



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD – 4 MAY 2016
REPORT ON: INTERNAL AUDIT ARRANGEMENTS 2016/17
REPORT BY: CHIEF FINANCE OFFICER
REPORT NO: DIJB9 - 2016

1.0 PURPOSE OF REPORT

The purpose of this report is to set out proposed arrangements for the provision of Internal Audit services to the Integration Joint Board (IJB) for 2016/17 and to request that the IJB considers the creation of a Performance and Audit Committee.

2.0 RECOMMENDATIONS

It is recommended that the Integration Joint Board (IJB):

- 2.1 Notes the requirement to ensure adequate and proportionate internal audit arrangements are in place for the IJB;
- 2.2 Provides delegated authority to the Chief Officer and Chief Finance Officer to conclude discussions with Fife, Tayside and Forth Valley Management Services (FTF) and Dundee City Council for the provision of internal audit services for 2016/17;
- 2.3 Agrees to establish a Performance and Audit Committee to enable appropriate scrutiny of performance and audit issues and instruct the Chief Officer to bring back a report to the IJB outlining the proposed membership of the Committee and proposed governance arrangements.

3.0 FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report as under corporate support service arrangements both NHS Tayside and Dundee City Council will provide proportionate internal audit activity in relation to Health and Social Care Integration. Any requirement by the IJB to access additional internal audit support over and above that which would reasonably be expected to be provided would be subject to negotiation and potential additional cost to the IJB.

4.0 MAIN TEXT

- 4.1 The requirement for the IJB to establish internal audit arrangements was set out in a report to the IJB on 24 November 2015 where the arrangements for such services were agreed for 2015/16. The report noted that the Financial Guidance for Integration Joint Boards developed by the Integrated Resources Advisory Group (IRAG) and issued by the Scottish Government stated:

“It is the responsibility of the Integration Joint Board 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. This will include determining who will provide the internal audit service for the Integration Joint Board and nominating a Chief Internal Auditor.”

4.2 The IJB is also required to comply with the article 7 of the Local Authority Accounts (Scotland) regulations 2014 which state:-

“A local authority must operate a professional and objective auditing service in accordance with recognised standards and practices in relation to internal auditing.”

4.3 The IJB agreed in November 2015 to appoint the Chief Internal Auditor of NHS Tayside to the role of Chief Internal Auditor and Fife, Tayside and Forth Valley Audit and Management Services (FTF) as the IJB's lead internal auditors for 2015/16. This role has been supported by Dundee City Council's Internal Audit service. The main focus of internal audit activity for 2015/16 has been an assessment of the Due Diligence process and Governance arrangements which is subject to a separate report however this joint arrangement has worked well and it is recommended that these arrangements continue for 2016/17, subject to the conclusion of more detailed discussions around these arrangements. This will result in the production of an internal audit plan for the IJB.

4.4 Once an annual Internal Audit plan has been agreed, the Chief Internal Auditor will report on the delivery of the plan and any recommendations to the IJB. The Chief Internal Auditor will also provide an annual Internal Audit report. The annual report will also be shared with the relevant Committees of NHS Tayside and Dundee City Council.

4.5 The IJB previously considered a recommendation to establish either a new Standing Committee or a Senior Officer led Performance Management Group whose role it would be to provide advice and assurance on the performance for the IJB as part of Report DIJB10-2016 (Dundee Health and Social Care Partnership Outcomes and Performance Framework) presented to the IJB in February 2016. The IJB's decision was to convene a Senior Officer group rather than set up a separate committee.

4.6 It has been established that the majority of IJBs have now created a separate Audit Committee in order to provide the opportunity to sufficiently scrutinise performance and consider audit related matters on a regular basis. The advantage of this approach is that it creates the time which can be devoted to such issues and is not limited to the time pressures of dealing with all the other business issues the IJB needs to consider within its main meeting structure. It is therefore requested that the IJB agrees to establish a Performance and Audit Committee as a key element of its governance structure.

5.0 POLICY IMPLICATIONS

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

6.0 CONSULTATIONS

The Chief Officer and the Clerk were consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None.

Dave Berry
Chief Finance Officer

DATE: 1 April 2016