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Agenda Item 6.

## **Integration Joint Board – Audit Committee**

Date of Meeting: 13 March 2018

Subject: Internal Audit Strategy and Plan 2018 - 19

### **1. Summary**

It is recommended within the Integrated Resources Advisory Group (IRAG) Finance Guidance that Integration Joint Boards should have in place a risk based internal audit plan.

### **2. Purpose**

To present the draft Internal Audit Strategy and Plan for 2018 - 19 for review and approval.

### **3. Recommendations**

The Integration Joint Board Audit Committee is invited to:

- Note that a comprehensive audit planning process has been undertaken by the Chief Internal Auditor for the year 2018 to 2019.
- Approve the Internal Audit Strategy and Plan for 2018 - 19.

### **4. Background**

The Integrated Resources Advisory Group (IRAG) Finance Guidance includes the recommendations that IJBs should establish adequate and proportionate internal audit arrangements, and that the Chief Internal Auditor should develop a risk based internal audit plan. This requirement is in compliance with the Public Sector Internal Audit Standards (PSIAS).

The Chief Internal Auditor has completed an audit planning process, considering the risks to the IJB, which has identified the priorities for the internal audit activity for the financial year 2018 - 19.

The PSIAS also requires that the audit plan must incorporate, or be linked to, a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the Internal Audit Charter and how it links to the organisational objectives and priorities.

The internal audit strategy details how the internal audit service shall be delivered and developed in accordance with the Internal Audit Charter. The strategy provides the links to organisational objectives and priorities. The internal audit strategy is incorporated within the audit plan and is reviewed annually and updated as required.

## 5. Audit Plan 2018 - 19

The annual audit plan, attached as Appendix 1 to this report, has been based on a number of contributing factors, including the following:

- Consultation with the Chief Officer and Chief Finance Officer of the OIJB;
- Review of the OIJB Risk Register;
- Review of internal audit findings;
- Liaison with the external auditors in order to avoid duplication of effort;
- Any known relevant changes in legislation and other external factors; and
- Known strengths and weaknesses in the internal control system.

There is no contingency allowance included within the plan. Should any additional audit work be required, this shall have to be commissioned as an additional piece of work and will incur a cost which would be subject to a separate agreement.

Prior to the commencement of each individual audit assignment, internal audit staff shall be in contact with the relevant managers in order to sign off and agree an audit brief, which sets out the objectives, scope and timing of the assignment.

## 6. Contribution to quality

The table below indicates which of the Our Plan 2013 to 2018 and 2020 vision/ quality ambitions are supported in this report:

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

|  |      |
|--|------|
| <b>Efficient:</b> Avoiding waste, including waste of equipment, supplies, ideas, and energy. | Yes. |
|--|------|

## **7. Resource implications and identified source of funding**

The provision of the internal audit service for 2018 - 19 shall be contained within the contingency allowance of the OIC Internal Audit and the NHSO internal audit plans.

Should the OIJB decide to commission any further internal audit work, this will require the identification of additional funding and agreement.

## **8. Risk assessment**

There are no risks associated with this report. Having an internal audit service in place strengthens the governance arrangements of the OIJB.

## **9. Conclusion**

Members are asked to support recommendations in this report.

## **10. Author**

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## **12. Supporting documents**

Appendix 1 – Internal Audit Strategy and Plan 2018 - 19