

## Borders NHS Board



Meeting Date: 1 April 2021

<b>Approved by:</b>	Andrew Bone, Director of Finance
<b>Author:</b>	Andrew Bone, Director of Finance
<b>APPOINTMENT OF INTERNAL AUDITORS</b>	
<b>Purpose of Report:</b>	
<p>The purpose of this report is to request that the Board homologate the contract award for the board's Internal Auditors.</p>	
<b>Recommendations:</b>	
<p>The Board is asked to homologate* the contract award for the board's Internal Audit function.</p> <p><i>* "to confirm or sanction the validity of something"</i></p>	
<b>Approval Pathways:</b>	
<p>The contract is awarded under the UK NHS framework contract for appointment of Audit functions (ref. SBS/20/MA/ZY/10024).</p> <p>Invitation to tender was issued in January 2021 and bids evaluated through interview on 17<sup>th</sup> February 2021. The appointment panel comprised of two representatives from each partner health board (NHS Borders and NHS Lothian) supported by NHS Lothian procurement team. NHS Borders representatives were Andrew Bone, Director of Finance, and Fiona Sandford, non-executive director (deputising for Malcolm Dickson as chair of Audit Committee).</p> <p>The award of this contract was discussed at the NHS Borders Audit Committee on 22<sup>nd</sup> March 2021.</p>	
<b>Executive Summary:</b>	
<p>The code of corporate governance (Section F – Reservation of Powers and Delegation of Authority) requires that the Director of Finance put in place appropriate arrangements for the board's Internal Audit function.</p> <p>The current contract with the board's internal auditors (Grant Thornton) expired at 31<sup>st</sup> March 2020. Due to the COVID19 pandemic it was subsequently agreed that a contract extension would be implemented pending confirmation of the revised timescales for undertaking a joint tender with NHS Lothian for the award of a new contract. An initial extension was implemented to 31<sup>st</sup> January 2021 and further extension made to 30<sup>th</sup> June 2021 following delay to the development of a revised UK NHS framework contract for appointment of Audit functions (ref. SBS/20/MA/ZY/10024).</p>	

<p>The tender exercise was undertaken in January 2021 and interview held on 17<sup>th</sup> February 2021. Contract award was made on Friday 12<sup>th</sup> March.</p> <p>This award is made on a four year term starting 1<sup>st</sup> April 2021. The contract remains in line with existing costs with an estimated annual value of £50,000 plus VAT. Rates are set for the full term of the contract.</p>	
<b>Impact of item/issues on:</b>	
<b>Strategic Context</b>	Internal Audit is a requirement of the Scottish Public Sector Finance Manual and UK Government Internal Audit standards which state that “organisations that publish annual accounts are required to make suitable provision for internal audit”.
<b>Patient Safety/Clinical Impact</b>	Internal audit is a core element of the assurance mechanisms by which the board tests its systems and processes.
<b>Staffing/Workforce</b>	See above
<b>Finance/Resources</b>	See above. The board’s internal audit function will undertake audit of best value and financial sustainability through the activities outlined in its annual workplan.
<b>Risk Implications</b>	See above. No specific risk register is required in relation to internal audit functions.
<b>Equality and Diversity</b>	No impact identified.
<b>Consultation</b>	The award of the board’s Internal Audit function has been discussed through the Audit Committee.
<b>Glossary</b>	UK – United Kingdom NHS – National Health Service IA – Internal Audit