

Meeting:	Audit and Risk Committee
Meeting date:	23 June 2022
Title:	Draft Internal Audit Plan – 2022/23 and 2023/24
Responsible Executive:	Stuart Lyall – Director of Finance
Report Author:	Tony Gaskin – Chief Internal Auditor

1 Purpose

This is presented to the Audit and Risk Committee for:

- Assurance
- Decision

This report relates to a:

- Legal requirement

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective
- Person Centred

2 Report summary

2.1 Situation

Public Sector Internal Audit Standards (PSIAS) require the Chief Internal Auditor to produce a risk based plan, which takes into account NHS Tayside's risk management framework, strategic objectives and priorities.

Each year the Audit and Risk Committee is required to approve the Internal Audit Operational Plan after consideration by the Executive Directors. The draft Internal Audit Operational Plan 2022/23 and 2023/24 has been mapped to the Strategic Risk Register which will be presented to Tayside NHS Board on 30 June 2022.

A paper on the 2022/23 Internal Audit Planning Process was presented to Executive Leadership Team (ELT) on 21 March 2022 and an update was presented to the May 2022 Audit and Risk Committee. Internal Audit have completed a series of meetings with Directors and Senior Managers to collate suggestions for inclusion in the plan. The areas suggested for inclusion have been risk assessed and incorporated in the plan where appropriate, along with audits needed to meet the Board's essential assurance and regulatory requirements, themes from the 2021/22 ICE and audits deferred from 2021/22.

The draft plan at Appendix A has been agreed by the Director of Finance. Audit and Risk Committee members are asked to review, comment on and approve the report.

The draft operational annual plan includes days already allocated for areas such as audit management, completion of prior year audits, risk assessed reviews from 2021-22, ICE themes, Executive Director and Senior Manager requests and audits required for year-end assurance, or to comply with legislation and guidance.

Over the last two years, Internal Audit work has largely focused on key strategic responses to Covid and related issues and whilst some audit review of Strategy development is still incorporated within the draft 2022/23 and 2023/24 annual plans, we intend to focus more on operational aspects, including any areas where the operation of key controls has changed as a result of revised working arrangements or any other impacts of Covid19.

2.2 Background

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.”

Public Sector Internal Audit Standards (PSIAS) – Section 3, Definition of Internal Auditing

The Operational Plan 2022/23 was developed in accordance with Public Sector Internal Audit Standard 2010 – Planning, to enable the Chief Internal Auditor to meet the following key objectives:

- The need to establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals;
- Provision to the Accountable Officer of an overall independent and objective annual opinion on the organisation’s governance, risk management, and control, which will in turn support the preparation of the Annual Governance Statement;
- Audits of the organisation’s governance, risk management, and control arrangements which afford suitable priority to the organisation’s objectives and risks;
- Improvement of the organisation’s governance, risk management, and control arrangements by providing line management with recommendations arising from audit work;
- Effective co-operation with external auditors and other review bodies functioning in the organisation.

The internal audit service will be delivered in accordance with the Internal Audit Charter.

Our Internal Audit Plan is designed to provide NHS Tayside, through the Audit and Risk Committee, with the assurance it needs to prepare an annual Governance Statement that complies with best practice in corporate governance. We also support the continuous improvement of governance, risk management and internal control processes by using a systematic and disciplined evaluation approach.

The objective of audit planning is to direct audit resources in the most efficient manner to provide sufficient assurance that key risks are being managed effectively.

2.3 Assessment

Standard process – Previous Years

Our Strategic internal audit planning process is normally structured around an audit universe based on a 5 year cycle which links to the Strategic Risk Register and objectives.

The process overtly demonstrates cyclical coverage of all strategic risks and is designed to allow Executive Directors and the Audit and Risk Committee to contribute their views on areas for inclusion. The resultant operational plan is again overtly linked to the relevant strategic risk, which will still be the focus of our work, together with any key governance or assurance elements required in order to provide a view on the overall adequacy and effectiveness of internal controls.

Current year process – 2022/23

As was the case for 2021/22, due to the significant and ongoing impact of Covid19 on the risk profile of the organisation, a planning process which relied on a relatively static risk environment and change generally occurring in the medium to long term was no longer viable. As such, our view is very much that the plan will need to be flexible, responsive to the requirements of senior management and non executive directors and, to a certain extent, emergent as the risk profile changes.

We have asked for the views of Directors and Senior Managers with greater emphasis on the organisations current rather than cyclical needs, focusing on emergent risks and those with most immediacy, as the basis for a first draft plan.

However, we know that the organisational risk profile is changing rapidly, as is organisational understanding of those risks and we may present an updated plan later in the audit year.

Environmental and change risks

We actively take into account ongoing projects, forthcoming changes and our wider knowledge of the NHS to ensure we provide an appropriate level of audit coverage across all key areas and risks. This includes consideration of the following key sources of information:

- Corporate Strategy & Plans/ Recovery and Remobilisation Plans / Local Plans
- Themes / risks emerging from our Internal Control Evaluation work
- Previous internal audit reports
- External audit reports and plans
- Board website, internal policies and procedures
- Our NHS knowledge and experience
- Discussions with the SLT and the Audit and Risk Committee
- Changes to the risk profile due to Covid19
- Identification of any areas where the operation of key controls has changed as a result of revised working arrangements due to Covid19.

Assurance mapping

Internal Audit continues to work with the Board to develop a process and timetable for the development of a holistic Assurance Mapping process to identify key sources of assurance and any gaps in independent assurance, which will then be taken into account in the formation of future Internal Audit plans and audit scopes. The Assurance Principles have recently been updated and the Board Secretary is working with Standing Committees Chairs to ensure they are embedded within the Board's formal assurance processes.

Other stakeholders

There is congruence between Health Board internal audit plans and those of the Integrated Joint Board (IJB) Partners. The NHS Tayside Internal Audit Plan currently

includes days for internal audit of the IJBs, with IJB Plans agreed with the IJB Chief Officers and Chief Finance Officers and approved by the IJB Audit Committees. The IJB Chief Officers were provided with the opportunity to influence the Health Board Plan as members of the ELT. There is a sharing protocol that allows for Health Board and Council Internal Audit Plans to be shared with the IJB and vice-versa.

We will consult on the plan with our External Audit colleagues and we will ensure that work which will be relied upon by External Audit and that which provides assurance on the highest risk areas is prioritised.

2.3.1 Quality/ Patient Care

The Triple Aim is a core consideration in planning all internal audit reviews.

2.3.2 Workforce

Management responsibilities, skill sets and structures are a core consideration in planning all internal audit reviews.

2.3.3 Financial

Financial Governance is a key pillar of the Annual Internal Audit Plan and value for money is a core consideration in planning all internal audit reviews.

2.3.4 Risk Assessment/Management

Whilst a detailed mapping exercise has not been undertaken this year, the plan is cognisant of NHS Tayside's strategic risk profile and through our detailed ICE review. Individual internal audit assignments identify the key risks at the planning stage and our work is designed to evaluate whether appropriate systems are in place and operating effectively to mitigate the risks identified. Legal requirements are a core consideration in planning all internal audit reviews.

2.3.5 Equality and Diversity, including health inequalities

All internal audit reviews which involve review of policies and procedures examine the way in which equality and diversity is incorporated in Board documentation.

2.3.6 Other impact

N/A

2.3.7 Communication, involvement, engagement and consultation

See timetable above.

2.3.8 Route to the Meeting

Executive Leadership Team – 21 March 2022

Audit and Risk Committee – 19 May 2022 (within internal audit progress report)

2.4 Recommendation

The Audit and Risk Committee are asked to:

- Decision – review, comment on and approve the audit plan for 2022/23 and 2023/24 (Appendix A).

Report Contact

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Audit Process	Scope	Audit Year		Rationale
		2022/23	2023/24	
AUDIT MANAGEMENT		99	84	
Audit Risk Assessment & Planning	Audit Risk Assessment & Operational Planning	12	12	
Audit Management & Liaison with Directors	Audit Management, liaison with Director of Finance and other officers	28	28	
Liaison with External Auditors	Liaison and co-ordination with External Audit	5	5	
Audit and Risk Committee	Briefing, preparation of papers, attendance and action points	24	24	
Clearance of Prior Year	Provision for clearance and reporting of 2021/22 audit reports	30	15	
CORPORATE GOVERNANCE				
<i>Accountability and Assurance</i>		90	90	
Annual Internal Audit Report	CIA annual assurance to Audit Committee	15	15	
Governance Statement	Preparation of portfolio of evidence to support	10	10	

Audit Process	Scope	Audit Year		Rationale
		2022/23	2023/24	
Internal Control Evaluation	Mid-year assurance for Audit and Risk Committee on specific agreed governance areas	35	35	
Audit Follow Up	Undertaking the follow up of audit action points and provision of related reports to the Audit and Risk Committee	30	30	
Control Environment		25	13	
Code of Corporate Governance	Review of Public Health governance, including governance arrangements for screening programmes.	15		Risk 1125 - Screening programmes Director of Public Health
Board, Operational Committees and Accountable Officer	Attendance and input / provision of advice at Standing Committees and other Groups	5	5	
	NHST process for circulars received to ensure Compliance with Laws and Regulations	-	8	Director of Performance and Activity
Assurance Framework	Continuation of assurance mapping work across FTF Clients – CIA leading	5	-	
Risk Management		30	40	

Audit Process	Scope	Audit Year		Rationale
		2022/23	2023/24	
Risk Management Strategy, Standards and Operations	PSIAS requirement	15	15	<i>Director of Finance</i>
Health and Safety	Awareness of Health and Safety, including Fire Safety at operational delivery level and assurance		15	Risk 734 - Health and Safety <i>Director of Workforce</i>
Environmental Strategy	Initial planning by NHST to meet Environmental legislation	15	10	Risk 807 – Environmental Management <i>Director of Facilities</i>
Health Planning		80	85	
Strategic Planning	Provide advice and input at key stages of the development of Clinical and related Strategies	10	15	Risk 934 - Mental Health & Learning Disabilities
Operational Planning	Review of the process within NHST to deliver the backlog patient treatments	10	10	Risk 26 – Waiting Times and RTT Risk 934 - Mental Health & Learning Disabilities Risk 637 - CAMHS
Health & Social Care Integration	Deliver the Dundee and Angus IJB Internal Audit Plans and contribution to the Perth & Kinross IJB plan.	60	60	

Audit Process	Scope	Audit Year		Rationale
		2022/23	2023/24	
CLINICAL GOVERNANCE		85	10	
Clinical Governance Committee	Review of the Complaints process	25	-	<i>Director of Nursing Director of Performance and Activity Board Secretary</i>
Clinical Effectiveness	Mortality and Morbidity (M&M) - review of guidance, progress with the system to ensure timely completion of outcomes from M&M reviews and to develop shared learning, and an assessment of whether sufficient resources are available to ensure effective M&M reviews.	15		
Adverse Event Management	Review of recording and learning from incidents, with a focus on timelines.	20	-	<i>Director of Nursing</i>
Infection control	Review of the Infection Control Risk including assurances, controls and scoring	15	-	<i>Director of Nursing</i>
Medicines	TBC	10	10	Risk 615 - Effective Prescribing

Audit Process	Scope	Audit Year		Rationale
		2022/23	2023/24	
Management				<i>Director of Pharmacy</i>
STAFF GOVERNANCE		42	30	
Workforce Planning	TBC	15		Risk 58 - Workforce Optimisation Risk 844 - Nursing workforce Risk 863 - Medical workforce
Staff Governance (inc Remuneration sub-Committee)	Learning from Employment Tribunals etc	15		Risk 58 - Workforce Optimisation Risk 844 - Nursing workforce Risk 863 - Medical workforce <i>Board Secretary</i> <i>Employee Director</i>
	Recruitment – efficiency, effectiveness and timeliness of process	-	15	Risk 58 - Workforce Optimisation Risk 844 - Nursing workforce Risk 863 - Medical workforce
	Whistle blowing Arrangements	12		<i>Employee Director</i>
	Compliance with PIN policies		15	<i>Employee Director</i>
FINANCIAL GOVERNANCE		50	65	
<i>Financial Management</i>				

Audit Process	Scope	Audit Year		Rationale
		2022/23	2023/24	
Scottish Standard Payroll system	National service review of ePayroll updates	10	10	2022/23 Financial Plan
<i>Capital Investment</i>				
Property Transaction Monitoring	Post transaction monitoring	15	15	Risk 636 - Capital Funding Risk 312 - NHS Estates infrastructure
<i>Transaction Systems</i>				
Endowments	Annual programme of work agreed with Trustees	25	25	
Procurement	Purchasing and requisitioning processes	-	15	<i>Director of Finance</i>
INFORMATION GOVERNANCE		25	20	
eHealth Strategic Planning and Governance	Business continuity and resilience of Clinical systems	15		Risk 679 - eHealth Technical Infrastructure & Modernisation programme Risk 680 - eHealth Cyber Security attack <i>Director of Digital</i>

Audit Process	Scope	Audit Year		Rationale
		2022/23	2023/24	
eHealth Project Management, Development, Procurement, Implementation and Training	Project management and progress towards the ambition of a Electronic Patient Record.	-	20	Risk 679 - eHealth Technical Infrastructure & Modernisation programme <i>Director of Digital</i>
Records Management	Further work and input to the SAER – Psychology Records	10	-	<i>Board Secretary</i> <i>Director of Digital</i>
CONTINGENCY and DEPARTMENTAL REVIEWS		35	124	
Departmental Review	Facilities Directorate – scope of reviews TBC	35	35	Risk 312 - NHS Estates infrastructure <i>Director of Facilities</i>
Contingency		-	89	
TOTAL DAYS		561	561	