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Board



**SBC Internal
Audit Section**

Internal Audit Annual Plan 2020/21 for Scottish Borders Health and Social Care Integration Joint Board

to

**Integration Joint Board Audit Committee,
Chief Officer and Chief Financial Officer**

For approval by SBIJB Audit Committee 9 March 2020

1 Introduction

- 1.1 The Scottish Borders Integration Joint Board (the Board) of Scottish Borders Health and Social Care Partnership (the Partnership) was established as a body corporate by Scottish Ministers on 6 February 2016. The Board approved a refreshed Strategic Plan for 2018-2021 on 18 June 2018, which sets out what it wants to achieve to improve health and well-being in the Scottish Borders through integrating health and social care services.
- 1.2 The Scottish Borders Integration Joint Board (SBIJB) is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 1.3 The roles and responsibilities of Board members and officers are defined within a comprehensive suite of governance documents relating to the arrangements within which the partnership will operate which specifically covers:
 - Scheme of Integration
 - Key Principles of the Local Code of Governance
 - Standing Orders
 - Audit Arrangements including Terms of Reference for the Audit Committee
 - Risk Management Strategy
 - Financial Arrangements and Financial Regulations
- 1.4 In addition to its own governance arrangements, the SBIJB places reliance on the governance arrangements adopted by NHS Borders and Scottish Borders Council, the partners. Where appropriate existing mechanisms embedded within both partners will be used to provide assurance to the SBIJB, for example assurance from partners' Internal Audit service providers.

- 1.5 The Board appointed Jill Stacey, Chief Officer Audit and Risk at Scottish Borders Council, as Chief Internal Auditor for the SBIJB on 1 February 2016 with agreement that Internal Audit services for the SBIJB will be provided by the Council's Internal Audit team.
- 1.6 Internal Audit activity adds value to the organisation (and its stakeholders) when it considers strategies, objectives, and risks; strives to offer ways to enhance governance, risk management and control processes; and objectively provides relevant assurance. The Internal Audit programme of work is designed to add value to and improve the Integration Joint Board's operations in order to meet the objectives set out in the Strategic Plan.

2 Internal Audit Annual Planning Process

- 2.1 The SBC Internal Audit function follows the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) which came into effect on 1 April 2013 (updated 2017). The key standards within the PSIAS which relate to the preparation of the internal audit plan are summarised below:
 - Standard 2010 – Planning which states that “the chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals”
 - Standard 2020 – Communication and Approval which states that “the chief audit executive must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.”
- 2.2 The CIPFA Publication 'Audit Committees 2018' states that “The audit committee should seek to make best use of the internal audit resource within the assurance framework. In particular, the audit committee should seek confirmation from internal audit that the audit plan takes into account the requirement to provide an annual internal audit opinion that can be used to inform the Annual Governance Statement. Specific activities will include:
 - Approving (but not directing) the risk-based plan, considering the use made of other sources of assurance.”The CIPFA Publication also states that “The committee will wish to seek assurance from the HIA that appropriate risk assessment has been carried out as part of the preparation of the internal audit plans when they are presented.”
- 2.3 Key components of the audit planning process include a clear understanding of the integration authority's role and responsibilities, priorities, plans, strategies, objectives, risks and mitigating controls, and the internal and external assurances provided to determine the potential range and breadth of audit areas for inclusion within the plan, consistent with the organisation's goals. This exercise is informed by key developments at both a national and local level and other relevant background information, for example the Strategic Plan.

3 Internal Audit Resources

- 3.1 Internal Audit resources are outlined in the Council's Internal Audit Annual Plan 2020/21 to be approved by SBC's Audit and Scrutiny Committee on 9 March 2020. A total of 45 days have been allocated to provide Internal Audit services to the Scottish Borders Health and Social Care Integration Joint Board (SBIJB) in its fifth year of operation, which reflects the Council's contribution of corporate support resources.
- 3.2 Staff assigned to perform the SBIJB Internal Audit work hold relevant professional qualifications and have the necessary experience, knowledge, skills and competencies (such as the Code of Ethics set out in PSIAS) needed to deliver the plan.

4 Planned Internal Audit Programme of Work 2020/21

- 4.1 The Internal Audit work for 2020/21 has been informed by the risks, controls and mitigation actions as set out within the SBIJB's Strategic Risk Register to ensure that Internal Audit plans are risk-based and provide relevant assurance for the SBIJB.
- 4.2 As in previous years, to capture potential areas of risk and uncertainty more fully, the SBIJB's Chief Officer and Chief Financial Officer have been consulted. These discussions will continue on a regular basis to ensure Internal Audit assurance meet the needs of the SBIJB and Management and other key stakeholders.
- 4.3 In summary the Internal Audit work for 2020/21 is designed to encompass:
- (i) An appraisal of the operation of corporate governance and risk management arrangements;
 - (ii) A review of financial management arrangements in place;
 - (iii) An assessment of contracts and commissioning of service delivery to inform strategies and plans from November/December 2020 to meet Strategic Plan priorities; and
 - (iv) A review of performance against strategic objectives, including relevant performance information.
- 4.4 The plan below gives an indication of the areas we plan to cover:

Category	Our planned audit approach and coverage within 2020/21
Internal Audit assurance on corporate governance and risk management	<p>We will attend the SBIJB meetings to observe planning, approval, monitoring and review activity of Scottish Borders health and social care integration business and performance.</p> <p>We will assess the SBIJB's corporate governance and risk management arrangements in place to deliver services to meet the needs of service users and the priorities for health and social care integration set out in the Strategic Plan.</p> <p>We will use the SBIJB's Local Code of Corporate Governance (updated and approved by SBIJB 17 September 2018 on recommendation by the SBIJB Audit Committee 25 June 2018) as an integrated toolkit to test key elements to determine whether these are operating as described.</p> <p>We will follow-up on progress on areas of improvement recommended in 2019/20 audit assurance work. We will rely on assurance from partners' Internal Audit providers, i.e. Grant Thornton for NHS Borders and in-house team for Scottish Borders Council, through their follow-up work undertaken that is relevant to health and social care integration.</p> <p>We will consider and apply National Reports that give rise to introducing best practice arrangements or lessons learned from other organisations to enable Management to evidence improvements in health and social care integration practices on a continuous basis.</p>
Internal Audit assurance on financial governance, including key internal financial controls	<p>We will review processes in place to ensure appropriate accountability for financial management of financial resources delegated to the partnership to deliver efficient and effective services, including progress in achieving efficiencies and transformation, and to meet the priorities for health and social care integration set out in the Strategic Plan.</p> <p>We will rely on assurance from partners' Internal Audit providers, i.e. Grant Thornton for NHS Borders and in-house team for Scottish Borders Council, through their planned Internal Audit work undertaken on the effectiveness of the key financial controls in place and the financial monitoring and reporting controls in operation to fulfil their partners' roles and responsibilities.</p>

Category	Our planned audit approach and coverage within 2020/21
Internal Audit assurance on contracts and commissioning	<p>We will assess the SBIJB's corporate governance arrangements in place to redesign service delivery to meet the needs of service users and align with Strategic Plan priorities, with a focus on contracts and commissioning arrangements to inform strategies and plans from November/December 2020.</p> <p>We will rely on assurance from partners' Internal Audit providers, i.e. Grant Thornton for NHS Borders and in-house team for Scottish Borders Council, through their work undertaken that is relevant to contracts and commissioning of health and social care services.</p>
Internal Audit assurance on performance management	<p>We will assess whether there is appropriate alignment of performance measures in the SBIJB's Performance Management Framework to key priorities and outcomes of the Strategic Plan and validate the evidence of improvement of health and wellbeing within the Scottish Borders through integrating health and social care services.</p> <p>We will rely on assurance from partners' Internal Audit providers, i.e. Grant Thornton for NHS Borders and in-house team for Scottish Borders Council, through their planned Internal Audit work undertaken on the effectiveness of the performance monitoring and reporting controls in operation to fulfil their partners' roles and responsibilities.</p>

5 Reporting of Internal Audit Results

- 5.1 The Internal Audit Annual Plan 2020/21 for the SBIJB includes sufficient work to enable the SBIJB's appointed Chief Internal Auditor to prepare an annual independent and objective audit opinion on the adequacy of the arrangements for risk management, governance and control of the delegated resources in its fifth year of operation.
- 5.2 At the end of the year, the Internal Audit Annual Assurance Report 2020/21 for the SBIJB will be presented to Management and to the SBIJB Audit Committee, for governance and scrutiny purposes. The assurance report will include: the statutory audit opinion based on the Internal Audit work during the year; the results from each audit category outlining the risks, controls and conclusions; progress with implementation and outcomes of agreed improvement actions; and any recommendations that have been made, with the associated Management response, responsible owner and timescale for implementation.
- 5.3 The Internal Audit findings and annual opinion will be used to inform the SBIJB's Annual Governance Statement for inclusion in the SBIJB's Annual Report and Accounts.

6 Internal Audit Added-Value Support

- 6.1 Internal Audit will support the development of the members of the SBIJB Audit Committee to enable effective scrutiny and challenge, support the members of the Board as appropriate to fulfil its role, and lead the self-evaluation of SBIJB Audit Committee against its remit and best practice, to fulfil the core principles in the SBIJB's Local Code of Corporate Governance.