

# Midlothian IJB Audit and Risk Committee



10 June 2021 at 2pm

## **Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2020/21**

Item number: 5.1

### **Executive summary**

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The purpose of this report is to present the Internal Audit Annual Assurance Report 2020/21 for the Midlothian Health and Social Care Integration Joint Board (MIJB) which includes the Chief Internal Auditor's independent assurance opinion on the adequacy of MIJB's overall control environment.

**The MIJB Audit and Risk Committee is therefore asked to consider the Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2020/21 (Appendix 1), and assurances contained therein, and to provide any commentary thereon.**

## Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2020/21

### 1 Purpose

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- 1.1 The purpose of this report is to present the Internal Audit Annual Assurance Report 2020/21 for the Midlothian Health and Social Care Integration Joint Board (MIJB) which includes the Chief Internal Auditor's independent assurance opinion on the adequacy of the arrangements for governance, risk management and internal control by the MIJB of the delegated resources.

### 2 Recommendations

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- 2.1 Members of the MIJB Audit and Risk Committee are asked to consider the Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2020/21 (Appendix 1), and assurances contained therein, and to provide any commentary thereon.

### 3 Background and main report

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- 3.1 The Midlothian Integration Joint Board (MIJB), established as a separate legal entity as required by the Act, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the Midlothian partnership area, based on resources which have been delegated to it by the partners, Midlothian Council and NHS Lothian.
- 3.2 The MIJB 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 MIJB to function effectively.
- 3.3 The Public Sector Internal Audit Standards (PSIAS) require the MIJB's Chief Internal Auditor to prepare an annual report that incorporates the opinion on the adequacy and effectiveness of Midlothian Health and Social Care Integration Joint Board's framework of governance, risk management and control, a summary of the work that supports the opinion, and a statement on conformance with the PSIAS.
- 3.4 The Internal Audit Annual Assurance Report 2020/21 (Appendix 1) provides assurances in relation to the MIJB's corporate governance framework that is a key component in underpinning delivery of the MIJB's strategic priorities and has been used to inform the Chief Officer's Annual Governance Statement 2020/21.

## 4 Directions

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- 4.1 There are no Directions implications arising from this report.

## 5 Equalities Implications

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- 5.1 There are no direct equalities implications arising from this report.

## 6 Resource Implications

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- 6.1 There is a commitment to provide Internal Audit resource to the Midlothian Health and Social Care Integration Joint Board (MIJB) for review of the adequacy of the arrangements for risk management, governance and control by the MIJB of the delegated resources.
- 6.2 Internal Audit service is provided by Midlothian Council's Internal Audit team, which has a shared service arrangement with Scottish Borders Council including the appointed Chief Internal Auditor, with support from NHS Lothian Internal Audit team
- 6.3 The Midlothian IJB Internal Audit Annual Plan 2020/21 approved by the MIJB Audit and Risk Committee on 5 March 2020 was based on the assumption that Midlothian Council's Internal Audit function provides 70 days and NHS Lothian Internal Audit team provides 30 days to support the delivery of the Plan. The Chief Internal Auditor provided an update to the MIJB Audit and Risk Committee on 3 December 2020 on the progress being made on delivery of the 2020/21 Plan. A summary of the Internal Audit work that was undertaken during the year that supports the annual opinion is stated in Appendix 1.

## 7 Risk

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- 7.1 The PSIAS require Internal Audit to evaluate the effectiveness of the MIJB's Risk Management arrangements and contribute to improvements in the process. Key components of the audit planning process include a clear understanding of the MIJB's functions, associated risks, and potential range and breadth of audit areas for inclusion within the Plan to provide the audit opinion. Internal Audit work carried out has been risk-based and, where appropriate, has tested the management of risk by the MIJB of the delegated resources.
- 7.2 Internal Audit provides assurance to MIJB Management, Audit and Risk Committee and the Board on the adequacy and effectiveness of internal controls and governance within the MIJB, including risk management, and to highlight good practice and recommend improvements.
- 7.3 It is anticipated that improvements in the management and mitigation of risks will arise as a direct result of MIJB Management implementing the Internal Audit recommendations that are outstanding from previous years.
- 7.4 In addition to its own governance arrangements, the MIJB places reliance on the governance arrangements adopted by NHS Lothian and Midlothian Council, the partners. Where appropriate, existing mechanisms embedded within both NHS Lothian and Midlothian Council have been used to provide assurance to the MIJB.

## 8 Involving people

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- 8.1 The MIJB Chief Officer, Chief Finance Officer and Integration Manager have received the MIJB Internal Audit Annual Assurance Report 2020/21 to assist them in discharging their roles and responsibilities. The MIJB Chief Officer has been advised to take into account the work of Internal Audit and independent opinion on the adequacy and effectiveness of the governance, risk management and internal controls when completing the MIJB's Annual Governance Statement 2020/21.

## 9 Background Papers

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- 9.1 Midlothian IJB Internal Audit Annual Plan 2020/21 (approved by the MIJB Audit and Risk Committee on 5 March 2020)

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<b>DATE</b>	27 May 2021

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