



# NHS 24

## Internal Audit Annual Plan

2025/26

May 2025



# NHS 24

## Draft Internal Audit Annual Plan 2025/26

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# Introduction

Internal Auditing strengthens the organisation's ability to create, protect, and sustain value by providing the Board and management with independent, risk-based, and objective assurance, advice, insight, and foresight. Internal audit enhances an organisation's:

- Successful achievement of its objectives;
- Governance, risk management, and control processes;
- Decision-making and oversight;
- Reputation and credibility with its stakeholders; and
- Ability to serve the public interest.

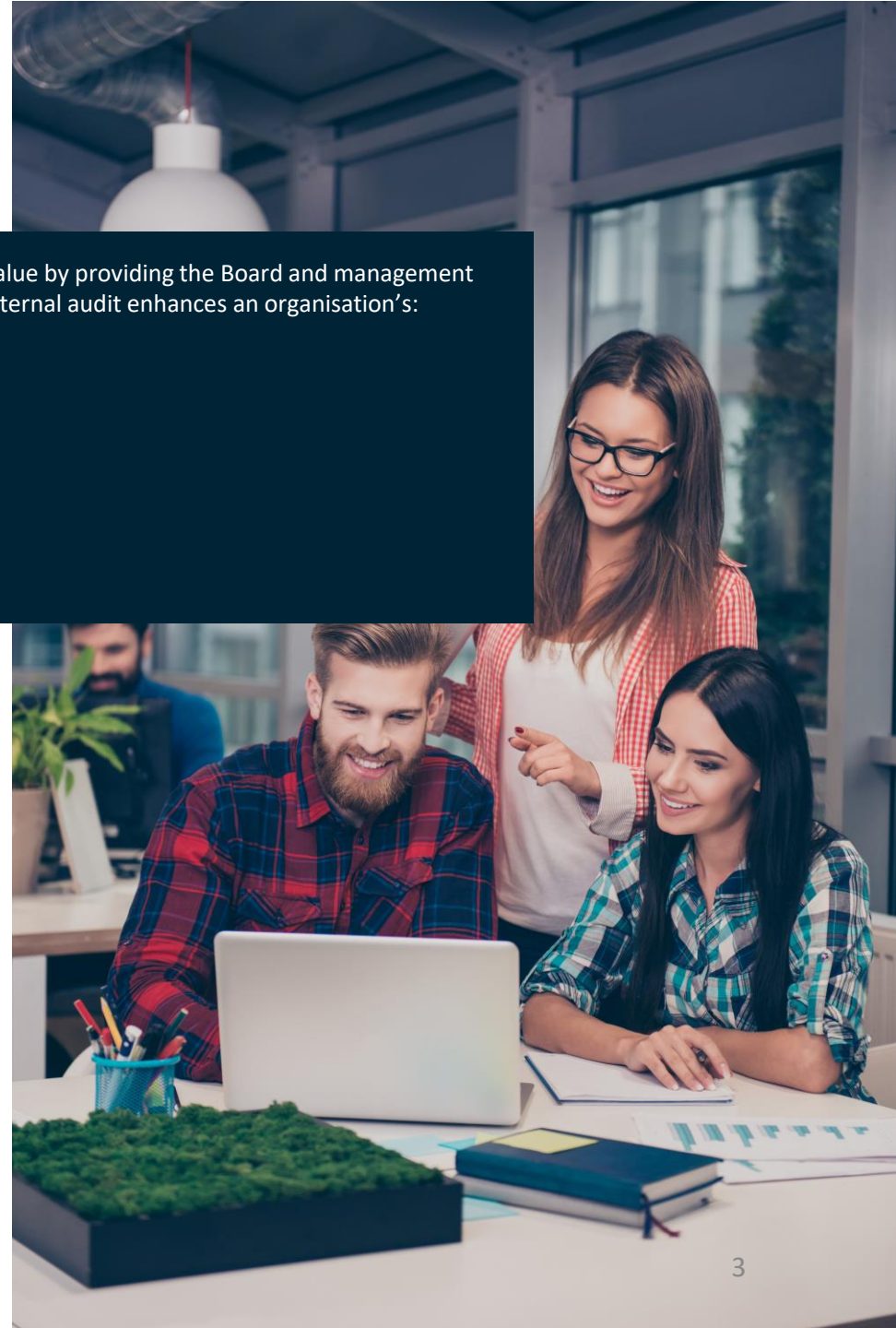
## *Purpose of Internal Audit from the Global Internal Audit Standards*

Our internal audit plan is designed to provide NHS 24, 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 aim to contribute to the continuous improvement of governance, risk management and internal control processes through the implementation of this plan.

Azets' internal audit methodology complies fully with the Global Internal Audit Standards (GIAS) and Topical Requirements, which cover the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework (IPPF).

The GIAS require the Chief Internal Auditor to produce a risk-based plan that takes into account NHS 24's risk management framework, its strategic objectives and priorities and the views of senior managers and the Audit and Risk Committee. 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 and value for money is being achieved.

This document addresses these requirements by setting out an internal audit plan for 2024/25 in the context of a three-year strategic plan for 2023/24 to 2025/26.



# Introduction

## Audit and Risk Committee action

Our initial three-year plan was approved by the Audit and Risk Committee (ARC) in June 2023.

In December 2024, we met with the Director of Finance to consider our proposed coverage for 2025/26 to review and refresh the proposed programme for 2025/26. The resulting updated draft was subsequently considered by the Executive Management Team in January 2025, and we have further refined the plan to reflect their feedback.

The plan was then presented in draft to the Audit and Risk Committee in February 2025. We have not received any further feedback since then from either management or members on the proposed areas included within the 2025/26 plan (per Appendix 1).

Since the plan was last presented to the ARC, we have fully refreshed the Internal Audit Charter (at Appendix 4 to this document) to align with the requirements of the new Global Internal Audit Standards.

We, therefore, now ask the ARC to formally approve the plan for 2025/26. .

We reiterate to the ARC our commitment to ensuring that we retain a degree of flexibility in our work such that we are able to respond to new and emerging areas of risk during the year, as aligned with the assurance needs of the ARC



# Internal audit approach

## 2.1 Risk based internal auditing

Our methodology links internal audit activity to the organisation's risk management framework. The main benefit to NHS 24 is a strategic, targeted internal audit function that focuses on the key risk areas and provides maximum value for money.

We have reviewed NHS 24's risk management arrangements and have confirmed that they are sufficiently robust for us to place reliance on the risk register as one source of the information we use to inform our audit needs assessment.

## 2.2 Audit needs assessment

Our internal audit plans are based on an assessment of audit need. "Audit need" represents the assurance required by the ARC from Internal Audit that the control systems established to manage and mitigate the key inherent risks are adequate and operating effectively. The objective of the audit needs assessment is therefore to identify these key controls systems and determine the internal audit resource required to provide assurance on their effectiveness.

Our audit needs assessment involved the following activities:

- Reviewing NHS 24's risk register.
- Reviewing NHS 24's corporate and operational plans.
- Reviewing previous internal audit reports.
- Reviewing external audit reports and plans.
- Reviewing the NHS 24 website and internal policies and procedures.
- Considering requirements of or changes to laws and regulations.
- Coverage provided by other assurance providers.
- Utilising our experience at similar organisations; and
- Discussions with senior management and the ARC.

The plan has also been cross-referenced to the NHS 24 Corporate risk register as at November 2024.

## 2.3 Liaison with other assurance providers

We seek to complement the areas being covered by NHS 24's external auditors, Deloitte. We welcome comments on the internal audit plan from external audit at any time and we will formally discuss the plan with Deloitte on at least an annual basis. This will help us to target our work in the most effective manner, avoiding duplication of effort and maximising the use of total audit resource.

# Delivering the internal audit plan

## 3.1 Internal Audit Charter

Appendix 4 in our strategic audit plan sets out our IA Charter, which details how we will work together to deliver the internal audit programme.

## 3.2 Internal Audit team – indicative staff mix

Grade	2024/25 Input (days)	Grade mix (%)
Engagement Lead	14	11%
Senior Manager/Manager	29	22%
Senior Auditors	29	22%
Auditors	58	45%
<b>Total</b>	<b>130</b>	<b>100%</b>

## 3.3 Internal Audit Team Contacts



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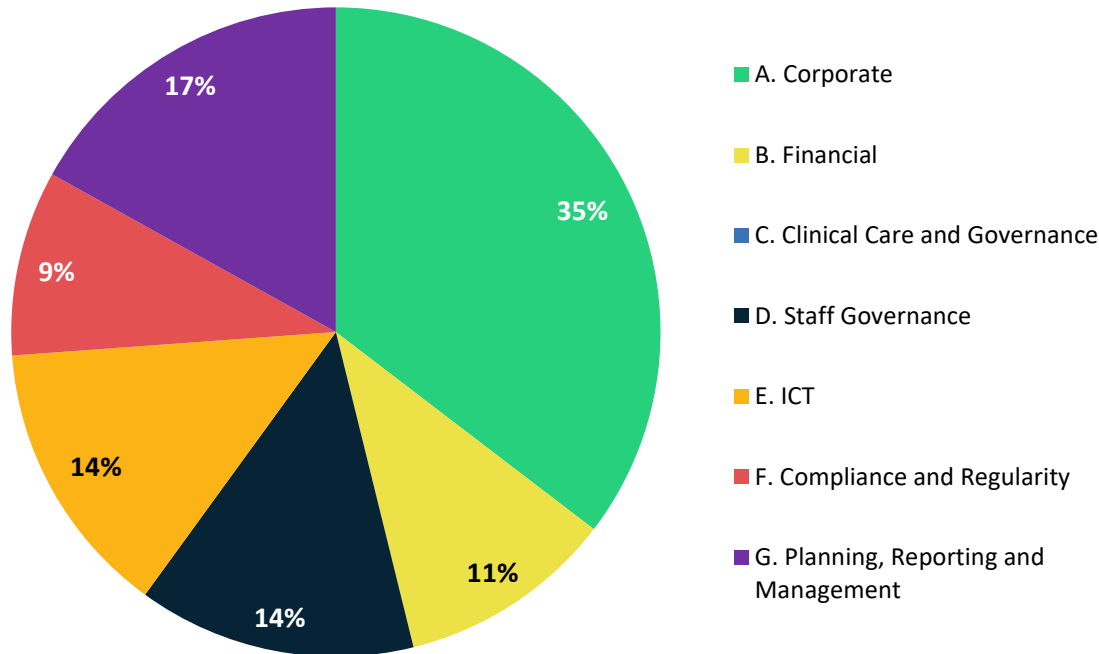
# Proposed Internal Audit Plan

Appendix 1 presents the internal audit plan for 2023/24 to 2025/26. The Internal Audit plan is based on our risk and audit needs assessment as at February 2025. As our approach is based on risk, the proposed plan is also cross-referenced to the ARC risk register (as at November 2024).

Internal audit is only one source of assurance for the Audit and Risk Committee. Assurance on the management of risk is provided from a number of other sources, including the senior management team, external audit and the risk management framework itself.

The diagram below demonstrates how the internal audit days for 2025/26 are allocated across each area of the audit universe.

## Allocation of audit days



# Appendix 1 – Internal Audit Plan

Audit area	2023/24	2024/25	2025/26	Risk Register Ref	Audit objectives
<b>A. Corporate</b>					
<b>A.1 Performance Monitoring / AOP Delivery</b>		15			To consider the extent to which NHS 24 has developed and implemented robust performance monitoring arrangements to ensure that performance against key corporate performance measures and targets is subject to appropriate scrutiny and monitoring on a timely basis. This will include review of governance structures to ensure that duplication of effort is minimised and can reflect on any residual impact of Covid recovery.
<b>A.2 Strategic Partnership Working – Primary Care Pathways &amp; Resilience</b>	14				<p>We will consider arrangements for working across NHS partners to assess, understand and make arrangements for Primary Care pathways and resilience. We will consider the beginning and end points for pathways within the organisation and interdependencies with primary and secondary care settings where appropriate.</p> <p>We will also take cognisance of local, regional and national factors to understand how NHS 24 plans for and is able to respond to these pressures to ensure it can adapt and respond to 111 caller needs and expectations and meet quality/performance metrics on calls. Will overtly consider IT elements, as appropriate</p>
<b>A.3 Risk Management</b>		15			<p>To ensure that there is a defined and consistently applied approach for:</p> <ul style="list-style-type: none"> <li>identifying, assessing, prioritising and escalating strategic and operational risks;</li> <li>ensuring that risk registers are embedded throughout the organisation;</li> <li>identifying and implementing appropriate mitigating actions to manage residual risks down to an acceptable level; and</li> <li>monitoring and scrutiny of risk registers on an ongoing basis.</li> </ul>
<b>A.4 Strategic Staff Support Review: Capacity and Capability</b>	20				We will consider the extent to which NHS 24 has in place an appropriate balance of capacity and capability within non-frontline departments to support attainment of strategic priorities in the short, medium and longer term.
<b>A.5 Environmental Sustainability</b>			15	4	To assess the extent to which NHS 24 has prepared to implement the requirements of the NHS Scotland Climate Emergency and Sustainability Strategy. We will review the extent to which local plans have been developed and embedded within NHS 24's strategies, policies, procedures and decision-making frameworks.

## Appendix 1 – Internal Audit Plan

Audit area	2023/24	2024/25	2025/26	Risk Register Ref	Audit objectives
<b>A.6 PMO Review – Digital Transformation Programme</b>			15	2, 3, 6, 7, 10	We will consider the work and the resourcing of the Digital Transformation Programme, to help understand how identified risk is being managed and how it is driving forward efficiency and innovation, as part of managed and planned changed programmes. We will also consider scrutiny/governance of the Digital Transformation Programme activity, progress and outcomes.
<b>A.7 Implementation Management</b>			16	2, 3, 6, 7, 10	To review changes to the helpdesk system as part of the Digital Transformation Programme. Specifically, we will look at change processes related to the move to inhouse provision and the extent to which staff have the requisite skills, knowledge and training. We will seek to highlight good practice and lessons learned to inform future changes/improvements, and consider roles, responsibilities, planning, monitoring, and reporting controls.
<b>Subtotal A:</b>	<b>34</b>	<b>30</b>	<b>46</b>		
<b>B. Financial</b>					
<b>B.1 Financial Management and Reporting</b>	16				To review arrangements for ensuring that a robust financial management and reporting framework is in place to allow NHS 24 to demonstrate the effective and efficient use of financial resources, as aligned with the recently introduced establishment control process. In particular we will consider the use of appropriate budgeting and forecast models to mitigate against economic uncertainty arising from inflationary pressures, supply chain issues, and ongoing discussions on staff pay awards.
<b>B.2 Financial and Strategic Alignment and Sustainability</b>		16			To review how financial/resourcing is aligned to strategic priorities and medium and longer term sustainability. This review considers to what extent the financial plans are subject to risk and sensitivity analysis (including as related to staff pay as the most significant driver of expenditure), look at different scenarios, and how this relates to planning and impact evaluation for the range of NHS 24 services (current and potential/planned). It will also consider how this information is consolidated and shared across the board, including reported to senior leadership and non-executives for review and scrutiny.

## Appendix 1 – Internal Audit Plan

Audit area	2023/24	2024/25	2025/26	Risk Register Ref	Audit objectives
<b>B.3 Core Financial Systems – Non-Pay Expenditure</b>	10		14	3, 4, 6, 7	We will carry out an end-to-end review of the purchase-to-pay process including requisitioning, approval of purchase orders, receipting of goods/services and payment of invoices.
<b>Subtotal B:</b>	<b>26</b>	<b>16</b>	<b>14</b>		
<b>C. Clinical Care and Governance</b>					
<b>C.1 Clinical Workforce Staffing Levels (including Demand-Led Management)</b>	18				To review arrangements to ensure sufficient and appropriate arrangements are in place to plan, assess, scenario plan and flex workforce staffing levels to meet clinical staffing demands (including by reference to external demands/partner activity). We will also consider arrangements for ensuring compliance with Safe Staffing legislation and the Shift Review process.
<b>C.2 Public Protection</b>		16			We will review the effectiveness of Public Protection policies and how underpinning aims and objectives take cognisance of various resourcing challenges. We will also consider the extent to which: <ul style="list-style-type: none"> <li>• roles and responsibilities have been articulated and communicated within local sites;</li> <li>• potential risks or concerns are escalated to an appropriately senior level; and</li> <li>• work and activity is periodically reviewed and revised to meet supply and demand factors.</li> </ul>
<b>C.4 Patient Experience</b> <i>Newly-added for 2024/25 – see commentary at E.3 for background/ rationale</i>		18			We will assess arrangements for ensuring that NHS 24 are able to consistently and accurately measure patient experience in the context of increased digital and online technologies including e.g. the Virtual Queue system. We will consider processes for ensuring that improvement actions are identified and implemented where necessary to ensure a high standard of patient feedback and experience.
<b>Subtotal C:</b>	<b>18</b>	<b>34</b>	<b>-</b>		
<b>D. Staff Governance / Operations</b>					
<b>D.1 Staff Training and Development</b>		16			We will consider the extent to which staff training plans across all areas of the organisation have been developed in line with role requirements and subsequently implemented. We will assess whether appraisals and training needs identified are addressed on a timely basis, and arrangements for ensuring that statutory and mandatory training courses are completed across all areas of the organisation.

## Appendix 1 – Internal Audit Plan

Audit area	2023/24	2024/25	2025/26	Risk Register Ref	Audit objectives
<b>D.2 Recruitment, Retention and Succession</b>			18	4, 7, 8, 9, 11	We will review arrangements for ensuring that recruitment processes are efficient and effective in ensuring that NHS 24 has the right shape and size of workforce to meet the needs of service users. We will consider arrangements for succession planning including Identification of business critical roles and the associated skills required to fulfil these roles and articulation/implementation of development plans to ensure capacity exists to backfill business-critical roles as and when required.
<b>Subtotal D:</b>	-	16	18		
<b>E. ICT</b>					
<b>E.1 Front line applications IT audit</b>	20			1, 7, 10	To give targeted assurance to NHS 24 the arrangements and controls in place (IT, project management, resilience and back up) to ensure the critical front line applications can continue to support NHS 24 operations. We will also consider implications from the outputs of DTP and resilience of NHS 24's wider partners.
<b>E.3 Cyber Security and Resilience</b>			18	1	We will perform a Cyber Security Health Check to assess the relative cyber health, including arrangements for management of cyber security risks, Connect, governance arrangements and staff training. We will review the detailed scope of the review in conjunction with management to avoid any overlap with the recent NIS audit.
<b>Subtotal E:</b>	20	-	18		
<b>F. Compliance and regularity</b>					
<b>F.1 Property Transaction Monitoring</b>	4	8	6		Review of property transactions as required by Scottish Government Property Transaction Handbook. <i>*pending confirmation of qualifying transactions concluded before 31 March 2025.</i>
<b>F.2 Follow-up</b>	8	8	6		To confirm that management actions have been implemented as agreed.
<b>Subtotal F:</b>	12	16	12		

## Appendix 1 – Internal Audit Plan

Audit area	2023/24	2024/25	2025/26	Risk Register Ref	Audit objectives
<b>G. Management</b>					
<b>G.1 Contract management / contingency</b>	6	6	4		To manage the engagement and to respond to issues as/when they arise over the year.
<b>G.2 Audit and Risk Committee planning and attendance</b>	5	5	5		ARC prep and attendance, including Chair liaison/support
<b>G.3 Audit needs analysis – strategic and annual planning</b>	3	1.5	1.5		ANA, in line with PSIAS and quality standards
<b>G.4 Liaison with external audit</b>	1	0.5	0.5		For coordination and efficiency
<b>G.5 Liaison meetings and progress reporting</b>	3	3	3		For ongoing liaison, regular communication and mgt support/comms
<b>G.6 Annual internal audit report</b>	2	2	2		Per PSIAS
<b>G.7 Contingency</b>	-	-	6		Re changes to Global Internal Audit Standards to ensure we have contingency to ensure full compliance with new requirements for e.g. Root Cause Analysis. Drawdown of these days to be monitored and reported to ARC during year as part of our recurring progress reporting.
<b>Subtotal G:</b>	<b>20</b>	<b>18</b>	<b>22</b>		
<b>TOTAL</b>	<b>130</b>	<b>130</b>	<b>130</b>		

## Appendix 1 – Internal Audit Plan

As part of our planning discussions with management, we have identified the following areas as potential areas of focus for 2026/27. We will continue to keep these areas under review during the year to assess whether any re-prioritisation is required in-year. Beyond this, we will factor these areas into wider discussions with management on planning for 2026/27.

- Change Management – to review change management processes in totality across the organisation in the context of the Service Transformation Programme. We will assess overall change management systems, policies and processes within NHS 24 Potential to focus on one or more specific change process, to assess compliance with board arrangements, to highlight good practice and lessons learned to inform future changes / improvements.
- Digital Engagement: Service Users - A review of how specific, focussed digital engagement is being planned, implemented, appraised and continuously developed as part of the overall Digital Transformation Programme.

## Appendix 2 – Risk Register

As part of our audit needs assessment, we reviewed the ARC Risk Register (as at November 2024) to consider auditable areas against identified risks.

No.	REF	Risk description	Current Risk Score
1	RI-0003979	There is a risk that NHS 24's information assets or technology systems are lost or compromised due to a successful malicious cyber attack or data breach by an individual or organisation attempting to gain access to technology network/infrastructure, corrupt data or steal confidential information.	15
2	RI-0007975	Benefits articulation and realisation. There is a risk that NHS 24 are not clear on the benefits articulation and realisation of key strategic programmes.	12
3	RI-0004725	There is a risk that Scottish Government are unable to fund the full allocations to NHS 24 due to wider Health and Social Care financial pressures	12
4	RI-0012884	There is a risk that NHS 24 do not capitalise on the financial opportunities associated with the Estates Strategy	12
5	RI-0012885	There is a risk that NHS 24 Dundee site will become challenging to operate within as the building purpose has shifted to residential student accommodation from office space.	12
6	RI-0013952	There is a risk that NHS 24 is unable to close the current non-recurring funding gap for the implementation of the Digital Transformation Programme (DTP).	12
7	RI-0004336	There is a risk that NHS 24 may be challenged to respond to exceptional peak winter 24/25 pressures while delivering the Digital and Service Transformation Strategic programmes of work.	12
8	RI-0003927	There is a risk that if NHS 24 experiences low levels of staff attendance over a prolonged period of time, this will negatively impact its ability to deliver clinical services, meet the duty outlined in the Health and Care Staffing Act (Scotland) (2019) to ensure appropriate staffing and develop new and improved ways of working.	12
9	RI-0003932	There is a risk that leaders in the organisation are not sufficiently skilled to resiliently manage current complex organisational challenges or the change required to transform NHS 24 in line with the priorities contained in the Corporate Strategy 2023-28.	12
10	RI-0003925	There is a risk that due to pressures to deliver improved external patient facing ICT interfaces and the dedicated resources and finance this will require, we are unable to deliver the modernisation of systems and digitisation internally which will enable delivery of the Workforce Strategy and Plan 2022-25 and wider organisational Strategy and Plans.	12
11	RI-0003944	There is a risk that without changing the current organisational culture, attrition will continue to rise, grievances levels will continue to be high and attendance levels challenging.	12

## Appendix 3 – Review timetable 2025/26

Review	Start fieldwork	Complete fieldwork	Draft Report	Mgt Response	Final Report	ARC meeting
A.5 Environmental Sustainability	Feb 2026	Feb 2026	Mar 2026	Mar 2026	Apr 2026	Jun 2026
A.6 PMO Review – Digital Transformation Programme	May 2025	May 2025	Jun 2025	Jun 2025	Aug 2025	Aug 2025
A.7 Implementation Management	July 2025	July 2025	Aug 2025	Aug 2025	Sep 2025	Nov 2025
B.3 Core Financial Systems – Non-Pay Expenditure	July 2025	July 2025	Aug 2025	Aug 2025	Sep 2025	Nov 2025
D.2 Recruitment, Retention and Succession	Aug 2025	Sep 2025	Sep 2025	Oct 2025	Nov 2025	Feb 2026
E.3 Cyber Security and Resilience	Oct 2025	Oct 2025	Nov 2025	Nov 2025	Dec 2025	Feb 2026
F.1 Property Transaction Monitoring	May 2025	May 2025	Jun 2025	Jun 2025	Jul 2025	Aug 2025
F.2 Follow Up Q1			n/a			Jun 2025
F.2 Follow Up Q2			n/a			Aug 2025
F.2 Follow Up Q3			n/a			Nov 2025
F.2 Follow Up Q4			n/a			Feb 2026
G.6 Internal Audit Annual Report			n/a			Jun 2026

# Appendix 4 – Internal Audit Charter

## Purpose

The purpose of the internal audit function is to strengthen NHS 24's ability to create, protect, and sustain value by providing those charged with governance (hereafter referred to as the Audit and Risk Committee) and senior management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances NHS 24's:

- Successful achievement of its objectives
- Governance, risk management, and control processes
- Decision-making and oversight
- Reputation and credibility with its stakeholders
- Ability to serve the public interest.

NHS 24's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the IIA's Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the ARC; and
- Internal auditors are free from undue influence and committed to making objective assessments.

## Commitment to Adhering to the Global Internal Audit Standards

Azets internal auditors will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements.

The Chief Audit Executive will report [periodically] to the ARC and senior management regarding the internal audit function's conformance with the Standards, which will be assessed our Quality Assurance and Improvement Programme.

# Mandate

## Authority

The NHS 24 Audit and Risk Committee (ARC) grants the internal audit function the mandate to provide the ARC and senior management with objective assurance, advice, insight, and foresight. The internal audit function's authority is created by its direct reporting relationship to the ARC. Such authority allows for unrestricted access to the ARC.

The ARC authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information; and
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives

## Independence, Organisational Position and Reporting Relationships

The Chief Audit Executive should be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function.

The Chief Audit Executive will report functionally to the ARC Committee and administratively (for example, day-to-day operations) to the Chief Executive. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the ARC, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The Chief Audit Executive will confirm to the ARC, at least annually, the organisational independence of the internal audit function. The Chief Audit Executive will disclose to the ARC any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results.

The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.



## Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the Chief Audit Executive, ARC, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards
- A significant acquisition or reorganisation within the organisation
- Significant changes in the Chief Audit Executive, Audit and Risk Committee, and/or senior management
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operations
- New laws or regulations that may affect the nature and/or scope of internal audit services.

## Audit and Risk Committee Oversight

To establish, maintain, and ensure that NHAA's internal audit function has sufficient authority to fulfill its duties, the ARC will:

- Discuss with the Chief Audit Executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function
- Ensure the Chief Audit Executive has unrestricted access to and communicates and interacts directly with the ARC, including in private meetings without senior management present
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services
- Review the internal audit charter annually with the Chief Audit Executive to consider changes affecting the organisation such as changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter annually
- Approve the risk-based strategic and annual internal audit plan
- Approve the budget for internal audit services
- Collaborate with senior management to determine the qualifications and competencies the organisation expects in a Chief Audit Executive, as described in the Global Internal Audit Standards
- Review the performance of the internal audit service
- Receive communications from the Chief Audit Executive about the internal audit function, including its performance relative to its plan
- Receive communications from the Chief Audit Executive about the results of internal audit's quality assurance and improvement programme
- Make appropriate inquiries of senior management and the Chief Audit Executive to determine whether scope or resource limitations are inappropriate.

## INTERNAL AUDIT CHARTER

The Audit and Risk Committee meets four times a year, normally in June, August, November, and February. Dates for Audit and Risk Committee meetings will be provided to internal audit as soon as they are agreed. The Chief Internal Auditor and/ or Internal Audit Director will attend all meetings of the Audit and Risk Committee.

Internal audit will schedule its work so as to spread internal audit reports reasonably evenly over Audit and Risk Committee meetings. The annual internal audit plan will detail the internal audit reports to be presented to each Audit and Risk Committee meeting.

The internal auditor will generally present specific reports to the committee as follows:

Output	Meeting
Annual internal audit plan	February
Follow-up report	June, August, November and February.
Annual report	June
Progress report	All meetings

## Chief Audit Executive Roles and Responsibilities

### Ethics and Professionalism

Azets commits to:

- Conforming with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality
- Understanding, respecting and meeting the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations
- Encouraging and promoting an ethics-based culture in the organisation
- Reporting organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

### Objectivity

The Chief Audit Executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Audit Executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment.

Where members of the internal audit function are involved, or should become involved, in management or decision-making activities, the Chief Audit Executive will ensure appropriate safeguards are in place to limit the threat to independence and objectivity.

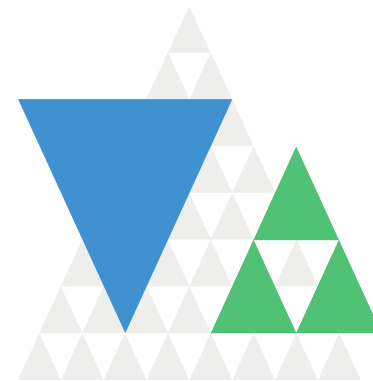
Internal auditors will:

- Exhibit professional objectivity in gathering, evaluating, and communicating information
- Make balanced assessments of all available and relevant facts and circumstances
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

### Managing the Internal Audit Function

The Chief Audit Executive has the responsibility to:

- Develop a risk-based strategic internal audit plan and, at least annually, develop an annual internal audit plan that considers the input of the ARC and senior management. Discuss the plans with the ARC and senior management and submit the plan to the ARC for review and approval
- Review and adjust the internal audit plan, as necessary, in response to changes in NHS 24's business, risks, operations, programmes, systems, and controls
- Communicate with the ARC and senior management if there are significant interim changes to the internal audit plan
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards
- Follow up on engagement findings and confirm the implementation of recommendations or action plans [unless the organisation takes on this responsibility themselves] and communicate the results of internal audit services to the ARC and senior management as appropriate



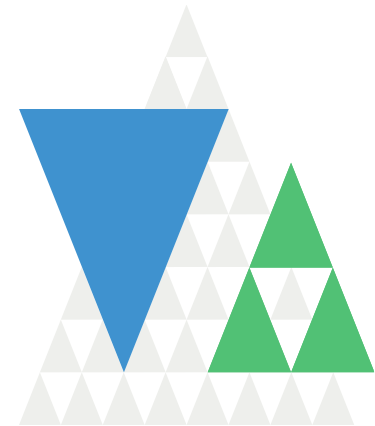
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, resources and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate
- Identify and consider trends and emerging issues that could impact NHS 24 and communicate to the ARC and senior management as appropriate
- Establish and ensure adherence to methodologies designed to guide the internal audit function
- Ensure adherence to NHS 24's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the ARC and senior management.

An assignment plan will be drafted prior to the start of every assignment setting out the scope, objectives, timescales and key contacts for the assignment. Specifically, the assignment plan will detail the timescales for carrying out the work, issuing the draft report, receiving management responses and issuing the final report. The assignment plan will also include the name of the staff member who will be responsible for the audit (review sponsor) and the name of any key staff members to be contacted during the review (key audit contact). The assignment plan will be agreed with the review sponsor and the key audit contact (for timings) before the review starts.

### **Communication with the Audit and Risk Committee and Senior Management**

The Chief Audit Executive will report [periodically] to the Audit and Risk Committee and senior management regarding:

- The internal audit function's mandate
- The internal audit plan and performance relative to its plan, including any significant revisions to the internal audit plan
- Potential impairments to independence, including relevant disclosures as applicable
- Results from the quality assurance and improvement programme and action plans to address any deficiencies and opportunities for improvement
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the ARC
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond NHS 24's risk appetite
- Results of assurance and advisory services
- Internal audit budget and resource requirements.



## INTERNAL AUDIT CHARTER

A written report will be prepared and issued by the Chief Audit Executive or designee following the conclusion of each internal audit engagement and will be distributed to the review sponsor and key contacts identified in the assignment plan for management responses and comments.

Draft reports will be issued by email within 10 working days of fieldwork concluding. The covering email will specify the deadline for management responses, which will normally be within a further 10 days. The management comments and response to any report will be overseen by the review sponsor. Internal Audit will make time after issuing the draft report to discuss the report and, if necessary, meet with the review sponsor and/or key contact to ensure the report is factually accurate and the agreed actions are clear, practical, achievable and valuable.

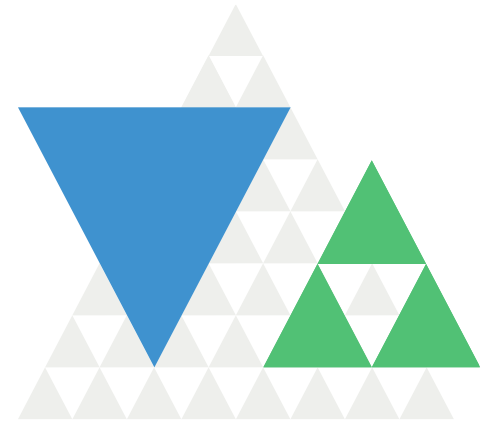
The internal auditors will issue the final report to the review sponsor. The final report will be issued within 5 working days of the management responses being received. Finalised internal audit reports will be presented to the ARC. Finalised internal audit outputs must be in the hands of the Committee Administrator by prescribed dates annually.

### **Quality Assurance and Improvement Programme**

Azets has in place a quality assurance and improvement programme that covers all aspects of the internal audit function. The programme includes external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement.

Annually, the Chief Audit Executive will communicate with the Audit and Risk Committee and senior management about the internal audit function's quality assurance and improvement programme, including the results of internal assessments and external assessments.

External assessments are conducted at least once every five years by a qualified, independent assessor.



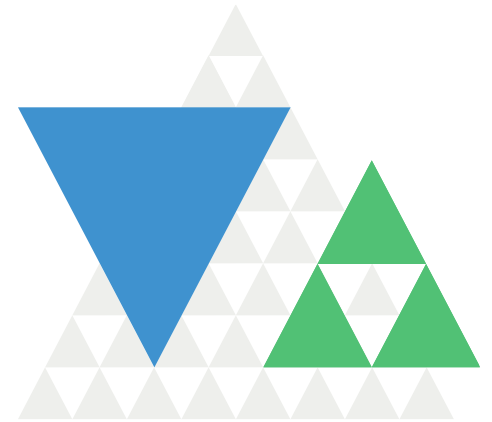
## Scope and Types of Internal Audit

The scope of internal audit services covers the entire breadth of the organisation, including all NHS 24's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the ARC and management on the adequacy and effectiveness of governance, risk management, and control processes for NHS 24.

Internal audit are available as a resource to investigate / assist management in responding to suspected or actual fraud.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of NHS 24's strategic objectives are appropriately identified and managed
- The actions of NHS 24's officers, directors, management, employees, and contractors or other relevant parties comply with NHS 24's policies, procedures, and applicable laws, regulations, and governance standards
- The results of operations and programmes are consistent with established goals and objectives
- Operations and programmes are being carried out effectively and efficiently
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact NHS 24
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.



## Appendix 5 – Disclaimer

This report is intended for use by NHS 24 only and should not be relied upon by anyone else for any purpose whatsoever. Azets is acting for NHS 24 only and will not be responsible to any other person for providing protections afforded to clients and will not give any advice to any recipient of this report. No representation or warranty, express or implied, is given by us as to the accuracy or completeness of the information and opinions contained herein.

Additionally, no account has been taken of the needs of third-party organisations in producing and agreeing this report and as such, it may be unsuitable for their purposes. Third parties should therefore verify the information contained in the report with our client where necessary.

To the fullest extent permitted by law, neither Azets nor NHS 24 nor its directors shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of any third parties relying on any information or opinions contained herein or in any other communication in connection with this report.

