



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT, PERFORMANCE AND RISK COMMITTEE ON 30 MARCH 2023

SUBJECT: INTERNAL AUDIT PLAN 2023/24

BY: CHIEF INTERNAL AUDITOR

1. REASON FOR REPORT

- 1.1 To provide the Audit, Performance and Risk Committee with information on the proposed internal audit coverage for the 2023/24 financial year.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers and notes this report and agrees the proposed audit coverage.**

3. BACKGROUND

- 3.1 Scottish Government Integrated Resources Advisory Group (IRAG) guidance requires each IJB to establish adequate and proportionate internal audit arrangements to review risk management, governance and control of delegated resources.
- 3.2 The guidance recommends that a risk-based audit plan should be developed by the Chief Internal Auditor of the IJB and be approved by the IJB or other Committee (in Moray, the Audit, Performance and Risk Committee). Importantly it also notes that the operational delivery of services within the Health Board and Local Authority on behalf of the IJB will be covered by their respective internal audit arrangements.
- 3.3 In recent years, discussions have been held with the internal audit providers for NHS Grampian, Aberdeen City and Aberdeenshire Councils. The intention has been to develop closer working relationships to better coordinate the audit planning process. An audit of Information Management was agreed as the first step to be undertaken by all internal audit providers. It is therefore pleasing to report that the audit review was completed and a report issued with

recommendations agreed by the Service. It is hoped moving forward that closer working relationships can continue to ensure a greater coordinated audit approach.

- 3.4 Moray Council's Audit and Scrutiny Committee, at its meeting on 15 of February 2023, approved an audit plan which provided 80 days of input for audit work relating to the MIJB (para 5 of the minute refers).

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 In selecting audit topics, a full evaluation of the council's resource inputs to the activities directed by the MIJB has been undertaken, with consideration given to:

- materiality (based on expenditure or income)
- consultation with senior management for areas of work where it was considered internal audit could make a contribution through its work programme
- time elapsed since an area was last subject to a review
- overall audit assessment of the control environment

- 4.2 The following areas are considered for inclusion within the 2023/24 Audit Plan:-

- **Commissioning Services** - Review the arrangements for the commissioning of services for children to ensure these are designed and delivered to meet the specified needs and demonstrate best value.
- **Disabled Parking System** - Review the system for administering the disabled parking permits, also known as Blue Badges.
- **Occupational Therapy Services – Stores** - A review of the Occupational Services Stores Systems to ensure appropriate accounting systems are followed.

- 4.3 The impact of the pandemic has resulted in changes in the working practices of services with officers working from home. The Internal Audit Section has adapted, and greater use has been made of electronic methods of communication. However, sometimes this has proved challenging and has slowed the pace of audits. Committee should therefore be aware of possible delays in progressing and completing audit reviews.

- 4.4 The Public Sector Internal Audit Standards require the Chief Internal Auditor to consider whether or not the audit staffing resources are sufficient to meet the audit needs of the organisation and where it is believed that the level of resources may impact adversely on the provision of the annual internal audit opinion draw this to the attention of the Committee. In recent years there have been increased demands on the Internal Audit Section to ensure we meet the

requirements of the service by attendance on various working groups, consultation on specific issues of concern, and ensuring sufficient coverage to provide an annual audit opinion. As the Chief Internal Auditor of the MIJB, I am of the opinion these demands will increase, and I am therefore concerned that the available resource will be sufficient to meet these needs.

- 4.5 In considering the audit coverage, the Audit, Performance and Risk Committee should be aware that the responsibility for developing and maintaining a sound control environment rests with management and not with Internal Audit. Similarly, it will be recognised that Internal Audit is not the only scrutiny activity within the MIJB, with services challenged through other mechanisms, including external audit and inspection and separate reporting on clinical and care governance.

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

Not required as there is no change to policy.

(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 The Committee is asked to consider and agree the planned audit coverage for the MIJB for 2023/24.

Author of Report: Dafydd Lewis, Chief Internal Auditor

Background Papers: Audit working papers

Ref: MIJB/APRC/300323