpose and mission of Internal Audit are achieved through the delivery of the Internal Audit plan which informs the Head of Audit and Inspection's annual opinion

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on the adequacy of the IJB's system of internal control. This annual opinion is provided to the Chief Officer, senior management and IJB Board Members. It is management's responsibility to implement and maintain effective internal control systems within its area of responsibility. It is Internal Audit's role to assist management by reviewing and evaluating the effectiveness of those control systems.

### **5. Role of the Head of Audit and Inspection**

- 5.1 The CIPFA guidance in relation to "The Role of the Head of Internal Audit in Public Service Organisations" is intended to provide best practice for Chief Audit Executives to achieve, and for Boards to measure Internal Audit against. The statement sets out an overarching principles-based framework which applies across the UK public sector. It states that the Chief Audit Executive plays a critical role in delivering an organisation's strategic objectives by:
- championing best practice in governance and management, objectively assessing the adequacy of the management of existing risks, and commenting on responses to emerging risks and proposed developments; and
  - giving an objective and evidence-based opinion on all aspects of governance, risk management and internal control.

### **6. Authority**

- 6.1 Internal Audit's authority is derived from policies, procedures, rules and regulations established by the IJB/HSCP. These include, but are not limited to, the Financial Regulations, the Whistleblowing and Response Policy and the Code of Conduct.
- 6.2 Internal Audit:
- Has unrestricted access to all records, cash, property, assets and people, where necessary on demand and without prior notice;
  - Can obtain information and explanations as it considers necessary to satisfy the probity of any matter under consideration;
  - Can require the production of any records and other such property as is deemed necessary; and
  - Requires all senior officers to report 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. Scope**

- 7.1 The scope of Internal Audit's work includes:
- All HSCP systems, processes, policies, plans and procedures;
  - Use and safeguarding of resources and assets, including data;
  - Governance and risk management processes;
  - Commissioning and procurement;
  - Projects and programmes, and
  - Whistleblowing and Fraud, including investigation of allegations of fraud and corruption.

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### 8. Resourcing and Audit Planning

- 8.1 In line with PSIAS requirements Internal Audit develops a risk based audit plan which enables the Head of Audit and Inspection to provide an annual opinion on the adequacy of the IJB's system of internal control. The plan is developed through an assessment of risk and assurance needs and is sufficiently flexible to reflect changing organisational risks and priorities. It is submitted to the appropriate IJB Committee with responsibility for audit.
- 8.2 The annual audit plan sets out the planned audit resources for the year with the objective of giving an evidence-based opinion. It is the Head of Audit and Inspection's responsibility to ensure that Internal Audit is adequately resourced in order to carry out its function. The team is made up of a mix of qualified staff (in the main CIPFA qualified accountants) and CIPFA trainees.
- 8.3 Internal Audit complies with relevant policies and procedures and Internal Audit's standard operating procedures manual.

### 9. Independence and Objectivity

- 9.1 The PSIAS define independence as "freedom from conditions that threaten the ability of the Internal Audit activity to carry out its responsibilities in an unbiased manner". To assist Internal Audit to carry out the role and constructively challenge senior managers of the HSCP, the Head of Audit and Inspection holds a sufficiently senior position. Senior Officers and those charged with governance have input into the annual audit plan however they do not direct the plan.
- 9.2 Auditors challenge, on the basis of objective evidence, decisions, policies or practices they consider inappropriate or in need of improvement, no matter who is involved in the decision making. It is essential for HSCP officers and IJB Board Members to recognise Internal Audit's role and responsibilities and accept Internal Audit comment and advice in this spirit, giving a reasoned response if they take a different view.
- 9.3 Internal Auditors exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activities or processes audited. They make a balanced assessment of relevant circumstances and are not unduly influenced in forming judgements by their own interests or others.
- 9.4 Objectivity and independence in the provision of advice and guidance are maintained, and conflicts of interest avoided. Internal Audit has no operational responsibility for, or authority over, activities audited and all officers undertaking audit work are required to complete declarations of interest annually, including "nil" returns. Where Internal Audit officers are deemed to have operational involvement, they must remove themselves from any related Internal Audit activity.

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### 10. Other Work

- 10.1 Internal Audit will consider all requests for additional work, outwith the audit plan, on agreement with relevant senior officers. This includes attendance at working groups and offering advice and guidance.
- 10.2 In addition Internal Audit will seek opportunities to share expertise with other public sector organisations, where resources permit and where there is no impact on the ability to deliver the level of assurance required to enable the Head of Audit and Inspection to provide an annual opinion.

### 11. Quality

- 11.1 All Internal Audit work is undertaken in compliance with the PSIAS and is subject to regular internal quality reviews, with the results of these reviews reported to a Quality Management Review Team. External quality reviews are also undertaken through a 5-yearly external quality assessment. Internal Audit is also ISO9001 quality accredited by the British Standards Institution, which is reviewed annually, the current certification being ISO9001:2015.

### 12. Performance

- 12.1 Internal Audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to the various stakeholders of the Internal Audit Services that Internal Audit:
- Performs its work in accordance with this Audit Charter, which is consistent with the Public Sector Internal Audit Standards, Definition of Internal Auditing, Code of Ethics and ISO 9001: 2015;
  - Operates in an efficient and effective manners; and
  - Is adding value and continually improving Internal Audit operations.
- 12.2 The Head of Audit and Inspection is ultimately responsible for the QAIP, which covers all types of Internal Audit activities, including Audit Glasgow activity. The QAIP includes both internal and external assessments. Internal assessments are both ongoing and periodical and external assessments are undertaken at least once every five years.
- 12.3 The Head of Audit and Inspection reports every six months to the Council's Finance and Audit Scrutiny Committee regarding team performance in relation to their overall Annual Service Plan Report targets. This includes measures on fieldwork completion, ISO 9001 and PSIAS compliance.