



Audit & Performance Systems Committee

Report Title	Review of Internal Auditors
Lead Officer	Alex Stephen (Chief Finance Officer, ACHSCP)
Report Author	Alex Stephen (Chief Finance Officer, ACHSCP)
Report Number	HSCP/17/009
Date of Report	15/02/2017
Date of Meeting	28/02/2017

1: Purpose of the Report

1. The purpose of this report is to consider the appointment of internal auditors for 2017/18.

2: Summary of Key Information

- 2.1. At the Integration Joint Board (IJB) on the 30 August 2016 the Board resolved:

to agree the shared internal audit service used by both Aberdeen City and Aberdeenshire Council would provide internal audit services to the IJB until 31 March 2017;

to instruct a review of the appointment of the Chief Internal Auditor and Internal Auditors before 31 March 2017;
- 2.2. The Public Bodies (Joint Working) (Scotland) Act 2014 establishes the framework for Integration of Health and Social Care in Scotland. The Scottish Government established the Integration Resources Advisory Group (IRAG) to develop professional guidance.
- 2.3. This guidance outlines that it is the responsibility of the Integration Joint Board to establish adequate and proportionate internal audit services in order to review of the adequacy of the arrangements for risk management, governance and control of the delegated resources. This will include determining who will provide the internal audit service for the Integration Joint Board and nominating a Chief Internal Auditor.



Audit & Performance Systems Committee

- 2.4. The Integration Joint Board is required to comply with Article 7 of The Local Authority Accounts (Scotland) Regulations 2014 which states:
- “7(i) A local authority must operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing”.
- 2.5. For Aberdeen City Health and Social Care Partnership, the decision to appoint the internal auditors comes under the remit of the Integration Joint Board.
- 2.6. A review has been undertaken of internal audit services provided to the IJB in 2016/17. These services were found by the executive team to be satisfactory. It was also found that there were certain advantages in having the same internal auditors as used by Aberdeen City Council. These advantages include,
- A knowledge of the Council’s systems, processes and procedures
 - A knowledge of local government accounting standards, regulations and finances
 - An appreciation of the local context.
- 2.7. The recommendation is to appoint the shared internal audit service used by both Aberdeen City and Aberdeenshire Councils. This appointment would be for as long as Aberdeen City Council continued to use these internal audit services. The Audit & Performance Systems Committee is asked to consider this appointment and provide a recommendation to the IJB.
- 2.8. The Chief Internal Auditor has prepared a risk based audit plan and this will be reported to Audit & Performance Systems Committee in April. Thereafter the Chief Internal Auditor will report to the Committee on delivery of the plan, recommendations and provide an annual audit report, including the internal audit opinion on the internal controls used by the Integration Joint Board.

3: Equalities, Financial, Workforce and Other Implications

- 3.1. An equality impact assessment is not required because there are no impacts on the protected characteristics arising as a result of this report.



Audit & Performance Systems Committee

3.2. The services provided by Aberdeen City and Aberdeenshire Councils Internal Auditors for the IJB are currently paid for by the Council.

4: Management of Risk

Identified risk(s):

Link to risk number on strategic risk register:

How might the content of this report impact or mitigate the known risks:

5: Recommendations

It is recommended the Audit & Performance Systems Committee:

1. Recommend to the Integration Joint Board that the shared internal audit service used by both Aberdeen City and Aberdeenshire Council will provide internal audit services to the Integration Joint Board.