



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 26 OCTOBER 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

Audit Plan 2024/25

4.1 Preparation has begun to agree on the Audit Plan for 2024/25. Internal Audit's approach to annual audit planning is risk-based with all areas which may be subject to audit review contained within an 'audit universe.' The audit universe is reviewed and updated on an ongoing basis to include all significant activities and systems.

4.2 The consultation process will also provide the opportunity to remind officers of established timescales for responding to requests for information during an audit review and to the recommendations within the audit report. However, Internal Audit appreciate the significant workload demands on officers and will always try to accommodate any requests for changes in reporting arrangements.

Follow Up Reviews



4.3 Internal Audit reports are regularly presented to Elected 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:

Self Directed Support (SDS)

4.4 An audit has previously been undertaken into the financial monitoring arrangements within the SDS Team for direct payments made to service users. The audit checked for effective procedures in the monitoring of funds issued to service users. 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. A follow up review to evidence implementation of the recommendations found a number remain outstanding. However, it was pleasing to note that the Service is committed to implementing all the recommendations, with the progress of the work being undertaken reported to members at the Audit, Performance and Risk Committee on 31 August 2023 (para 7 of the minute refers). The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 1**.

Client Monies

4.5 An audit was undertaken of how Health and Social Care officers manage income held for individuals under Corporate Appointeeship Arrangements. Where no alternative exists, the Council can make an application to the Department for Work and Pensions (DWP) for a named officer to become the "Corporate Appointee" and have the legal authority to manage an individual's personal finances. The audit involved a review of the procedures undertaken by the Community Care Finance Team into how they manage client funds held within 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 and use their funds appropriately. The follow up review to evidence implementation of the recommendations found all apart from 5.04 had been implemented. Recommendation 5.04 concerns the requirement to undertake a full review of current cash handling procedures for monies withdrawn for distribution to meet the needs of service users. The Senior Management Team has accepted the need for this recommendation, but implementation is not possible as a reorganisation of the Service is currently being considered. The Follow Up Report to review the implementation of the agreed recommendations is given in **Appendix 2**.

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

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/26102023