



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 25 JANUARY 2024

SUBJECT: REAPPOINTMENT OF CHIEF INTERNAL AUDITOR

BY: CHIEF OFFICER

1. REASON FOR REPORT

1.1 To ask the Moray Integration Joint Board (MIJB) to consider the reappointment of the Chief Internal Auditor, whose current terms of appointment are due to expire on 31 March 2024.

2. RECOMMENDATION

2.1 It is recommended that the MIJB formally agrees to appoint Dafydd Lewis, Audit and Risk Manager, Moray Council, as the Chief Internal Auditor of the MIJB, for a further period of two years to 31 March 2026.

3. BACKGROUND

3.1 Section 12 of the Moray Health and Social Care Integration Scheme sets out the arrangements for establishing an adequate and proportionate internal audit service for review of the arrangements for risk management, governance and control of the delegated resources.

3.2 At the meeting on 31 March 2016 (para 7 of the minute refers), the MIJB agreed the key responsibilities of the Chief Internal Auditor role and to formally appoint the Moray Council's Internal Audit Manager as the MIJB Chief Internal Auditor for an initial period of 2 years.

3.3 The appointment has recognised that existing internal audit arrangements within the Council and NHS Grampian will be maintained. There is a requirement that the delivery of an internal audit service to the MIJB is in accordance with the Public Sector Internal Auditing Standards to ensure appropriate arrangements are in place for audit planning, reporting and providing an annual opinion on the overall adequacy and effectiveness of the MIJB risk management, control and governance processes. This opinion is based on the work the internal audit services of the Council and NHS Grampian has performed. However, this requires sufficient available auditing resources within both Organisations.

- 3.4 At the MIJB meeting on 27 January 2022, the MIJB agreed to formally appoint Dafydd Lewis, Audit and Risk Manager, Moray Council, as the Chief Internal Auditor for the MIJB, for a period of two years to 31 March 2024 (para 9 of the minute refers).

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 The Chief Internal Auditor role is a statutory requirement and a further appointment is now required.
- 4.2 It is the responsibility of the MIJB to establish and maintain adequate and proportionate internal audit arrangements. These are considered to be best served by utilising Council internal audit staff to provide assurances on funding provided to the MIJB by the Council and seeking similar assurances from the internal auditors of NHS Grampian in regard to contributions to the MIJB by NHS Grampian. It is proposed that the current arrangements continue for a further 2 years to 31 March 2026 to further develop the Internal Audit provision to the MIJB.

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”

Good governance arrangements will support the MIJB to fulfil stated objectives. The provision of an independent internal audit service is one aspect of good governance.

(b) Policy and Legal

The arrangements to appoint an Internal Audit Service for the MIJB are set out in section 12 of the Integration Scheme and have been referred to within this report.

The MIJB is subject to the accounts and audit provisions contained within Part VII of the Local Government (Scotland) Act 1973 and regulations made under this Act, as it is a body listed under section 106 of the Act. In particular, the Board, by virtue of regulation 7 of The Local Authority Accounts (Scotland) Regulations 2014, must operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing.

(c) Financial implications

The Financial Regulations of the MIJB state that the MIJB shall secure the provision of a continuous internal audit service to provide an independent and objective opinion on the control environment comprising risk management, governance and control of delegated resources. Moray Council’s Audit and Risk Manager will undertake this additional responsibility to fulfil the responsibilities of the Chief Internal Auditor for the MIJB. These services are currently provided at no cost to the MIJB.

(d) Risk Implications and Mitigation

If an appointment is not made there will be a breach of regulations and likely adverse comment from the MIJB's external auditor.

(e) Staffing Implications

The MIJB Chief Internal Auditor is employed by Moray Council. If reappointed, they will continue to be employed by Moray Council. Duties for the MIJB will continue to fall within their remit. This arrangement will be subject to ongoing review through the APR Committee to ensure delivery of audit services for the MIJB remains sustainable.

(f) Property

None arising directly from this report.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not needed because the report is to consider a re-appointment.

(h) Climate Change and Biodiversity Impacts

None arising directly from this report.

(i) Directions

None arising directly from this report.

(j) Consultations

Consultations on this report have been undertaken with the following staff who are in agreement with the content of this report where it relates to their area of responsibility:

- Chief Officer, MIJB
- Legal Services Manager, Moray Council
- Interim Chief Financial Officer, MIJB
- Corporate Manager, HSCM
- Audit and Risk Manager, Moray Council
- Caroline O'Connor, Committee Services Officer, Moray Council
- Senior HR Advisor, Moray Council

6. CONCLUSION

6.1 The period of appointment for the Chief Internal Auditor is due to expire and a further appointment is necessary to meet statutory requirements.

Author of Report: Isla Whyte, Interim Support Manager, HSCM

Background Papers: with author

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