



APPOINTMENT OF CHIEF INTERNAL AUDITOR

Aim

- 1.1 To consider the appointment of the Chief Internal Auditor of the Health and Social Care Integration Joint Board.

Background

- 2.1 The Public Bodies (Joint Working) (Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and establishes the framework for Integration of Health and Social Care in Scotland. The Scottish Government established the Integrated Resources Advisory Group (IRAG) to develop professional guidance. This guidance outlines that 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.
- 2.2 The Integration Joint Board is required to comply with Article 7 of The Local Authority Accounts (Scotland) Regulations 2014 which states:
 “7(i) A local authority must operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing”.

Proposal

- 3.1 In order to comply with the Regulations, it is proposed that the Internal Audit services for the Integration Joint Board will be provided by Scottish Borders Council’s Internal Audit team for review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. The Internal Audit service will undertake its work in compliance with the Public Sector Internal Audit Standards¹. It is proposed that the Chief Officer Audit and Risk, Scottish Borders Council, currently Jill Stacey, is appointed to act as Integration Joint Board Chief Internal Auditor in addition to her substantive post within Scottish Borders Council.
- 3.2 The operational delivery of internal audit services within NHS Borders and Scottish Borders Council on behalf of the Integration Joint Board will be covered by their respective Internal Audit arrangements as at present.
- 3.3 On or before the start of each business year, the Integration Joint Board Chief

¹ Relevant internal audit standard setters adopted set of common internal audit standards from 1 April 2013

Internal Auditor will prepare and submit a strategic risk based audit plan to the Integration Joint Board for approval. This plan will be shared with the Audit Committee of NHS Borders and the Audit and Risk Committee of Scottish Borders Council.

- 3.4 The Chief Internal Auditor of the Integration Joint Board, in developing the Internal Audit plan of the Integration Joint Board, is expected to consider the risks associated with:
- The strategic plan and planning process and the adequacy of the governance arrangements;
 - Financial plan underpinning the strategic plan; and
 - Relevant matters raised from NHS Borders Health Board and Scottish Borders Council Chief Internal Auditors.
- 3.5 To ensure that the internal audit plans for the Integration Joint Board, NHS Borders and Scottish Borders Council are aligned, the Chief Internal Auditors for each of the respective bodies will share information and co-ordinate activities with each other and with other external providers of assurance to ensure proper coverage, avoid duplication of effort and determine areas of reliance.
- 3.6 At the conclusion of each business year the Integration Joint Board Chief Internal Auditor will submit an internal audit annual report to the Chief Officer Health and Social Care Integration and the Integration Joint Board's Audit Committee, providing the Chief Internal Auditor's opinion on the adequacy of arrangements for risk management, governance and control of delegated resources, including the extent of internal audit cover achieved and a summary of internal audit activity during the year. The internal audit annual report will also be shared with the Audit Committee of NHS Borders and the Audit and Risk Committee of Scottish Borders Council.
- 3.7 The Integration Joint Board Chief Internal Auditor will report on each internal audit engagement to the Chief Officer Health and Social Care Integration. The Integration Joint Board will determine any other reporting arrangements it requires from its Chief Internal Auditor.

Recommendation

The Health & Social Care Integration Joint Board is asked to:

- **appoint** Jill Stacey, Chief Officer Audit and Risk, Scottish Borders Council as Chief Internal Auditor of the Integration Joint Board; and
- **note** the content of the report.

Policy/Strategy Implications	The appointment of a Chief Internal Auditor is one of the key components of good governance. In compliance with the Public Bodies (Joint Working) (Scotland) Act 2014 and any consequential Regulations, Orders, Directions and Guidance.
Consultation	Members of the Integration Programme Board have been consulted on the report. The report has also been reviewed by and

	approved by relevant Management Teams within both partner organisations.
Risk Assessment	Approval of the appointment of the Chief Internal Auditor will ensure that the Integration Joint Board complies with professional guidance issued by the Integrated Resources Advisory Group (IRAG) in compliance with The Public Bodies (Joint Working) (Scotland) Act 2014 and complies with The Local Authority Accounts (Scotland) Regulations 2014.
Compliance with requirements on Equality and Diversity	It is anticipated that there are no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals in this report.
Resource/Staffing Implications	<p>There are no additional costs associated with the recommendation to appoint Mrs Stacey as Chief Internal Auditor to the IJB in addition to her substantive role as Chief Officer Audit and Risk of Scottish Borders Council. However it should be noted that provision of internal audit services to the IJB is subject to their being adequate staff and other resources in place for 2016/17 and beyond.</p> <p>The Health and Social Care Integration Scheme for the Scottish Borders, which is anticipated to be approved on 8 February 2016, states that Scottish Borders Council and Borders Health Board will by the end of March 2016, have: identified the corporate resources used to deliver the delegated functions; and agreed the corporate support services required to fully discharge Integration Joint Board duties under the Act. These support services will include Internal Audit.</p>

Approved by

Name	Designation	Name	Designation
Susan Manion	Chief Officer Health and Social Care Integration		

Author(s)

Name	Designation	Name	Designation
Jill Stacey	Chief Officer Audit and Risk		