

Midlothian Integration Joint Board Audit and Risk Committee



Wednesday 20 June 2018 at 3pm

Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2017/18

Item number: 5.3

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 2018 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 2017/18, and assurances contained therein, and to provide any commentary thereon. (Appendix 1).

Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2017/18

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 2018 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.

2. Recommendations

- 2.1 To consider the Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2017/18, and assurances contained therein, and to provide any commentary thereon. (Appendix 1).

3. Background and main report

- 3.1 The Public Sector Internal Audit Standards (PSIAS) require the MIJB's Chief Internal Auditor to prepare a report that incorporates the annual 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 2017/18 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 Annual Governance Statement 2017/18.

4. Policy Implications

- 4.1 The establishment of the Integration Joint Board, as required by the Public Bodies (Scotland) Act 2014, introduces some complexity in the governance arrangements for health and social care. It is very important that clear governance arrangements are developed to ensure the achievement of the objectives of Integration. Robust Risk Management and Audit arrangements will be critical to the capacity of the IJB to function effectively.

5. Equalities Implications

- 5.1 There are no equalities implications.

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 and a number of audits were undertaken during the year to meet that commitment.
- 6.2 Midlothian Council's Internal Audit function has provided the Chief Internal Auditor resource and has delivered one Assurance audit and the Annual Audit work while two Assurance audits were delivered by NHS Lothian's Internal Audit function.

7 Risks

- 7.1 The PSIAS require Internal Audit to evaluate the effectiveness of the Council's Risk Management arrangements and contribute to improvements in the process. Each Internal Audit assignment has been risk-based and, where appropriate, has tested the specific Service's management of risk.
- 7.2 Internal Audit provides assurance to Management and the IJB 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 Management implementing the Internal Audit recommendations made during the year or outstanding from previous years which will enable Management to demonstrate further improvement in internal controls and governance arrangements.

8 Involving People

- 8.1 The MIJB Internal Audit Annual Assurance Report 2017/18 has been distributed to the MIJB Chief Officer and Chief Finance Officer, the Chief Internal Auditor of NHS Lothian, and MIJB's External Auditors, EY, prior to submission to the MIJB Audit and Risk Committee.

9 Background Papers

See Appendix 1.

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