

REPORT

Item No:

SUBJECT:	Internal Audit Plan 2020/2021 Progress Report
TO:	Performance, Finance and Audit Committee
Lead Officer for Report:	Chief Officer
Author(s) of Report	Chief Financial Officer
DATE:	17 February 2021

1. PURPOSE OF REPORT

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

For approval	<input type="checkbox"/>	For endorsement	<input type="checkbox"/>	For noting	<input checked="" type="checkbox"/>
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1.2 This report provides an update on the progress of the Internal Audit Plan for 2020/2021.

2. ROUTE TO THE PERFORMANCE, FINANCE AND AUDIT COMMITTEE:

2.1 This paper has been:

Prepared By; Chief Financial Officer	Reviewed By; Chief Officer
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3. RECOMMENDATIONS

3.1 The PFA Committee is asked to agree the following recommendations:

(1) That the content of the report is noted.

4. VARIATIONS TO DIRECTIONS

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" 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 an adequate and proportionate internal audit of the arrangements for risk management, governance and control of the delegated resources.

5.2 The internal audit arrangements for the IJB are provided jointly by the internal audit teams of North Lanarkshire Council (NLC) and NHS Lanarkshire (NHSL). The IJB approved the 2020/2021 Internal Audit Plan on the 4 November 2020. A total of 60 days, as detailed at the appendix, were committed to undertake the IJB Internal Audit plan which focuses on the conclusion of work to support a 'value for money' exercise on 'Equipment and Adaptations' and reviews the adequacy and effectiveness of arrangements around the IJB's response to the Covid-19 pandemic.

5.3 The audit of operational activities is undertaken under the auspices of the parent bodies. The IJB is asked to note that the outcome of these operational audits will be reported to the parent body Audit Committees and will also be discussed with the IJB Chief Officer and IJB Chief Financial Officer. The assurances gained will be provided to the IJB as part of the overall assurances received from the parent body Audit Committees.

5. BACKGROUND/SUMMARY OF KEY ISSUES (CONT.)

- 5.4 As part of the audit planning process, External Audit will also take into consideration the extent to which reliance can be placed on the work of internal audit.
- 5.5 The Chief Internal Auditors of NLC and NHSL are required to present to the IJB an annual opinion on the adequacy and effectiveness of the IJB’s corporate governance, risk management and internal control arrangements. It is good practice to present the Internal Audit Annual Audit Report to the IJB in advance of the approval of the Unaudited IJB Annual Accounts.
- 5.6 The IJB approved minor amendments to the original Terms of Reference for the IJB to reflect the changes recommended by the Review of Integration in respect of the Support, Care and Clinical Governance reporting arrangements. The IJB also approved the extension of the stakeholder membership of the IJB PFA Committee which has been increased from three to five to allow all stakeholders to participate in the meeting. This reflects the key role of the Third Sector and the need to ensure their contribution is recognised and embedded within IJB strategic planning and performance. The recommendations arising from the Internal Audit review of risk management arrangements have also been reflected within the responsibilities of both the IJB and the IJB PFA Committee.
- 5.7 The Internal Audit Annual Audit Report 2020/2021 will be based on the internal audit work contained within the 2020/2021 Internal Audit Plan, the progress in respect of which is summarised in the appendix.

6. CONCLUSIONS

- 6.1 Progress is being made in respect of the completion of the assignments outlined in the Internal Audit Plan for 2020/2021.

7. IMPLICATIONS

- 7.1 NATIONAL OUTCOMES
This report relates to all national outcomes as effective governance arrangements will ensure the IJB can fulfil its statutory duties. Good governance enables the IJB to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk. Internal Audit is an integral part of the IJB’s governance arrangements.
- 7.2 ASSOCIATED MEASURE(S)
The outcome of the Internal Audit Plan Activity for 2020/2021 will inform the Annual Governance Statement for 2020/2021 and contribute to the assessment of the internal control framework.
- 7.3 FINANCIAL
This paper has been reviewed by Finance:

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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- 7.4 RISK ASSESSMENT/RISK MANAGEMENT
The risks associated with the completion of the Internal Audit Plan assignments for 2020/2021 has been considered when the update on the current position has been provided.
- 7.5 PEOPLE
None.
- 7.6 STAKEHOLDER ENGAGEMENT
There has been full consultation between the NLC Audit and Risk Manager, the NHSL Chief Internal Auditor and the Senior Leadership Team in respect of the development of the Internal Audit Plan and the progress of the agreed assignments.

7. IMPLICATIONS (CONT.)

7.7 INEQUALITIES & FAIRER SCOTLAND DUTY

EQIA Completed & Fairer Scotland Impact Assessment Form Completed:

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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7.8 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

Internal Audit Plan Activity Report

Appendix



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CHIEF OFFICER (or Depute)

Members seeking further information about any aspect of this report, please contact Marie Moy on telephone number 01698 453709.

Audit Assignment	Indicative Scope	Days	Current Status	Target Committee
<p>Audit Planning (NL01-21)</p> <p>Joint Lead Partners: Ken Adamson, NLC Audit and Risk Manager Tony Gaskin, NHSL Chief Internal Auditor</p>	<p>Agreeing audit universe and preparation of strategic plan.</p>	<p>3</p>	<p>The IJB approved the 2020/2021 Internal Audit Plan on the 4 November 2020.</p>	<p>IJB 4 November 2021</p>
<p>Audit Management (NL02-21)</p> <p>Joint Lead Partners: Ken Adamson, NLC Audit and Risk Manager Tony Gaskin, NHSL Chief Internal Auditor</p>	<p>Liaison with senior management and attendance at Audit Committee.</p>	<p>5</p>	<p>Ongoing</p>	<p>N/A</p>
<p>Annual Internal Audit Report (NL03-21)</p> <p>Joint Lead Partners: Ken Adamson, NLC Audit and Risk Manager Tony Gaskin, NHSL Chief Internal Auditor</p>	<p>Chief Internal Auditors' annual assurance statement to the IJB and review of governance self-assessment.</p>	<p>7</p>	<p>Scheduled to be completed in April/May 2021.</p>	<p>IJB 22 June 2021</p>
<p>Follow-up of Agreed Actions (NL05-21)</p> <p>Joint Lead Partners: Ken Adamson, NLC Audit and Risk Manager Tony Gaskin, NHSL Chief Internal Auditor</p>	<p>Review of progress made by management in implementing those actions committed to in response to previously agreed Internal Audit recommendations. The NLC audit of the progress of improvement actions identified by the integration review and self-assessment processes reported in 2019/20 will be followed-up as part of the Council's annual audit plan and findings reported to IJB as part of this exercise.</p>	<p>5</p>	<p>Scheduled to be undertaken in Quarter 4 of 2020/2021.</p>	<p>PFA 25 May 2021</p>

North Lanarkshire IJB 2020/2021 (Cont.)
Internal Audit Plan Activity Report (Cont.)

Appendix (Cont.)

Audit Assignment	Indicative Scope	Days	Current Status	Target Committee
<p>Response to Covid-19 Pandemic (NL06-21)</p> <p>Lead Partner: Tony Gaskin, NHSL Chief Internal Auditor</p>	<p>Significant event from which lessons should be learned to inform future decisions and management arrangements around resilience issues. This will be a review of the adequacy and effectiveness of the IJB's resilience arrangements and its response to the COVID-19 pandemic which will incorporate how lessons learned have influenced preparedness for a second wave, the winter plan and performance monitoring arrangements.</p>	20	<p>Mobilisation, remobilisation and sustainability principles have been agreed. Internal audit fieldwork has commenced in January 2021 and will complement the internal audit activity being progressed for both partners.</p>	<p>PFA 25 May 2021</p>
<p>Value For Money Audit (NL07-21)</p> <p>Lead Partner: Ken Adamson, NLC Audit and Risk Manager</p>	<p>In consultation with both partners, a value for money audit assignment will be undertaken in respect of the provision of equipment and adaptations from the North Lanarkshire Joint Store. This will inform future strategic commissioning intentions and also provide evidence to support the achievement of best value across this service.</p>	20	<p>Initial preparatory meetings have been held. An agreed audit scope will be prepared prior to further work being progressed.</p>	<p>PFA 25 May 2021 (TBC)</p>
TOTAL		60		