



Draft Internal Audit Plan 2012/13
Audit Committee (September 2012)

Airedale NHS Foundation Trust

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1. Introduction

MIAA's approach to planning focuses on covering the business critical systems over a rolling programme and ensuring delivery of a clear risk based approach. This plan and the completion of the assignments programmed within it will form the basis for delivery of the Director of Audit Opinion on the effectiveness of the system of internal control at the organisation in 2012/13.

As an NHS preferred provider of internal audit and advisory services in the North West, our strategy is built upon quality and value. A fundamental aspect of our approach is to provide a cost-effective service that harnesses the benefits of scale to provide a highly skilled, flexible and responsive solution whilst remaining part of the NHS and ensuring NHS expertise.

The achievement of value for money is an underpinning focus of our service across the range of assurances we provide to you.

2 Risk Assessment

Internal Auditors must establish risk based plans to determine the priorities of internal audit activity, consistent with the organisation's goals (NHS Internal Audit Standards, 2010). MIAA's approach ensures a risk based approach that includes consideration of local risks, mandated audit assurance and contribution to supporting you in achieving your strategic objectives.

Our audit plans are based on a risk assessment approach centred around discussions with senior staff and Non Executive Directors and linked to the organisation's Assurance Framework.

The Internal Audit Plan is structured to meet the NHS Internal Audit requirements and provide the Director of Audit's Opinion which subsequently contributes to the Board's completion of the Annual Governance Statement (AGS).

Local Risk Assessment

An overview of the Risk Assessment to support the 2012/13 Internal Audit Plan is provided in the diagram overleaf.

Key strategic risks identified within the organisation’s Assurance Framework are the failure to

- Sufficiently diversify and attract new income
- Achieve widespread change in clinical practice
- Achieve changes in how finance is allocated
- React to potential adverse impact of changes in national policies and commissioner restructuring
- Lead the local health economy to put the patient first
- Meet Monitor Compliance Framework and all other regulatory requirements
- Deliver patient safety, quality, productivity and efficiencies
- Release value from the estate



3 Internal Audit Plan

The Audit Plan has been developed in accordance with Department of Health guidance, particularly the Operating Framework and the Next Steps review. This guidance acknowledges the wider control framework while ensuring financial control remains subject to appropriate coverage. In accordance with the requirements of the Audit Committee Handbook the plan aims to cover the two key roles of internal audit:

- The Provision of an independent and objective opinion to the Accountable Officer, the Board, and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisations agreed objectives.
- The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.

The content of our variant plan included in our tender submission has been revised following further risk assessment and discussions with Trust staff.

We will conduct our audits in accordance with the mandatory standards and good practice guidance contained within the NHS Internal Audit Standards adopting MIAA's Quality System Documentation.

3.1 Proposed Internal Audit Plan Coverage

The following sets out the proposed Internal Audit Plan for 2012/13. A detailed indicative 3 year plan is provided in Appendix A.

Organisation Objectives

1. Safety, quality and the patient experience
2. Efficiency and business control
3. Development and diversification of services and models of care
4. Partnership working
5. The value of the Airedale brand
6. A workforce to deliver the service strategy

**Annual
Governance
Statement**



Critical Business Systems

Internal Audit Assurance

Financial Systems

- Core Financial Systems
- Locality /Departmental Reviews
- QIPP, Efficiency and Cost Improvement
- Contract Management

IM&T

- IG Toolkit
- Project Assurance (Patient Administration System)

Performance

- Data Quality
- PbR Readmissions

Clinical Quality

- Care Quality Commission
- Clinical Audit
- Patient Experience
- Telemedicine - Clinical Governance

Workforce

- HR and Payroll

Governance, Risk & Legality

- Assurance Framework
- Risk Management
- Governance Arrangements

Director of Audit Opinion

MIAA can also provide assurance / support in the following areas and the organisations may wish to consider on an ongoing basis throughout the year:

- **Council of Governors, Membership Arrangements and Service User, Public Involvement** – To support the Trust through facilitating a review of the current arrangements in place in respect of Governors, Members and other Service User/ Public involvement.
- **Self-Certification and regulatory reporting** – An assessment of the use of knowledge to obtain Trust wide assurances when producing regulatory reports.
- **Penetration Testing** – Business focused penetration testing and vulnerability assessment services
- **Information Security** – To review the requirements to deliver policy and procedure, train and management staff and implementing technical solutions in order to achieve practical yet robust security within the organization
- **Risk Management Training and Support** – Delivery of Risk Management training at Board level and support to Divisions in respect of Assurance Framework development.
- **Information Governance Training** – Provision of Information Governance refresher training.
- **Sustainability: Carbon Footprint** – To provide assurance on the accuracy of the reporting of information.

Following agreement to the plan a schedule of the timing for the audit reviews will be provided in the Internal Audit Progress Report. Liaison with your External Auditors will take place to ensure maximum benefit is derived from your total audit resource.

3.2 Fees

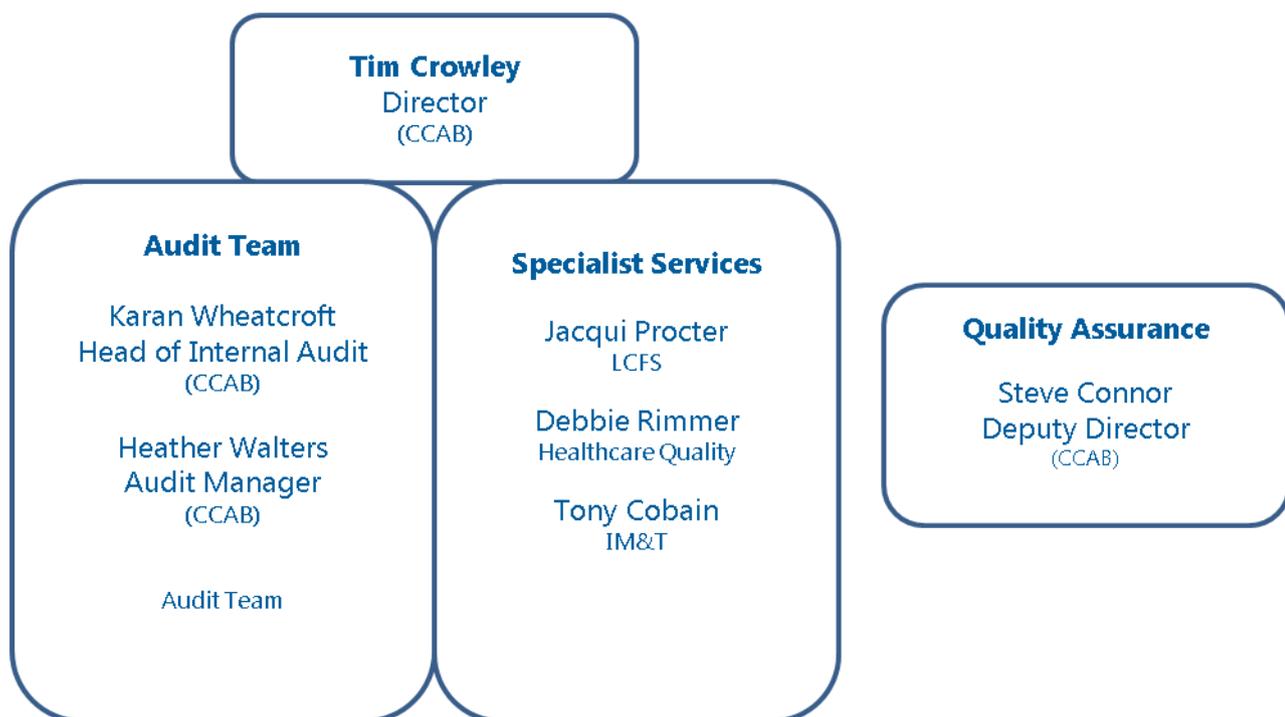
The fees quoted within this plan are based upon the skill mix required to deliver the proposed coverage. Any input required in addition to the plan in respect of special investigations or departmental reviews will be charged in accordance with the skill mix required to deliver the work. All costs associated with such work will be agreed with the Director of Finance prior to commencement.

	2012/13 (£)
Core Audit Plan	63,270
TOTAL	63,270

3.3 Audit Team

In the delivery of our range of services we maintain a balance between having consistency in the staff working on your contract whilst introducing new staff with experience of working in other organisations. We have found this to be a very effective method of operating which has enabled our staff to develop familiarity and experience of your financial systems and the specific issues you face and has provided your staff with recognised points of contact with whom they can discuss audit issues.

MIAA have developed robust management arrangements for the delivery of services as follows:



Appendix A: 3 Year Indicative Plan

The following table provides an overview of the three year indicative plan. This will be subject to risk assessment each year.

CORE AUDIT PLAN OUTPUTS

2012/13 2013/14 2014/15

FINANCIAL SYSTEMS

Core Financial Systems – Assurance will be provided in respect of key controls within the main financial systems. The scope of the review will be restricted to the key controls supplemented with analytical review and surveys. The systems incorporated in the review will include the following as appropriate::

- | | | | | | | |
|-----------------------|--------------------------------|-----------------------|---------------------|---|---|---|
| ▪ Financial Reporting | ▪ Accounts Payable | ▪ Treasury Management | ▪ Stores | ✓ | ✓ | ✓ |
| ▪ Financial Ledger | ▪ Accounts Receivable (income) | ▪ Asset Management | ▪ Budgetary Control | | | |

Locality/Departmental Reviews – As part of a rolling programme of reviews across the FT, a cross system audit will be conducted. The overall objective is to review controls and systems in place at a local level and coverage will be considered on a risk based approach across all locations:

- activity recording
- clinical quality
- general and IT security,
- financial procedures,
- workforce,
- patients' property,
- productive ward procedures,
- bank and agency staff requirement, and
- risk management

Financial Systems Review – The financial systems will be risk assessed on an annual basis and a specific systems identified for more detailed annual review

QIPP, Efficiency and Cost Improvement (the scope of the review will consider previous internal audit work undertaken on the Trust's Cost Improvement Programme).

Specific considerations for future years would be:

- Analytical review to identify duplicate payments
- Tenders and waivers
- Procurement

Contract Management – Assurance regarding the mechanisms established to support contract management with key commissioners including capture and

CORE AUDIT PLAN OUTPUTS**2012/13 2013/14 2014/15**

reporting of activity.

IM&T

Information Governance –Following the nationally mandated audit approach, developed by MIAA, we will consider the organisation’s structures for delivering IG, the validity of scores recorded within the IG Toolkit and any resultant risk exposures.

✓ ✓ ✓

In addition, through discussions with senior managers, review of IG returns and review of the assurance framework and local risk registers we will target further work at key areas of risk.

Project Assurance (Patient Administration System) The objective will be to ensure that the Trust is applying a sound project management process to deliver the intended aims to quality,

✓

Specific considerations for future years would be:-

- Network Infrastructure
- Application Systems controls
- IT Asset Management
- IT Service Continuity
- Information risk assessment and management
- IT Service Governance & Management
- Data security
- System deployment
- End user computing (spreadsheets & databases)

✓ ✓

PERFORMANCE

Data Quality – To evaluate the systems and processes in place to ensure that Trust data reported is subject to adequate and appropriate validation procedures prior to being released and reported externally.

✓ ✓ ✓

PbR Readmissions – To provide assurance that the Trust’s readmission rates are calculated on a reasonable and transparent basis.

✓

Activity/Waiting List Management – Review of the management framework in relation to the achievement of specified key activity and waiting time targets. A target would be selected and reviews would be performed on a cyclical basis subject to the FT’s risk assessment.

✓

QUALITY

Care Quality Commission – Compliance with Regulations – Following your registration we will work with you to review the systems and processes you have established relating to the new regulations including; ensuring consistency across the organisation, implementation of improvement / action plans and also the provision of pragmatic ongoing assurance from Ward to Board.

✓ ✓ ✓

Clinical Audit – To provide an opinion on the robustness of the clinical audit system and the extent to which it is embedded in order that assurances can be confidently gained from its focus and outputs.

✓

CORE AUDIT PLAN OUTPUTS**2012/13 2013/14 2014/15**

Patient Experience – To provide an assessment and developmental action plan regarding the mechanisms in place to ensure that patients receive as positive an experience as possible (reflective of the orientation of wider regulatory requirements).

✓

Telemedicine – Clinical Governance - To review the clinical governance processes around the Trust's telemedicine systems.

✓

Safeguarding – To provide an opinion on the systems in place at the Trust for Safeguarding Children and the Protection of Vulnerable Adults using Outcome measures from CQC Outcome 7 (Safeguarding people who use the service from abuse).

✓

CQuIN – To provide assurance over the systems established for the capturing of information and monitoring of targets in relation to the expanded CQuINs.

✓

WORKFORCE

Payroll / Human Resources – (ESR) – MIAA will provide an opinion as to the robustness of controls within the ESR system to ensure validity, accuracy, and timeliness of payments to employees.

✓

✓

✓

Workforce Systems Reviews – The workforce systems will be risk assessed on an annual basis and a specific system identified for more detailed annual review. Specific considerations would be:

- Recruitment Processes
- Statutory and Mandatory Training
- Bank, Agency and Locum Staffing
- Vacancy Management
- Attendance Management
- Professional Registrations
- Consultants Contracts

✓

✓

GOVERNANCE, RISK & LEGALITY

Assurance Framework Opinion – An annual opinion will be provided on the method by which the organisation produces, refreshes, manages and monitors Assurance Framework. Ensuring risks identified through the Annual Plan are reflected accurately within the Assurance Framework and are a key focus for the Board.

✓

✓

✓

Governance Arrangements– A review of the Trust's recently revised governance structures focusing on the newly created Clinical Speciality Assurance Committee.

✓

Risk Management Arrangements –

Risk Management Strategy – A review to provide assurance that the Trust's risk management arrangements are operating in accordance with the Risk Management Strategy.

✓

CORE AUDIT PLAN OUTPUTS**2012/13 2013/14 2014/15**

Specific considerations for future years would be:

Risk Maturity – Organisational risk maturity levels can range from risk enabled to risk naïve. The review will seek to assess the Trust's current level of maturity in order to inform our audit strategy and approach.

Risk Management Committee – contribution and attendance at the Trust's Risk Management Committee (or equivalent). ✓ ✓

Incident Management and Reporting - An opinion would be provided on the systems and processes applied for managing and reporting incidents (including SUIs).

Complaints Management - To ensure compliance with the Complaints procedure and Department of Health guidance, an opinion would be provided on the systems and processes applied for managing complaints, taking into account the changes to national requirements.

Emergency Preparedness – To review and evaluate the arrangements in place in relation to emergency planning. The review will look specifically at the robustness of such plans, and the degree to which they have been tested.

FOLLOW UP & CONTINGENCY

Follow-up - will be conducted throughout the year to provide the Audit Committee with assurance regarding management's implementation of agreed actions. ✓ ✓ ✓

Contingency – This element of the plan allows the flexibility to respond to management requests in order to meet specific client needs during the course of the financial year. ✓ ✓ ✓

AUDIT COMMITTEE, PLANNING & MANAGEMENT

In providing an internal audit service an allocation of time is required for the management of the contract:

- **Planning liaison and management** - Incorporating preparation and attendance at Audit Committee; completion of risk assessment and planning; liaison with the client and organisation of the audit reviews. ✓ ✓ ✓
- **Reporting and meetings** - Key reports will be provided to support this, such as the Director of Audit Opinion and Annual Report, Annual Plan and Interim Update Reports. ✓ ✓ ✓