



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 29 FEBRUARY 2024

SUBJECT: INTERNAL AUDIT SECTION - COMPLETED PROJECTS

BY: CHIEF INTERNAL AUDITOR

1. REASON FOR REPORT

1.1 To provide an update on audit work completed since the last meeting of the Committee.

2. RECOMMENDATION

2.1 The Committee is asked to consider the contents of the report, seek clarification on any points noted and otherwise note the report.

3. BACKGROUND

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

4. KEY MATTERS RELEVANT TO RECOMMENDATION

4.1 In line with the approved internal audit plan, the following reviews were completed:

Moray Integrated Community Equipment Store

4.2 A review of the Occupational Therapy Store, now known as the Moray Integrated Community Equipment Store, has been undertaken. Occupational Therapy stock comprises aids and equipment issued to service users to help with various daily tasks, including cooking, dressing and bathing. The individual items of equipment held can vary in value from a few pounds to upwards of £1,000 for certain types of hoists and specialised seating. The total stock turnover for 2022/23 amounted to approximately £500,000. A particular feature of this store is that it also deals with returns of equipment that is no longer required, and where possible, this equipment is decontaminated and made available for reuse. The audit reviewed the systems and controls in managing the store, covering purchases, issues and storage of stock items. Significant findings were found where improvements

are required to current operating arrangements. However, it is pleasing to report that the Service has agreed to all the recommendations. The executive summary and recommendations for this project are given in **Appendix 1**.

Children's Services Commissioning

- 4.3 An audit of the arrangements for commissioning children's social care services has been undertaken. The audit reviewed the key controls in operation within Children's Services with regard to the external commissioning of social care services. Services delivered included contracts for preventative, support and restorative services and residential care, and the commissioning of out of area residential placements required due to the limited capacity of specialised care within the Moray locality. The annual budget for commissioning children's social care services utilising national framework and local contract arrangements totals £7.4 million, of which £4.3 million relates to out of area placements. The audit found within the parameters of the audit scope that the delivery and management of children's social care commissioning services to be well managed. The executive summary and recommendations for this project are given in **Appendix 2**.

Debtors

- 4.4 An audit review of the Council's Debtors System has been undertaken. Invoices are raised for various types of services, eg financial contribution for care. For the financial year 2022/23, approximately 70,000 invoices were raised to a value of £15.4 million. Testing involved a check to ensure invoices can be evidenced with enough backing documentation to be able to support debt recovery should the need arise; confirm payments had been auto matched to debtor accounts; receipts without a valid reference have been posted to and cleared from a suspense account on a regular basis; effective monitoring of unpaid invoices are monitored and chased in accordance with debt recovery procedures; collection performance is monitored and reported. The executive summary and recommendations for this project are given in **Appendix 3**.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan "Moray Partners in Care 2022-32"

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 a summary of findings arising from audit project completed during the review period.

Author of Report: Dafydd Lewis, Chief Internal Auditor
Background Papers: Internal Audit Files
Ref: mjb/ap&rc/29022024