

REPORT

Item No:

SUBJECT:	Internal Audit Plan 2019/2020
TO:	Performance, Finance and Audit Committee
Lead Officer for Report:	Chief Officer
Author(s) of Report	Head of Audit and Inspection (North Lanarkshire Council) and Chief Internal Auditor (NHS Lanarkshire)
DATE:	27 August 2019

1. PURPOSE OF REPORT

1.1 This paper is coming to the Performance, Finance and Audit Committee (PFA):

For approval	<input checked="" type="checkbox"/>	For endorsement	<input type="checkbox"/>	For noting	<input type="checkbox"/>
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1.2 This report seeks the approval of the PFA for the North Lanarkshire Integrated Joint Board 2019/2020 Annual Internal Audit Plan.

2. ROUTE TO THE PERFORMANCE, FINANCE AND AUDIT COMMITTEE

2.1 This paper has been:

Prepared By; Head of Audit and Inspection (North Lanarkshire Council) and Chief Internal Auditor (NHS Lanarkshire)	Reviewed By; Chief Financial Officer
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3. RECOMMENDATIONS

3.1 The PFA is asked to agree the following recommendations:

- (1) Note the contents of the report; and
- (2) Approve the proposed Internal Audit Plan for 2019/2020.

4. VARIATIONS TO DIRECTIONS

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
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5. BACKGROUND/SUMMARY OF KEY ISSUES

5.1 As stated in the IRAG guidance, it is the responsibility of the IJB to establish adequate and proportionate internal audit arrangements for the review of the adequacy of the arrangements for risk management, governance and control of the delegated resources.

5.2 The 2019/2020 Internal Audit Plan is based on the professional views of the Head of Audit and Inspection for North Lanarkshire Council (NLC) and the Chief Internal Auditor for NHS Lanarkshire (NHSL). It takes account of the IJB's risk register and risk management arrangements, previous internal audit coverage, the evolving nature of the IJB's operations and governance arrangements, the continuous development and understanding of the control and risk environment in which the IJB operates and the changing needs of the organisation. It also takes account of assurance which can be provided to the IJB based on work performed under the Internal Audit plans of both NLC and NHSL.

6. CONCLUSIONS

6.1 The internal audit plan is designed to provide the Chief Internal Auditors with sufficient evidence to form an opinion on the adequacy and effectiveness of internal controls.

6. CONCLUSIONS (CONT.)

6.2 The proposed internal audit plan for 2019/2020 is attached as an appendix. The plan has been designed to target the priority issues identified by the assessment of risk undertaken by the Head of Audit and Inspection for North Lanarkshire Council (NLC) and the Chief Internal Auditor for NHS Lanarkshire (NHSL). The plan includes the delivery of standard products required each year, and is further based on the professional judgement of the IJB risk environment. The Chief Internal Auditors therefore assessed audit need based on the IJB's own strategic risks taking into account the findings of the 2018/2019 internal audit work and benchmarking with other IJBs.

6.3 Resources to deliver the plan will be provided by the NHSL and NLC internal audit services and the work to deliver the internal audit plan is undertaken under the supervision of the relevant Chief Internal Auditor.

6.3.1 NHS Lanarkshire and North Lanarkshire Council have set aside a total of 110 days from their own internal audit plans to provide a resource for the internal audit of the IJB.

6.3.2 It was originally intended that the IJB Risk Register would be used as the basis for a three year strategic internal audit plan, from which the 2019/2020 operational internal audit plan would be derived. Following discussions with management and taking into account the outcome of the Internal Audit of Risk Maturity and the provisions of the IJB's Risk Management Strategy, it has been agreed that it would be more appropriate to undertake a strategic internal audit planning exercise once the Risk Register has been updated in line with internal audit recommendations. It was also agreed that the audit of any operational activities should be undertaken under the auspices of the parent bodies, with the NL IJB Internal Audit plan focused solely on IJB governance. The IJB Internal Audit Plan for 2019/2020 commits a total of 65 days as detailed at the appendix.

6.3.3 The parent body Audit Committees will therefore be asked to ensure that the balance of internal audit resources of 45 days are dedicated to the audit of operational activities for functions delegated to the IJB with the detailed audits reported to the parent body Audit Committees also to be discussed in detail with the IJB Chief Officer and IJB Chief Financial Officer. The assurances gained will also be provided to the IJB as part of the overall assurances received from the parent body Audit Committees.

6.4 The plan is predicated on the basis that operational controls over services are maintained and assured through the parties. The IJB internal audit plan therefore complements the internal audit plans of NHSL and NLC.

6.5 The Chief Officer and Chief Financial Officer have been consulted on the proposed plan.

7. IMPLICATIONS

7.1 NATIONAL OUTCOMES

This relates to all nine national outcomes.

7.2 ASSOCIATED MEASURE(S)

The PFA and both partners are required to ensure effective governance arrangements are in place.

7.3 FINANCIAL

This paper has been reviewed by Finance:

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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7.4 PEOPLE

None.

7.5 INEQUALITIES

EQIA Completed:

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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7. IMPLICATIONS (CONT.)

7.6 CARBON MANAGEMENT IMPLICATIONS

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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8. BACKGROUND PAPERS

None.

9. APPENDICES

Proposed Internal Audit Plan 2019/2020

Appendix



CHIEF OFFICER (or Depute)

Members seeking further information about any aspect of this report, please contact Tony Gaskin on telephone number 01334 696208 or mobile telephone no. 07778 135153.

Ref	Audit	Indicative Scope	Days	Target Committee
NL01-20	Audit Planning	Agreeing audit universe and preparation of strategic plan.	3	August 2019
NL02-20	Audit Management	Liaison with senior management and attendance at Audit Committee.	5	Ongoing
NL03-20	Annual Internal Audit Report	Chief Internal Auditors' annual assurance statement to the IJB and review of governance self-assessment.	7	June 2020
NL04A-20	Governance and Assurance	Follow up of previous Internal Audit recommendations.	5	Spring 2020
NL04B-20	Assurance Mapping	Assurance mapping of key governance processes and key controls identified in the risk register, including assurances received from partners. <i>Note: This audit assignment has been deferred from the IJB Internal Audit Plan 2018/2019 in order to allow the developments in joint risk management to be implemented following the conclusion of the internal audit assignment on Risk Maturity Assessment (August 2019).</i>	25	Spring 2020
NL05-20	Financial Planning and Monitoring	Due diligence review of changes arising from transfer of children's services.	20	Ongoing
TOTAL			65	