



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 31 MARCH 2022

SUBJECT: INTERNAL AUDIT – 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 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 the committee on internal audit's activity relative to the audit plan and any other relevant matters.
- 3.2 Challenges associated with the pandemic remain, resulting in significant changes within current working practices that make the audit process more difficult, and uncertainty remains regarding these arrangements in the period ahead. All audit staff are still working from home, which brings some limitations to the audit process.
- 3.3 In line with the approved internal audit plan for the year, internal audit projects were completed in respect of:

4. COMPLETED PROJECTS

Self Directed Support (SDS)

- 4.1 An audit has been undertaken into the financial monitoring arrangements within the SDS Team for direct payments made to service users. The audit has 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.

- 4.2 The audit found several areas where further improvements are required to current operating arrangements with a need to review all service user care packages to recover any excess funds. It is appreciated that staff resources have been diverted to support Covid related activities and the focus has been on supporting direct payment recipients, employers and personal assistants to ensure essential care has continued to be delivered. The executive summary and recommendations for this project is given in **Appendix 1**.

Creditor Payments

- 4.3 A review has been undertaken of creditor payments made within 2021/22. The use of an audit software interrogation system called IDEA was used to randomly select a sample of payments to check. The purpose of the audit was to confirm ongoing compliance with procurement and payment processing regulations. The audit had regard to the Audit Scotland publication 'Public Sector Counter-Fraud' issued in July 2020. The publication detailed a number of good practice recommendations, including Internal Audit undertaking a review to ensure proper controls are operating regarding segregation of duties, tendering arrangements, authorisation of expenditure, etc. The audit has included these elements within this review. A check was also made for duplicate payments by extracting listings where more than one invoice from a single supplier had been paid for the same amount.
- 4.4 Findings from the testing found no issues of concern regarding the suppliers used, sums paid, authorisations, and accounting treatment. It is also considered from the checks undertaken that appropriate controls are operating effectively, and the integrity of systems has been maintained.

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 2019 – 2029”

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

No implications.

(i) 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 projects completed during the review period.

Author of Report:	Dafydd Lewis, Chief Internal Auditor
Background Papers:	Internal Audit Files
Ref:	mijb/ap&rc/310322