

Plymouth City Council & NEW Devon Clinical Commissioning Group

Internal Audit Briefing – Integration

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1 Introduction

This report provides an initial briefing to members of the Audit and Assurance Committees of Plymouth City Council and NEW Devon Clinical Commissioning Group on the audit approach being taken by the respective Internal Audit services around the integration of health and social care services and other areas of joint interest.

This is intended to provide initial awareness of the joint working approach and help stimulate discussion between the two committees around specific assurances they may require for current and future years.

2 Partnership Agreement

Both sets of internal auditors have committed to the principles of partnership working.

We have agreed a framework setting out how we propose to support the on-going audit assurance to both partner organisations.

The framework sets out how we will work together to deliver on-going internal audit assurance and counter fraud work within the framework of the integrated commissioning service to meet the assurance needs of the integrated commissioner and both partners. This framework will be reviewed annually to ensure it continues to meet these needs.

This framework is based on a joint approach with audit work delivered by the most appropriate internal auditors. The framework recognises that each partner will have their own specific assurance needs, particularly in year one, and their own expectations in terms of the level of input from their own internal auditors. We are committed to working together to deliver these assurance needs within this framework.

A copy of this framework has been provided for information.

3 Audit Work

Agreed Internal Audit Plans are in place for each partner. The delivery of these plans and the assurances on each specific audit is reported to the respective audit committee.

There are areas of joint interest contained in these plans:

- Audits specifically around the development and operation of the integrated commissioner;
- Other audits of common interest to each organisation;
- Audits of underpinning governance arrangements.

Specific Audits – the table below sets out specific audit work being undertaken this year:

CCG Plan	PCC Plan
Review of Financial Framework.	IHWB Governance and Risk Management. Reporting of spend and budget monitoring - within PCC and the Integrated Fund.
Input into PCC audit work on Governance & Risk Management and Financial & Budgetary control from a CCG perspective.	Input into CCG audit work on review of financial framework from a PCC perspective.
Limited attendance at bodies including IHWB Programme Board, Finance and Assurance Review Group along with support and live feedback.	Attendance at bodies including IHWB Programme Board, Finance and Assurance Review Group along with support and live feedback.

Audits of Common Interest – There is one audit area in this category this year. Audit South West has undertaken a review of overall governance at the shared IT Provider, DELT. This has been undertaken through the CCG audit plan and is currently at draft report stage. We agreed up front to share the report with PCC and a copy of the draft has been shared with the PCC auditors.

We expect there to be further areas of common interest in future.

Audits of Underpinning Governance Systems – These cover the systems that underpin the key annual governance statements of each organisation, the Head of Audit Opinion for the CCG and the Head of Audit Partnership Opinion for Plymouth City Council.

Given the nature of the partnership each partner will have an interest in the overall assurances provided by each internal auditor on core governance systems. This will include, for example:

- Core financial systems.
- Risk management.
- Financial Planning.
- Performance Management.
- Information Governance and core IT provision.

Subject to committee agreement, we propose that these assurances are provided through a specific tailored annual assurance statement for each partner. This would be prepared by the respective internal auditor.

4 Counter Fraud Work

Counter Fraud activity in the NHS is specifically mandated by Secretary of State's Directions and the NHS Protect Standards on Counter Fraud in CCGs.

We have agreed the key principle behind the delivery of counter fraud work, whereby Audit South West will act as the overall lead in order to meet the NHS Protect requirements on counter fraud work. This is important as the CCG is acting as the Pooled Fund Holder. Devon Audit Partnership will support as and when necessary.

Further work is required to undertake an initial fraud risk assessment to help direct specific counter fraud work.

5 Reporting

The reporting requirements for the respective Audit Committees are different where PCC's is public and summary and CCG's is private and more detailed.

Because the partnership arrangements are new the reporting lines to each audit committee will need to be clarified and agreed with key relevant stakeholders. We anticipate that assignment audit reports for both PCC and CCG may be considered by the Finance and Assurance Review Group who may refer key risks to Audit Committees. An Annual report will be issued to Integrated Governance Senior Management and the Audit Committees.