

Integrated Joint Board Audit Plan and Service Level Agreement Report by the Internal Audit Manager

1 Purpose of Report

The purpose of this report is to:

- Request Midlothian Council Audit Committee to recommend to Midlothian Council approval of the Service Level Agreement between the Internal Audit Services of Midlothian Council, NHS Lothian and the Integrated Joint Board;
- Request Midlothian Council Audit Committee to recommend to Midlothian Council that operational Audits which may have relevance for the IJB to be shared with the IJB Audit and Risk Committee; and
- To note the 2015/16 Internal Audit plan approved by the Integration Joint Board.

2 Background

- 2.1 The Scottish Government's guidance on IJBs recommends the appointment of a Chief Internal Auditor to support the IJB. The guidance goes on to suggest that this role is populated from either the Chief Internal Auditor of the Health Board or the Council. Midlothian Council offered their Audit Manager for this role and at its meeting on 20 August 2015 the IJB appointed the Internal Audit Manager of Midlothian Council as the Chief Internal Auditor for the IJB.
- 2.2 This appointment has necessitated the need to produce an Internal Audit Plan for 2015/16 for the IJB, a Service Level Agreement and seek NHS Lothian and Midlothian Council authority to release Internal Audit Reports to the IJB Audit and Risk Committee where these relate to operational delivery of services on behalf of the IJB.
- 2.3 The IJB at its meeting on 29th October agreed the establishment of an Audit and Risk Committee with the first meeting held on the 4th February 2016 at which the Internal Audit plan was approved.
- 2.4 The Scottish Government through the Integrated Resource Advisory Group Guidance recommends that the arrangements for the internal audit service provided to the IJB should be set out in a service level agreement.
- 2.5 A Service Level agreement has been prepared and approved by the Integrated Joint Board at its meeting on the 10th December 2015 but also now requires to be authorised by Midlothian Council and the NHS Lothian. A copy of this Service Level agreement is attached at Appendix 2.
- 2.6 Assessments of the adequacy of the internal controls, governance and risk management arrangements for the operational delivery of services

by the Health Board and Local Authority on behalf of the IJB will remain the responsibility of the relevant NHS or Local Authority Audit team.

- 2.7 There will however be operational audits which will be of interest to the IJB. The Integrated Resource Advisory Group recommends that the Internal Audit Plan for the IJB includes any relevant issues raised from partner Health Boards and Local Authority internal auditors. There is a need however to gain explicit consent from NHS Lothian and Midlothian Council to share the results of any relevant reviews with the IJB Audit and Risk Committee.

3.1 Resource

There are resource implications for both the Internal Audit teams of NHS Lothian and Midlothian Council in delivering the attached audit plan.

4.2 Risk

Each Internal Audit assignment is risk-based and will test the IJB management of risk.

4.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

4.4 Key Priorities within the Single Midlothian Plan

The report does not directly relate to the key priorities highlighted in the Single Midlothian Plan (2105/16).

4.5 Impact on Performance and Outcomes

There is a potential impact on delivery of the Midlothian Council Internal Audit plan as a result of this report.

4.6 Adopting a Preventative Approach

Adopting the recommendations will assist with the IJB with reduction of risk and therefore provides a preventative approach.

4.7 Involving Communities and Other Stakeholders

The report has been discussed with relevant stakeholders including the Integrated Joint Board, Midlothian Chief Executive and the Chief Auditor of NHS Lothian.

4.8 Ensuring Equalities

There are no equalities issues with regard to this report.

4.9 Supporting Sustainable Development

There are no sustainability issues with regard to this report.

4.10 IT Issues

There are no IT issues with regard to this report.

6 Recommendations

The Audit Committee is requested to:

- Recommend to Midlothian Council approval of the Service Level Agreement between the Internal Audit Services of Midlothian Council, NHS Lothian and the Integrated Joint Board;
- Recommend to Midlothian Council that operational Audits which may have relevance for the IJB to be shared with the IJB Audit and Risk Committee; and
- To note the 2015/16 Internal Audit plan approved by the Integration Joint Board.

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