

Scottish Borders Health & Social Care  
Integration Joint Board Audit Committee



Meeting Date: 8 March 2021

Report By	SB IJB Chief Internal Auditor
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<b>SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD INTERNAL AUDIT ANNUAL PLAN 2021/22</b>	
<b>Purpose of Report:</b>	To gain approval to the proposed Internal Audit Annual Plan 2021/22 for the Scottish Borders Health and Social Care Integration Joint Board, to enable the SB IJB Chief Internal Auditor to prepare an annual opinion on the adequacy of the overall control environment of the integration authority.
<b>Recommendations:</b>	The Scottish Borders Health & Social Care Integration Joint Board Audit Committee is asked to approve the proposed Internal Audit Annual Plan 2021/22 for the Scottish Borders Health and Social Care Integration Joint Board (Appendix 1).
<b>Personnel:</b>	The Internal Audit service to SBIJB is provided by Scottish Borders Council's Internal Audit team. 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 the Public Sector Internal Audit Standards (PSIAS)) needed to deliver the plan.
<b>Carers:</b>	There is no direct impact on carers arising from the contents of this report.
<b>Equalities:</b>	There are no direct equalities and diversities implications arising from the contents of this report.
<b>Financial:</b>	There are no direct financial implications arising from the contents of this report.

<b>Legal:</b>	<p>The Scottish Borders Health and Social Care Integration Joint Board (SBIJB), established as a separate legal entity as required by the Public Bodies (Joint Working) (Scotland) Act 2014, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the Scottish Borders partnership area, based on resources which have been delegated to it by the partners, Scottish Borders Council and NHS Borders.</p> <p>The SBIJB is therefore expected to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities to ensure the achievement of the objectives of Integration. The establishment of robust Risk Management and Audit arrangements is one of the key components of good governance and will be critical to the capacity of the SBIJB to function effectively.</p>
<b>Risk Implications:</b>	<p>Key components of the audit planning process include a clear understanding of the SBIJB's functions, associated risks, and potential range and breadth of audit areas for inclusion within the plan. As in previous years, the SBIJB Internal Audit Annual Plan 2021/22 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. Furthermore, key stakeholders have been consulted and the Audit Plan has been informed by key developments at both a national and local level and other relevant background information, for example the Strategic Plan. Discussions with the SBIJB's Chief Officer and Chief Finance Officer, when appointed, will continue on a regular basis to ensure Internal Audit assurance meet the needs of the SBIJB and Management and other key stakeholders.</p> <p>The PSIAS require Internal Audit to evaluate the effectiveness of the SBIJB's Risk Management arrangements and contribute to improvements in the process. Each Internal Audit assignment will be risk-based and will test the SBIJB's management of risk.</p> <p>The SBIJB Internal Audit Annual Plan 2021/22 should be considered to be flexible and will be subject to periodic review, and amended as required, to ensure it reflects any new arrangement or changing risks and priorities. Any amendments relating to the SBIJB Internal Audit Annual Plan 2021/22 will be brought to SBIJB Audit Committee for approval.</p> <p>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 NHS Borders and Scottish Borders Council will be used to provide assurance to the SBIJB.</p>

## Background

- 1.1 The key standards within the Public Sector Internal Audit Standards (PSIAS) which relate to the preparation of the internal audit plan are summarised below:
- No. 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”
  - No. 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.”
- 1.2 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 Internal Audit Annual Plan 2021/22

- 2.1 The Internal Audit service to the Scottish Borders Health and Social Care Integration Joint Board (SBIJB) is provided by Scottish Borders Council’s Internal Audit team. Internal Audit resources are outlined in the Council’s Internal Audit Annual Plan 2021/22 to be approved by SBC’s Audit and Scrutiny Committee on 8 March 2021. A total of 45 days have been allocated to provide Internal Audit services to the SBIJB, which reflects the Council’s contribution of corporate support resources.
- 2.2 The Internal Audit Charter and Internal Audit Strategy, presented for approval at the same meeting of Scottish Borders Council Audit and Scrutiny Committee, are applicable for the provision of Internal Audit services to SBIJB. Those documents set out respectively the conformance of the Internal Audit team to the PSIAS standards and the approach to the planning, delivery and reporting of Internal Audit activity associated with the SBIJB.
- 2.3 The Internal Audit work for 2021/22 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.
- 2.4 The Internal Audit Annual Plan 2021/22 for the Scottish Borders Health and Social Care Integration Joint Board (Appendix 1) includes sufficient work to enable the SBIJB Chief Internal Auditor to prepare the statutory independent and objective audit opinion to the year ending 31 March 2022.