

**REPORT TO:** East Lothian IJB – Audit and Risk Committee

**MEETING DATE:** 24 October 2017

**BY:** Chief Internal Auditor

**SUBJECT:** Internal Audit Plan 2017/18

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## **1 PURPOSE**

- 1.1 To inform the Audit and Risk Committee of Internal Audit's operational plan for 2017/18.

## **2 RECOMMENDATION**

- 2.1 That the Audit and Risk Committee approve the Audit Plan for 2017/18.

## **3 BACKGROUND**

- 3.1 The annual audit plan has been prepared in accordance with Public Sector Internal Audit Standards (PSIAS).

- 3.2 In preparing the annual audit plan a range of factors have been taken into account, including:

- The Public Bodies (Joint Working) (Scotland) Act 2014, which sets out the framework for integrated adult health and social care services
- The Integration Scheme
- The IJB Strategic Plan
- The IJB risk register in place
- Changes in service delivery

- 3.3 Internal Audit will evaluate the adequacy and effectiveness of controls in responding to risks within the Integrated Joint Board's (IJB's) governance, operations and information systems, regarding the:

- Achievement of the IJB's strategic objectives.

- Reliability and integrity of financial and operational information.
  - Effectiveness and efficiency of operations and programmes.
  - Safeguarding of assets.
  - Compliance with laws, regulations, policies, procedures and contracts.
- 3.4 The provision of the Internal Audit service is on an in-house basis by East Lothian Council's Internal Audit Unit, which is comprised of the Chief Internal Auditor, three Senior Auditors and one Senior Audit Assistant. In addition to the work undertaken by the in-house team, work is also undertaken by the NHS Lothian Internal Audit team – the 2017/18 Audit Plan includes one audit to be undertaken by the NHS Lothian Internal Audit team.
- 3.5 Internal Audit will adopt a risk based approach to audit assignments as the principal means of providing assurance on the adequacy, reliability and effectiveness of internal controls. Testing of controls will be carried out on a sample basis.
- 3.6 For each individual audit, a detailed audit report will be prepared for the IJB Chief Officer and copies of the audit report will be provided to External Audit and to members of the IJB Audit and Risk Committee.
- 3.7 All audit reports will highlight areas where expected controls have been met and areas where there is scope for improvement. A detailed action plan will be attached to each report listing all recommendations made and recording management responses to the recommendations.
- 3.8 Follow-up audits will be carried out to review the implementation of the recommendations made.
- 3.9 The Chief Internal Auditor will provide an annual report at the end of the financial year, outlining:
- A statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Assurance and Improvement Programme that support the statement.
  - An opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control together with a summary of the work supporting the opinion.
- 3.10 The detailed Audit Plan for 2017/18 is attached.

#### **4 POLICY IMPLICATIONS**

- 4.1 None.

## **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial - None  
6.2 Personnel - None  
6.3 Other - None

## **7 BACKGROUND PAPERS**

- 7.1 None

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<b>DATE</b>	13 October 2017



**AUDIT PLAN 2017/18**

<b>AUDITABLE AREAS</b>	<b>SCOPE OF THE AUDIT</b>	<b>INTERNAL AUDIT ASSESSED RISK</b>	<b>WEEKS</b>
Delayed Discharge (provisional – tbc)	The NHS Lothian Internal Audit team will review the key controls in respect of the delayed discharge process.	High	–
Strategic Plan	We will examine the arrangements in place for the reviewing, monitoring and updating of the East Lothian IJB Strategic Plan.	Medium	6
Risk Management	We will evaluate the effectiveness of the IJB’s risk management processes in place including risk appetite, risk identification and the mitigation of risks.	Medium	6
Performance Management – Follow up	We will provide a progress report on the Performance Management arrangements within the IJB.	Medium	6
Other Audit Work	Time has been allocated for other audit work including the preparation of the audit plan, annual report, self-assessment against the Public Sector Internal Audit Standards (PSIAS) and follow up work on previously issued audit reports.	Low	6