

Midlothian Integration Joint Board Audit and Risk Committee



6 June 2019, 2pm

Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2018/19

Item number: 5.2

Executive summary

The purpose of this report is to present to the Midlothian IJB Audit and Risk Committee the Internal Audit Annual Assurance Report for the year to 31 March 2019 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 Midlothian IJB Audit and Risk Committee is therefore asked to consider the Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2018/19 (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 2018/19

1 Purpose

- 1.1 The purpose of this report is to present to the Midlothian IJB Audit and Risk Committee the Internal Audit Annual Assurance Report for the year to 31 March 2019 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

- 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 2018/19 (Appendix 1), and assurances contained therein, and to provide any commentary thereon.

3 Background and main report

- 3.1 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.
- 3.2 The Internal Audit Annual Assurance Report 2018/19 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 2018/19.

4 Policy Implications

- 4.1 There are a growing number of people needing services at a time of limited resources with which to deliver them and, in order that services meet the expectations and needs of service users and are sustainable, these services must be provided more effectively and efficiently in future.
- 4.2 The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) is intended to ensure that health and social care services in Scotland are well integrated, so that people receive the care they need at the right time and in the right setting, with a focus on community-based, preventative care.

- 4.3 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.
- 4.4 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.

5 Equalities Implications

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

6 Resource Implications

- 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 the Council's Internal Audit team which has a shared service arrangement with Scottish Borders Council including the appointed IJB Chief Internal Auditor, with support from NHS Lothian Internal Audit team.
- 6.3 The Midlothian IJB Internal Audit Annual Plan 2018/19 approved by the MIJB Audit and Risk Committee on 29 March 2018 was based on the assumption that Midlothian Council's Internal Audit function provides 70 days and NHS Lothian Internal Audit team provides 20 days to support the delivery of the Plan. The Chief Internal Auditor provided an update to the Committee on 7 March 2019 on the progress being made on delivery of the 2018/19 Plan stating that the support from NHS Lothian Internal Audit for her role as Chief Internal Auditor of the MIJB was not necessarily going to deliver the agreed number of days planned. 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

- 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 IJB'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 IJB Management and Audit and Risk Committee on the adequacy and effectiveness of internal controls and governance within the IJB, 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 IJB Management implementing the Internal Audit recommendations made during the year or outstanding from previous years.
- 7.4 In addition to its own governance arrangements, the IJB 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 IJB.

8 Involving people

- 8.1 The MIJB Chief Officer, Chief Finance Officer and Integration Manager have received the MIJB Internal Audit Annual Assurance Report 2018/19 to assist them in discharging their roles and responsibilities and have 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 IJB's Annual Governance Statement 2018/19.

9 Background Papers

- 9.1 Midlothian IJB Internal Audit Annual Plan 2018/19 (approved by the MIJB Audit and Risk Committee on 29 March 2018)

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