



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 29 JUNE 2023

SUBJECT: INTERNAL AUDIT SECTION - UPDATE REPORT

BY: CHIEF INTERNAL AUDITOR

1. REASON FOR REPORT

- 1.1 Committee is asked to consider the contents of this report; seek clarification on any points noted and otherwise note the report.

2. RECOMMENDATION

- 2.1 **The Audit, Performance and Risk Committee is asked to consider and note this audit update.**

3. BACKGROUND

- 3.1 Public Sector Internal Audit Standards (PSIAS) require the Chief Internal Auditor to prepare and present reports to committee on internal audit's activity relative to the audit plan and on any other relevant matters.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

Public Sector Internal Audit Standards (PIAS)

- 4.1 The Local Authority Accounts (Scotland) Regulations 2014 require public bodies to operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing, the Public Sector Internal Audit Standards.
- 4.2 Internal performance monitoring against PSIAS has been ongoing over the last few years. However, a more structured internal assessment was completed in preparation for the External Quality Assessment, scheduled for later in 2023. Enclosed in **Appendix 1** is an Action Plan detailing recommendations for compliance with PSIAS.
- Follow Up Reviews**
- 4.3 Internal Audit reports are regularly presented to members detailing not only findings but also the responses by management to the recommendations with agreed dates of implementation. Internal Audit will also undertake follow up

reviews to evidence the effective implementation of these recommendations. Please see detailed the following completed follow up reviews:

Health and Social Care Moray - Self-Directed Support (SDS) Financial Review

- 4.4 This audit has reviewed the arrangements for monitoring service users who receive an SDS direct payment to purchase their own support. This involved the random selection of a sample of care packages and a check made to ensure compliance with operating procedures, expenditure incurred by the service user is in accordance with the agreed budget and support plans, and surplus funds are recovered from service users where appropriate. It was noted that a total of 150 adult service users receive an SDS direct payment to purchase their own support at a cost of approximately £3 million annually. The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 2**. Unfortunately, it was found that the majority of the recommendations had not been implemented. The Service detailed particular issues regarding staff shortages and revised dates of implementation have been agreed.

Health and Social Care Moray - Client Monies

- 4.5 An audit was undertaken of the processes undertaken by the Community Care Finance Team in how they administer the corporate bank account. In addition, a sample of individuals was also selected, and a check was made on how the Health and Social Care Officer appointed as the named "Corporate Appointee" manages and supports individuals to access their funds appropriately. The Adults with Incapacity (Scotland) Act 2000 enables a Health and Social Care Officer to be appointed by the DWP to have "Corporate Appointeeship" responsibility for managing the benefits received by an individual. At the time of the audit, it was found that 59 individuals are being managed within the "Corporate Appointeeship" Scheme with a combined value of £483,000 held within a corporate bank account. The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 3**. The Service detailed that it has not been possible to implement a number of the recommendations within the previously agreed timescales. There will therefore be a need to undertake a further follow up review of this audit and thereafter report progress to a future Audit Performance and Risk Committee.

Procurement and Creditor Payments

- 4.6 An audit was undertaken to review payments made to suppliers of goods and services. The purpose of the audit was to confirm that effective controls are operating to ensure all payments are appropriately authorised, accurate and paid in accordance with financial regulations and agreed terms and conditions. This audit review is related to testing a sample of transactions generated under the direction of the Moray Integration Joint Board. Through the use of computer audit software, a sample of payments was randomly selected from this period with a value of £1.05 million. The testing undertaken was developed from the Chartered Institute of Public Finance and Accountancy's Audit Programme. The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 4**. It is pleasing to report that all recommendations have now been implemented

Social Media Accounts

- 4.7 A follow up review was undertaken of the audit undertaken regarding the use of Social Media. The scope of the review was to understand which services use social media websites as a means of communication and how it is managed. Social media refers to websites and applications, e.g., Facebook and Twitter that are designed to allow people to share content quickly, efficiently, and in real time. Officers use social media as a form of communication across various services. The Follow Up Report confirming the implementation of the agreed recommendations is given in **Appendix 5**.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan “Partners in Care 2022 – 2032”

Internal audit work supports good governance and assists in securing appropriate systems of internal control.

(b) Policy and Legal

The internal audit service is provided in terms of paragraph 7:1 of the Local Authority Accounts (Scotland) Regulations 2014, and there is a requirement to provide a service in accordance with published Public Sector Internal Audit Standards.

(c) Financial Implications

No implications directly arising from this report.

(d) Risk Implications and Mitigation

Audit reports highlight risk implications and contain recommendations for management to address as a means of mitigating.

(e) Staffing Implications

No implications directly arising from this report

(f) Property

No implications.

(g) Equalities/ Socio Economic Impacts

No implications.

(h) Climate Change and Biodiversity Impacts

None directly arising from this report.

(i) Directions

None arising directly from this report.

(j) Consultations

There have been no direct consultations during the preparation of this report.

6. CONCLUSION

6.1 This report provides committee with an update on internal audit work progressed in the latest review period.

Author of Report:	Dafydd Lewis, Chief Internal Auditor
Background Papers:	Internal Audit Files
Ref:	mijb/ap&rc/29062023