

Midlothian Integrated Joint Board

THE PROVISION OF INTERNAL AUDIT SERVICES FOR MIDLOTHIAN INTEGRATED JOINT BOARD

Agreement

Between

NHS Lothian,

Midlothian Council

And

Midlothian Integrated Joint Board

From

10 December 2015 to 31st March 2018



1. BACKGROUND

The Public Bodies (Joint Working) (Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and received Royal assent in April 2014. It establishes the framework for the integration of health and social care in Scotland.

In order to take this legislation forward NHS Lothian and Midlothian Council have established the Integrated Joint Board (IJB). The IJB is a legal entity in its own right, created by Parliamentary Order, following Ministerial approval of the Integration Scheme and is to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities.

The IJB will become responsible for the preparation and delivery of a Strategic Plan on a range of health and social care services delegated to it by NHS Lothian and Midlothian Council (the full details of which can be found in the Integration Scheme). The operational delivery for these services will remain with NHS Lothian and Midlothian Council under the direction and oversight of the IJB.

The IJB was established by an Integration prepared and agreed by NHS Lothian and Midlothian Council; its content is specified in regulations. This scheme laid out the functions that the Health Board and the Council had delegated to the IJB.

The IJB has responsibility for the planning, resourcing and oversight of the delivery of all these functions. The IJB will produce a Strategic Plan which will lay out how these functions are to be delivered and this plan will be actioned through a series of directions to Midlothian Council and the IJB.

The IJB leads the preparation of the Strategic Plan with other stakeholders, in line with the principles and duties set out in the legislation.

The resources in the Strategic Plan comprise:

- the payment made to the IJB by Midlothian Council for delegated adult social care services;
- the payment made to the IJB by NHS Lothian for delegated healthcare services; and
- the amount set aside by the NHS Lothian for any delegated services provided in large hospitals for the population of the IJB.

On 29th October 2015 the IJB established an Audit and Risk Committee to provide independent assurance to IJB members of the adequacy of the risk management framework and the internal control environment. The remit of this Committee includes the oversight of Internal Audit including approval of the annual internal audit plan and reporting against that plan.

The Scottish Government Guidelines produced by the Integration Resource Advisory Group recommends that the internal audit service should be provided by one of the internal audit teams from the Health Board or Local Authority. On the 20 August 2015

the Board approved the appointment of the Midlothian Council Internal Audit Manager as the Chief Internal Auditor for the IJB.

The Guidelines also recommend that the arrangements for the internal audit service provided to the IJB should be set out in a service level agreement. This agreement sets out the arrangements for this service provision.

The agreement will be reviewed annually by the IJB Chief Financial Officer and relevant responsible officers of the Council and the Health Board; and with provision for the duration of the agreement to be rolled forward with the agreement of the Audit and Risk Committee.

2. THE INTERNAL AUDIT ARRANGEMENTS

The Chief Internal Auditor of the IJB will provide an annual opinion on the adequacy of arrangements for risk management, governance and control of the delegated resources.

Where reliance is being placed on the work undertaken directly for the IJB Audit and Risk Committee by either the NHS Lothian or Midlothian Council Audit teams the Chief Internal Auditor of the IJB will review to determine whether the work has been completed to a satisfactory standard. To allow this opinion to be reached the Chief Internal Auditor of the IJB will have right of access to the internal audit files of both NHS Lothian and Midlothian Council Audit Teams.

Work undertaken for the IJB by either the Internal Audit Sections of NHS Lothian or Midlothian Council will be undertaken to the standards detailed in the Public Sector Internal Audit Standards as defined by each Internal Audit Team's Audit Charter (Appendix 1 and 2).

The operational delivery of services within NHS Lothian and Midlothian Council on behalf of the IJB will be covered by the respective internal audit arrangements as at present. This would include responsibility for the quality assurance of this work and compliance with Public Sector Internal Audit Standards. Any reports arising from this work will however be shared with the IJB Audit and Risk Committee where they are deemed relevant by the Chief Internal Auditor of the IJB in consultation with the Chief Internal Auditor of NHS Lothian and the Audit Manager of Midlothian Council.

The Chief Internal Auditors from NHS Lothian and Midlothian Council will share information, co-ordinate activities with each other and external providers of assurance and consulting services. This is to ensure that risk based plans for the IJB, NHS Lothian and Midlothian Council are co-ordinated, have proper coverage, avoid duplication and to identify areas of reliance from the work of each audit team.

The Chief Internal Auditor will provide to the IJB Audit and Risk Committee for review and approval:

- a risk based Internal Audit Plan;
- a report on progress against delivery of the Plan;
- individual reports on specific areas from the Plan;
- reporting on whether recommendations made have been implemented;

- an annual audit report which is timed to support the annual governance statement, providing an opinion on the overall adequacy and effectiveness of the IJB governance, risk and control framework (based upon the work done during the year); and
- the level of compliance against the Public Sector Internal Audit Standards for the work undertaken over the year for the IJB by the Internal Audit Service. The Chief Internal Auditor of NHS Lothian and the Audit Manager for Midlothian Council will provide assurance to the Chief Internal Auditor of the IJB that all work undertaken by NHS Lothian or Midlothian Council on behalf of the IJB is in accordance with Public Sector Internal Audit Standards.

In addition the Chief Internal Auditor will support the Audit and Risk Committee with a self assessment of their effectiveness against relevant standards.

The Annual Internal Audit Plan and Annual Report will be shared with NHS Lothian and Midlothian Council Audit Committees. Internal Audit Reports will be provided to the Chief Officer and any other relevant individuals.

The Chief Internal Auditor for the IJB and his / her team shall have unrestricted access to all documents and records relating to the activities of the IJB and be authorised to obtain such information and explanations as considered necessary to form an opinion. This will include access to staff, documents and records for any areas within NHS Lothian or Midlothian Council that are providing services on behalf of the IJB.

Although the Chief Internal Auditor and audit staff who work on behalf of the Chief Internal Auditor are engaged and directed by the IJB their terms and conditions of employment will continue to be defined by their contracts with NHS Lothian or Midlothian Council. Insurance for the work they undertake while engaged and directed by the IJB will be provided through the Clinical Negligence and Other Risks Indemnity Scheme.

3. THE AGREEMENT

- 3.1 That the internal audit service for the IJB will be provided by Midlothian Council's Internal Audit Section.
- 3.2 That the Chief Internal Auditor for the IJB will be able to call upon a proportionate level of internal audit capacity where it falls within the scope of both NHS Lothian and Midlothian Council to provide this resource.

4. AUTHORISATION

For Integrated Joint Board

Name: Eibhlin McHugh

Job Title: Chief Officer

Signature:

Date:

NHS Lothian

Name: TBC

Job Title:

Signature:

Date:

Midlothian Council

Name: Kenneth Lawrie

Job Title: Chief Executive

Signature:

Date: