



Integration Joint Board
Audit, Risk and Governance Committee

3rd March 2026

This Report relates to
Item 7 on the Agenda

Chief Internal Auditor Quarterly Update - March 2026

Paper presented by Julie Watters

For Discussion and Noting

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Approved for Submission by:	n/a
List of Background Papers:	n/a
Appendices:	Appendix 1 – Assurance Improvement Plan 2026/27

1. Introduction

- 1.1 This report provides an update to the Audit, Risk and Governance Committee (AR&GC) on the assurance activity relevant to the Integration Joint Board (IJB), drawn from the Internal Audit work undertaken within NHS Dumfries and Galloway and Dumfries and Galloway Council. As the IJB does not commission its own programme of operational audits, assurance is primarily obtained through the processes, reporting arrangements and internal audit coverage within the two partner bodies. This update therefore focuses on the overall position in relation to delivery of the 2025/26 Internal Audit Plans, how relevant assurances are identified and consolidated for the IJB, and the work underway to strengthen assurance arrangements across the partnership.
- 1.2 The Annual Internal Audit Report for 2024/25 was presented to this Committee in September 2025, and with the November meeting having been cancelled, this paper provides a consolidated update covering the intervening six-month period.
- 1.3 This update is intended to support the Committee in discharging its responsibilities for governance, risk management, and internal control and is part of the IJB and Health and Social Care Partnership's overall governance and risk management processes.

2. Recommendations

- 2.1 **The IJB Audit, Risk and Governance Committee is asked to:**
- **Note this update on Internal Audit work for 2025/26.**

3. Background and Main Report

- 3.1 The Integration Joint Board (IJB) relies on the assurance frameworks of NHS Dumfries and Galloway and Dumfries and Galloway Council, the organisations responsible for delivering the operational services delegated to it. Internal Audit arrangements therefore focus on ensuring that appropriate governance, risk management and control processes are in place within each partner body, and that relevant assurances from their respective internal audit plans are identified, interpreted and reported to the IJB.
- 3.2 The role of the Chief Internal Auditor for the IJB is to draw together these assurances, highlight areas of relevance to the IJB's strategic responsibilities, and provide commentary on how audit activity across both organisations supports the wider governance arrangements of the IJB and the Health and Social Care Partnership (H&SCP). The emphasis of this report is therefore on the processes that provide assurance including audit plan delivery, follow-up of actions, risk alignment and cross-system coordination, rather than detailed audit findings.
- 3.3 Internal Audit coverage within the partner bodies is planned and delivered on a risk-based basis and is informed by their respective Audit and Risk Committees. Assurances are highlighted to this Committee where they relate to, or have implications for, the IJB's delegated functions, strategic risks, commissioning responsibilities or governance arrangements.
- 3.4 Internal audit arrangements for the Integration Joint Board (IJB) must provide proportionate assurance over risk management, governance and the controls surrounding delegated resources. As operational services are delivered on behalf of the IJB by NHS Dumfries and Galloway and Dumfries and Galloway Council, assurance on

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these areas is primarily obtained through the audit work reported to each partner organisation's own Audit and Risk Committee.

- 3.5 Since September 2025, Internal Audit activity across both partner organisations has continued to provide relevant assurance and emerging themes have been considered in the context of delegated functions and strategic risk.

Audit plan 2025/26

- 3.6 The IJB issues Directions to NHS Dumfries and Galloway and Dumfries and Galloway Council which set out the services they are required to deliver and manage on behalf of the IJB. Once issued, it is the responsibility of each host organisation to ensure that appropriate arrangements are in place to deliver on these Directions.
- 3.7 It is expected that the risks associated with delivery of the Directions are assessed and managed within each host organisation and that relevant assurance is provided through their own internal governance and audit processes. Where those assurances are relevant to the IJB's strategic responsibilities, they are highlighted to this Committee.
- 3.8 The Council and Health Board have separate internal audit plans for each financial year approved through their own Audit and Risk Committees. These individual plans deliver a range of assurances within the host organisations as well as occasionally giving a specific allowance for provision of assurance in relation to the IJB and Health and Social Care Partnership (H&SCP).

Delivery against the NHS 2025/26 Audit Plan

- 3.9 The NHS Internal Audit Plan for 2025/26 was approved as two 6-monthly plans taken to the April 2025 and January 2026 Audit and Risk Committee meetings.
- 3.10 The Plan for the first 6 months of 2025/26 taken to the Audit and Risk Committee in April 2025, and the plan for the second 6 months of 2025/26 taken to the Audit and Risk Committee in January 2026.
- 3.11 As there were two vacancies within the team for the last 12 and 24 months respectively, the NHS plan for 2024/25 was not completed and a number of audits were carried into 2025/26 with committee approval.
- 3.12 Overall delivery of the NHS 2025/26 plan is progressing, although several audits have experienced delays due to capacity constraints within services. Completed and reported audits continue to provide reasonable assurance across the areas reviewed, with no significant issues identified that materially impact the IJB. Where reports have reached draft or debrief stage, early findings indicate continuing focus on strengthening operational governance, data quality and adherence to local procedures.
- 3.13 Work in progress is expected to conclude to provide assurance for year-end, however some follow-on activity may be required early in 2026/27 to finalise our reports and to reflect the management actions.

Delivery against the Council 2025/26 Audit Plan

- 3.14 The Council's Audit Plan for 2025/26 was approved at their Audit, Risk and Scrutiny Committee meeting in April 2025. This plan covers a range of audits covering the Council's service areas. An audit that has recently concluded covers Assessed Care Needs and the findings of this will be reported back as this is reported through the Council's own processes.
- 3.15 Audit work from the Local Authority, as reported through their Audit, Risk and Scrutiny Committee, has previously focussed on core financial work. This has moved forward with a more risk-based focus to the planning and the work undertaken.
- 3.16 Reporting to the NHS Audit and Risk Committee on progress against the Audit Plan includes provision of copies of all reports finalised in the previous. This information is summarised at year-end within the Statement of Assurance provided within the annual report.

Strengthening the Assurance process

- 3.17 Moving forward it is essential that we continue to strengthen the assurance processes between Dumfries and Galloway Council and NHS Dumfries and Galloway to ensure that the IJB and H&SCP get the assurances that are required at the right level and at the right time. This particularly important given recent changes to the IJB membership and revised Chair responsibilities within the respective Audit and Risk Committees.
- 3.18 An outstanding action remains for the Chairs of the Audit and Risk Committees and the Chief Internal Auditors to meet and discuss shared assurance requirements. This was not possible while the IJB did not have a substantive Chair of the Committee, but it now needs to be prioritised to support consistent and coordinated assurance across the partnership.
- 3.19 To support this, an Assurance Improvement Plan has been developed for 2026/27. The Plan brings together a series of practical actions designed to enhance the visibility, coordination and effectiveness of assurance across both partner bodies. It reflects the need for clearer alignment between risk, performance and audit activity, and recognises the critical role of the Audit and Risk Committee Chairs in strengthening how assurance flows between NHS Dumfries and Galloway, Dumfries and Galloway Council and the IJB. Implementing this Plan will help ensure that assurance is more consistent, risk-focused and responsive, supporting the Committee in fulfilling its governance and oversight responsibilities. This Plan is attached at **Appendix 1**.
- 3.20 The NHS Audit and Risk Committee Terms of Reference has been recently revised to draw out the independent role of the committee within the Boards governance structure.
- 3.21 An NHS Audit and Risk Committee workshop is planned for the end of March to cover the role of the Committee, what "good assurance" looks like, audit terminology, how to question and challenge effectively, and end-of-year reporting requirements. A similar session could be rolled out to the IJB's Audit, Risk and Governance Committee at a later stage to ensure a shared and consistent understanding of assurance expectations moving forward.

NHS and Council Internal Audit resource challenges

- 3.22 Both Internal Audit teams have continued to face pressures linked to staffing vacancies (NHS) and wider organisational capacity constraints (both). While some improvement has been noted over recent months, resource availability has had an impact on the timing of certain audits, particularly those carried forward from 2024/25. Mitigations remain in place, including revised scoping and prioritisation of audit work across the year. NHS Dumfries and Galloway has recently recruited an Internal Auditor and a Trainee to the team, which is expected to strengthen internal audit capacity and support more timely completion of the plan moving forward. Both take up their roles at the beginning of March 2026.
- 3.23 Despite these pressures, delivery of key assurance work for 2025/26 remains on track, and no significant gaps in assurance for the IJB have been identified at this stage.
- 3.24 Both Internal Audit teams have also undergone External Quality Assessments (EQAs) in the last two years as reported within the Annual Internal Audit report which came to the September 2025 Audit, Risk and Governance Committee meeting.

Joint assurance and coordination

- 3.25 An approach to coordinate assurances from the individual audit plans was agreed through this committee in March 2022 and has been applied for the last three audit years.
- 3.26 Regular meetings between the Chief Internal Auditors for NHS Dumfries and Galloway and Dumfries and Galloway Council have continued, ensuring alignment of audit focus and identification of shared risks where joint assurances may be beneficial.
- 3.27 Themes common across both organisations such as governance maturity, workforce pressures, data quality and financial controls are being monitored, and any findings with potential impact on IJB-delegated responsibilities are reported through this Committee.
- 3.28 Work to explore potential joint audits for future years is ongoing, with initial discussions suggesting opportunities in areas such as performance reporting, partnership governance and aspects of community-based service delivery.
- 3.29 This approach does require to be supplemented with wider discussions with the respective Audit and Risk Committee Chairs which as an outstanding action of the committee now requires to be addressed.
- 3.30 This approach will continue and reporting on assurances will be in a similar format to previous years.

Audit Follow-Up Processes

- 3.31 Within the Health Board, scrutiny of audit recommendations and subsequent actions is monitored through the Audit and Risk Committee who have a clear view that reduction on the level of overdue actions needs to continue.

- 3.32 Reporting through the NHS ARC on these actions has also compared where these sit within the Board's risk appetite and this is being used to prioritise those for more urgent closure.
- 3.33 All audit reports are also taken to other Standing Committees within the Board so that management are given the opportunity to detail progress against closure of the actions and detail any issue that may prevent their closure. This oversight of the reports allows scrutiny over the key findings of the audits and also the actions arising from them.
- 3.34 Within Dumfries and Galloway Council, follow-up reports continue to be presented six months after each audit, with formal closure or continued monitoring of actions determined through the Audit, Risk and Scrutiny Committee.
- 3.35 For IJB-relevant actions across both organisations, no significant areas of concern have been identified. Themes within the remaining open actions relate primarily to strengthening documentation, improving data quality and embedding governance processes.

Audit Planning 2026/27

- 3.36 Early work has commenced on shaping the 2026/27 Internal Audit Plans for both NHS Dumfries and Galloway and Dumfries and Galloway Council. A risk-based approach continues to be applied, informed by updated corporate and partnership risk registers, emerging national requirements and operational pressures.
- 3.37 Opportunities for joint audit work in 2026/27 are being considered, with potential areas including governance arrangements supporting delivery of Directions, financial sustainability, and oversight of strategic commissioning intentions.
- 3.38 Delivery of the 2025/26 plans is broadly on track, with the majority of planned work expected to conclude by year-end. A small number of audits may require rescheduling into early 2026/27 due to operational constraints, but this is not anticipated to create gaps in the annual assurance opinion.
- 3.39 Any audit work delivered within the partnership needs to follow a risk-based approach and therefore the risk register work that is being taken forward for the IJB and the Health and Social Care Partnership needs to continue so that risks to the achievement of objectives are clearly identified and articulated. This will assist in directing audit resource where assurances are needed most.
- 3.40 To assist in this planning and to understand the current business being discussed across the partnership, the Chief Internal Auditor has been attending the revised committee meetings following the recent change to the committee format within the IJB. This has been supported with a review of the agendas and associated papers presented to each committee.

Risk Register development

- 3.41 There have been a number of IJB workshops, for example one on Mapping Directions to the Strategic Commissioning Intentions and another on a Review of the Scheme of delegation. This work and further development will help to more clearly articulate the requirements on the NHS and Council to deliver against directions and the monitoring

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and reporting that will sit alongside to provide assurance on delivery. It is expected that Internal Audit assurances will follow these directions and the risks associated with the delivery of these.

4. Conclusions

4.1. This report outlines progress against the 2025/26 Internal Audit plans and the assurances provided to date from both NHS Dumfries and Galloway and Dumfries and Galloway Council. Looking ahead, the development of the Assurance Improvement Plan provides a clear framework for strengthening how assurance is coordinated, reported and scrutinised across the partnership. Delivery of this Plan, alongside ongoing work to align audit activity with emerging risks and reinforce the role of Audit and Risk Committee Chairs, will support a more consistent and robust approach to assurance in the year ahead.

5. Resource Implications

5.1. The Internal Audit provision for the IJB for 2025/26 has been provided from the existing NHS and Council audit resource.

6. Impact on Integration Joint Board Outcomes, Priorities and Policy

6.1. Internal Audit is a key element of the delivery of independent assurances around the achievement of the IJB's objectives.

7. Legal and Risk Implications

7.1. The IJB Risk Register requires continual review so that risks to the achievement of objectives are clearly identified and articulated. This will assist in directing audit resource where assurances are most needed.

8. Consultation

8.1. This paper, as a summary of the overall audit approach, has been discussed with the Internal Audit Manager at Dumfries and Galloway Council.

9. Equality Impact Assessment

9.1. The Equality Framework within NHS D&G has been considered in creating the audit plan. An equalities impact assessment has not been completed.

10. Consumer Duty

10.1. Internal Audit work supports the principles of the Consumer Scotland Act 2020 by providing assurance that governance arrangements, decision-making processes and service delivery models consider consumer fairness, accessibility and potential financial harm.

10.2. An impact assessment has not been completed as the report is for information only and does not propose changes to policy or service delivery.

11. Glossary

ARC	Audit and Risk Committee (pre-Feb 2023)
AR&GC	Audit, Risk and Governance Committee (post Feb 2023)
DGC	Dumfries and Galloway Council
EQA	External Quality Assessment
H&SCP	Health and Social Care Partnership
IJB	Integration Joint Board
NHS D&G	NHS Dumfries and Galloway