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Agenda Item: 5.

Integration Joint Board – Audit Committee

Date of Meeting: 26 June 2019.

Subject: Appointment of Chief Internal Auditor

1. Summary

1.1. This report makes a recommendation in relation to the appointment of a Chief Internal Auditor for the Integration Joint Board (IJB) and an approach to the specific requirement to audit the IJB.

2. Purpose

2.1. To recommend internal audit arrangements and a Chief Internal Auditor for the IJB.

3. Recommendations

The Audit Committee is invited to:

3.1. Approve the appointment of NHS Orkney's Chief Internal Auditor as the Chief Internal Auditor of the IJB for the period 2019 to 2021.

3.2. Approve the approach to the audit requirements of the IJB that sees this accommodated from within the contingency resources of NHS and OIC audit plans.

4. Background

4.1. On 10 March 2017, the IJB agreed that the OIC Chief Internal Auditor be re-appointed as the internal auditor for the IJB for financial years 2017-19.

4.2. The IJB requires to establish its internal audit arrangements and to appoint a Chief Internal Auditor. In relation to the latter, there are a number of options open to the IJB as follows:

4.2.1. Employ own Chief Internal Auditor.

4.2.2. Procure Services.

4.2.3. Appoint the Chief Internal Auditor of Orkney Islands Council.

4.2.4. Appoint the Chief Internal Auditor of NHS Orkney.

4.3. Since the IJB came into operation OIC's Chief Internal Auditor has been the internal auditors for the IJB. It is good practice to have rotation between auditors to ensure independence.

4.4. Of the options outlined above it is recommended that NHS Orkney's Chief Internal Auditor is appointed as the Chief Internal Auditor for the IJB for the next two financial years 2019 – 2021.

4.5. The provision of internal audit time to the IJB, with an estimated requirement of 20 days, also presents a series of options for consideration.

4.5.1. Existing NHS and OIC audit plans for the period 2019 – 2021 to be re-profiled to provide the capacity required for the IJB audit work through a reduction in other areas of audit work.

4.5.2. IJB audit requirements to be met from within the contingency allocation available within the overall Orkney Islands Council's and NHS Orkney's existing audit plans. There would be an option to purchase additional days but there is no identified budget to cover this additional costs.

4.6. Option 4.5.2 is the recommended option from those available. It can be accommodated within existing resources in the current year. It also enables a continuity period where both audit services work together, through clearly allocated pieces of work, led by the IJB's Chief Internal Auditor. It is proposed that this model is continued for the next two financial years and reviewed thereafter.

4.7. An internal audit plan for the IJB will be brought to the next meeting of the IJB Audit Committee.

5. Contribution to quality

Please indicate which of the Council Plan 2018 to 2023 and 2020 vision/quality ambitions are supported in this report adding Yes or No to the relevant area(s):

| | |
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| Promoting survival: To support our communities. | No. |
| Promoting sustainability: To make sure economic, environmental and social factors are balanced. | No. |
| Promoting equality: To encourage services to provide equal opportunities for everyone. | No. |
| Working together: To overcome issues more effectively through partnership working. | Yes. |
| Working with communities: To involve community councils, community groups, voluntary groups and individuals in the process. | Yes. |
| Working to provide better services: To improve the planning and delivery of services. | Yes. |
| Safe: Avoiding injuries to patients from healthcare that is intended to help them. | No. |
| Effective: Providing services based on scientific knowledge. | Yes. |

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| Efficient: Avoiding waste, including waste of equipment, supplies, ideas, and energy. | Yes. |
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6. Resource implications and identified source of funding

6.1. Internal audit time should be contained within the contingency allocation of audit time and therefore does not have an additional cost implication to any party however regular review and updating of service and support agreements are essential to managing costs.

7. Risk and Equality assessment

7.1. There are no risks associated with this report. The identification of audit arrangements, makes a positive contribution to good governance of the IJB and therefore makes a positive contribution to risk management and mitigation.

8. Direction Required

Please indicate if this report requires a direction to be passed to:

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|---|------|
| NHS Orkney. | Yes. |
| Orkney Islands Council. | No. |
| Both NHS Orkney and Orkney Islands Council. | No. |

9. Escalation Required

Please indicate if this report requires escalated to:

| | |
|---|------|
| NHS Orkney. | No. |
| Orkney Islands Council. | No. |
| Both NHS Orkney and Orkney Islands Council. | Yes. |

10. Author

10.1. Pat Robinson (Chief Finance Officer), Integration Joint Board

11. Contact details

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