



REPORT TO: PERFORMANCE & AUDIT COMMITTEE – 24 SEPTEMBER 2019
REPORT ON: DUNDEE INTEGRATION JOINT BOARD INTERNAL AUDIT PLAN 2019/20
REPORT BY: CHIEF FINANCE OFFICER
REPORT NO: PAC36-2019

1.0 PURPOSE OF REPORT

The purpose of this report is to consider the proposed Dundee Integration Joint Board's 2019/20 Internal Audit Plan

2.0 RECOMMENDATIONS

It is recommended that the Performance & Audit Committee (PAC):

- 2.1 Notes and approves the proposed Dundee Integration Joint Board 2019/20 Internal Audit Plan as outlined in Appendix 1.

3.0 FINANCIAL IMPLICATIONS

None.

4.0 MAIN TEXT

- 4.1 Dundee IJB's Chief Internal Auditor and the Chief Officer and Chief Finance Officer have considered the key areas of the IJB's activities which would benefit from Internal Audit assessment during 2019/20. This includes areas of risk as highlighted in the IJB's Risk Register. The Chief Internal Auditor has subsequently developed a proposed Internal Audit plan which sets these and other audit governance issues alongside the level of internal audit resource available (see Appendix 1). The substantive areas of audit planned are in relation to risks around governance and assurance, performance management and adverse events management.
- 4.2 As per Audit Scotland's recommendation and subsequent agreed action following the Dundee IJB External Audit Annual Report 2016/17, presented to the September 2017 Performance and Audit Committee (Article IV of the minute of meeting refers – Report No PAC21-2017), progress of the Internal Audit Plan will continue to be a standing item on all Performance and Audit Committee agendas.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Equality Impact Assessment. There are no major issues.

6.0 RISK ASSESSMENT

This report has not been subject to a risk assessment as it a status update and does not require any policy or financial decisions at this time.

7.0 CONSULTATIONS

The Chief Officer, Chief Internal Auditor, Head of Community Care and Health and the Clerk were consulted in the preparation of this report.

8.0 BACKGROUND PAPERS

None

Dave Berry
Chief Finance Officer

Date: 2ND September 2019

INTERNAL AUDIT PLAN 2019/20**1. PURPOSE OF THE REPORT**

The purpose of this paper is to seek approval of the Annual Internal Audit Plan for Dundee Integrated Joint Board (IJB) for 2019/20.

2. RECOMMENDATIONS

The IJB is asked to:

- Approve the 2019/20 annual plan.

3. BACKGROUND

As stated in the IRAG guidance, it is the responsibility of the IJB to establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. Following a meeting of Dundee IJB (DIJB) in May 2016, Fife, Tayside and Forth Valley Audit and Management Services (FTF) were appointed as the IJB's Internal Audit Service.

Resources to deliver the plan will be provided by the NHS Tayside and Dundee City Council Internal Audit services. A total of 40 days have been included in the 2019/20 Internal Audit Plans of the parties to deliver internal audit reviews for DIJB.

Public Sector Internal Audit Standards set out the need to establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. As in 2018/19, the discretionary elements of this year's plan will be focused around the Dundee IJB's Strategic Risk Register, with individual topics also informed by the professional views of the IJB Chief Officer and Chief Financial Officer and the Heads of Internal Audit of both parties to ensure the substantive audit assignments add value. Whilst recognising that the HSCP's strategic and operational risk registers are being reinvigorated, the proposed internal audit plan is based on the extant strategic risk profile at the time of developing this plan.

The draft operational plan for 2019/20 has been designed to target the priority issues identified by our assessment of risk. The plan includes the delivery of standard products required each year, and is further based on professional judgement of the IJB risk environment. We therefore assessed audit need based on the IJB's own strategic risks as well as areas for improvement noted in the Governance Statement, our findings from our 2018/19 Annual Internal Audit Report and benchmarking with other IJBs.

We would highlight that the plan is predicated on the basis that operational controls over services are maintained and assured through the parties. An Internal Audit Joint Working Protocol has been agreed by the Internal Auditors of both parties as has a Protocol for sharing Internal Audit Outputs. Audit Committee members are asked to note that audits to be shared under the output sharing protocol will provide additional assurance to the IJB.

The audit plan is designed to provide the Chief Internal Auditor with sufficient evidence to form an opinion on the adequacy and effectiveness of internal controls. Work to deliver the internal audit plan is undertaken under the supervision of the Chief Internal Auditor.

The proposed plan is set out below:

Ref	Audit	Indicative Scope	Days	Target Audit Committee
D01-20	Audit Planning	Preparation of Annual Internal Audit Plan	2	September 2019
D02-20	Audit Management	Liaison with management and attendance at Performance and Audit Committee	3	N/A
D03-20	Annual Internal Audit Report	CIA's annual assurance statement to the IJB and review of governance self-assessment	5	June 2019
D04-20	Governance & Assurance	Ongoing support and advice on further development of governance and assurance structures, including issues identified as part of the annual report process and the self assessment against the MSG report and help in implementing an audit follow up process	5	N/A
D05-20	Performance management	Adequacy, accuracy, relevance, reliability, data quality, timeliness and interpretation of reporting against the priorities in the Strategic and Commissioning Plan and core integration indicators. Compliance with DL 2016 (05) - Guidance for Health and Social Care Integration Partnership Performance Reports This work will link to Strategic Risk 10 as well as a number of operational risks	15	February 2020
D06-20	Adverse events management	Implementation of Duty of Candour for Council employees This work will link to Operational risks 30 and 34	10	November 2019

4. CONSULTATION

The Chief Officer, the Chief Finance Officer and the Senior Manager- Internal Audit of Dundee City Council have been consulted on the content of this paper.

A Gaskin BSc ACA
Chief Internal Auditor

Audit Need Assessment based on Dundee IJB's Strategic Risk Register as at May 2018					
	Risk Title / Description	Owner	Current Risk Level	Planned Risk Level	Internal Audit coverage 2019-20
			L = Likelihood I = Impact		
1	<p>Restrictions on Public Sector Funding</p> <p>Continuing restrictions on public sector funding will impact on Local Authority and NHS budget settlements in the medium term impacting on the ability to provide sufficient funding required to support services delivered by the IJB. This could lead to the IJB failing to meet its aims within anticipated timescales as set out in its Strategic and Commissioning Plan.</p>	Chief Finance Officer	L= 4 I= 4 <u>16</u>	L= 3 I= 4 <u>12</u>	<p>Included? No</p> <p><u>Rationale</u> Previous coverage – to be reported under D05/19</p>
2	<p>Unable to maintain IJB spend</p> <p>IJB is unable to maintain spend within allocated resources which could lead to being unable to deliver on the Strategic & Commissioning Plan.</p>	Chief Finance Officer	L= 4 I= 4 <u>16</u>	L= 3 I= 3 <u>9</u>	<p>Included? No</p> <p><u>Rationale</u> Previous coverage – to be reported under D05/19</p>
3	<p>Staff resource</p> <p>The volume of staff resource required to develop effective integrated arrangements while continuing to undertake existing roles / responsibilities / workload of key individuals may impact on organisational priorities and operational delivery.</p>	Chief Officer	L= 4 I= 4 <u>16</u>	L= 3 I= 3 <u>9</u>	<p>Included? No</p> <p><u>Rationale</u> Previous coverage</p> <p>Actions ongoing in relation to D06/17 - Workforce. Further assurance will need to be provided in future audit plans following implementation of previous recommendations.</p>

Audit Need Assessment based on Dundee IJB's Strategic Risk Register as at May 2018					
	Risk Title / Description	Owner	Current Risk Level	Planned Risk Level	Internal Audit coverage 2019-20
			L = Likelihood I = Impact		
4	Staff Perception of Integration Negative staff perception of integration due to historical experiences and lack of communication will lead to an adverse effect on engagement / buy-in to new partnership.	Chief Officer	L= 3 I= 3 <u>9</u>	L= 2 I= 3 <u>6</u>	Included? No <u>Rationale</u> Previous coverage Actions ongoing in relation to D06/17 - Workforce. Further assurance will need to be provided in future audit plans following implementation of previous recommendations.
5	Employment Terms Differing employment terms could expose the partnership to equality claims and impact on staff morale.	Chief Officer	L= 3 I= 5 <u>15</u>	L= 3 I= 2 <u>6</u>	Included? No <u>Rationale</u> Previous coverage Actions ongoing in relation to D06/17 - Workforce. Further assurance will need to be provided in future audit plans following implementation of previous recommendations.
6	Stakeholders not included/ consulted Relevant stakeholders have not been included and adequately consulted with during the development and subsequent implementation of the Strategic & Commissioning Plan which may lead to adverse political and/or reputational impact.	Chief Officer	L= 1 I= 3 <u>3</u>	L= 1 I= 3 <u>3</u>	Included? No <u>Rationale</u> Low current risk score.

Audit Need Assessment based on Dundee IJB's Strategic Risk Register as at May 2018					
	Risk Title / Description	Owner	Current Risk Level	Planned Risk Level	Internal Audit coverage 2019-20
			L = Likelihood I = Impact		
7	Increased Bureaucracy Revised governance mechanisms between the IJB and partners could lead to increased bureaucracy in order to satisfy the arrangements required to be put in place.	Chief Officer	L= 4 I= 3 <u>12</u>	L= 3 I= 3 <u>9</u>	Included? No <u>Rationale</u> Previous coverage – to be reported under D06/19
8	Governance arrangements being established fail to discharge duties Clinical, Care & Professional Governance arrangements being established fail to discharge the duties required.	Chief Officer	L= 2 I= 4 <u>8</u>	L= 2 I= 2 <u>4</u>	Included? No <u>Rationale</u> Previous coverage Some actions still ongoing in relation to D07/17 - Clinical, Care & Professional Governance Further assurance to be provided in future audit plans following implementation of previous recommendations.
9	Uncertainty around future service delivery models Uncertainty around future service delivery models may lead to resistance, delay or compromise resulting in any necessary developments or potential opportunities for improvement not being fulfilled.	Chief Officer	L= 3 I= 3 <u>9</u>	L= 2 I= 2 <u>4</u>	Included? No <u>Rationale</u> Low current risk score.
10	Staff resource is insufficient to address planned performance management improvements in addition to core reporting requirements and business critical work.	Not noted	L= 5 I= 4 <u>20</u>	L=4 I= 4 <u>16</u>	Included? Yes <u>Rationale</u> High Risk and key elements of the IJB's operations.

