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Agenda Item: 7

Integration Joint Board – Audit Committee

Date of Meeting: 23 June 2021.

Subject: Internal Audit Reporting Protocol.

1. Summary

1.1. The existing Internal Audit Reporting Protocol, which was agreed in 2016, has been reviewed to ensure that it is up to date.

2. Purpose

2.1. To present the updated Orkney Integration Joint Board Internal Audit Reporting Protocol.

3. Recommendations

The Audit Committee is invited to note:

3.1. That an Internal Audit Reporting Protocol is in place to enable the sharing of internal audit findings between the IJB, NHS Orkney and Orkney Islands Council, whereby the findings have a wider relevance beyond the organisation that commissioned the audit.

3.2. That the existing Internal Audit Reporting Protocol, approved in 2016, requires updating.

3.3. That the an earlier draft of Internal Audit Reporting Protocol was considered by the Council's Monitoring and Audit Committee on 10 June 2021, with the Committee subsequently recommending that powers be delegated to the Chief Executive, Orkney Islands Council, to amend the protocol, should any amendments be proposed by the IJB Audit Committee and/or NHS Orkney's Audit Committee.

It is recommended:

3.4. That the Internal Audit Reporting Protocol, attached as Appendix 1 to this report, be approved.

4. Background

4.1. The Internal Audit Reporting Protocol is not intended to be an exhaustive list but is instead a set of principles with which internal audit functions of the IJB, NHS Orkney and Orkney Islands Council shall operate. The principles shall be considered as the completion of internal audits are progressed to ensure that the internal audit findings are being shared appropriately and in the most effective and efficient manner.

4.2. An earlier draft of the protocol was presented to Orkney Islands Council Monitoring and Audit Committee but that Committee agreed delegated powers to update the protocol following consideration by the IJB and NHS Audit Committees and the final version will be issued by briefing to all relevant parties.

5. Contribution to quality

Please indicate which of the Orkney Community Plan 2019 to 2022 visions are supported in this report adding Yes or No to the relevant area(s):

Resilience: To support and promote our strong communities.	No.
Enterprise: To tackle crosscutting issues such as digital connectivity, transport, housing and fuel poverty.	No.
Equality: To encourage services to provide equal opportunities for everyone.	No.
Fairness: To make sure socio-economic and social factors are balanced.	No.
Innovation: To overcome issues more effectively through partnership working.	No.
Leadership: To involve partners such as community councils, community groups, voluntary groups and individuals in the process.	No.
Sustainability: To make sure economic and environmental factors are balanced.	No.

6. Resource implications and identified source of funding

6.1. There are no resource implications associated directly with this report.

7. Risk and Equality assessment

7.1. There are no risk or equality implications associated with this report.

8. Direction Required

Please indicate if this report requires a direction to be passed to:

NHS Orkney.	No.
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Orkney Islands Council.	No.
Both NHS Orkney and Orkney Islands Council.	No.

9. Escalation Required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	No.
Both NHS Orkney and Orkney Islands Council.	Yes.

10. Author

10.1. Andrew Paterson (Chief Internal Auditor), Integration Joint Board.

11. Contact details

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12. Supporting document

12.1. Appendix 1: Internal Audit Reporting Protocol.



Internal Audit

Orkney Integration Joint Board Internal Audit Reporting Protocol

Draft issue date: 12 May 2021

Final issue date: 19 May 2021

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Introduction

The Chief Internal Auditor for Orkney Islands Council (OIC) has been appointed as the Chief Internal Auditor for the Orkney Integration Joint Board (IJB) for a period of five years commencing April 2021. It has been agreed that Azets, as the internal auditor of NHS Orkney (NHSO), will provide support to the IJB Chief Internal Auditor to deliver the Orkney IJB internal audit plan.

At times there might be a requirement to share internal audit outputs that have wider relevance beyond the organisation that commissioned the audit. It is essential that this sharing of information occurs in a controlled manner to facilitate joint working, protect confidentiality, ensure transparency, and avoid duplication of effort.

This protocol sets out which how the internal audit teams will operate to with regards to reporting. This is not intended to be an exhaustive list; instead it is intended to set out the principles within which the internal audit functions will operate.

Principles IJB Internal Audits

When conducting audits of the IJB, the internal audit teams will not operate to a single methodology. Each respective audit methodology will be used for the audits assigned to either internal audit team.

The final report for each audit assignment will be presented to the IJB Audit Committee for scrutiny and assurance purposes. These reports shall be shared with NHSO and OIC Internal Audit.

The Chief Internal Auditor shall prepare an IJB Internal Audit Annual Report and Opinion. This report shall be shared with the partner bodies and reported through their own internal audit reporting procedures.

Principles NHSO and OIC Internal Audits

At the beginning of each financial year, and on an ongoing basis, the respective internal auditors will review their audit plans, and any subsequent additions, to identify any audits of the partner bodies (OIC and NHSO) that may be of relevance to the IJB. These audits will be earmarked and final reports, or issues from within such reports, will be presented to the IJB Audit Committee.

Once an audit has concluded, if the auditor believes it may impact on the IJB, they will discuss this with the audit sponsor to agree the reporting route.

The final audit reports issued shall follow the normal reporting routes established within the parent bodies; this shall include being presented to their respective audit committees. The partner body audit committee shall be advised if the report is to be shared with the IJB Audit Committee.

When either an NHSO or OIC final internal audit report has been identified as relevant to the IJB, the full audit report shall be presented at the next meeting of the IJB Audit Committee.

The audit report shall be presented for scrutiny if there are significant findings, otherwise it will be for noting.

These reports shall be shared between NHSO and OIC internal audit.