



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 27 JANUARY 2022

SUBJECT: CHIEF INTERNAL AUDITOR APPOINTMENT

BY: CHIEF OFFICER

1. REASON FOR REPORT

1.1 To ask the Moray Integration Joint Board (MIJB) to consider the appointment of the Chief Internal Auditor.

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 period of two years to 31 March 2024.

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 recognised that existing internal audit arrangements in place within the Council and NHS Grampian would continue as before and that the additionality would be around reporting separately to the MIJB Audit Performance and Risk Committee (APR Committee), considering any specific audit issues that may emerge as a consequence of integration, and also setting in place processes for closer working between NHS Grampian's internal auditors and those of the three north east councils. Moray Council agreed to make available the internal audit resource for these tasks.

3.4 On 4 October 2021, Atholl Scott retired from his post of Internal Audit Manager within Moray Council. The continuation of an internal audit service for MIJB was discussed at meetings of the Audit, Performance and Risk (APR) Committee to provide assurance that there would be no gaps in provision of service and the then Senior Auditor attended APR Committee and provided progress updates. On the 11 October 2021, Dafydd Lewis was

appointed by Moray Council in the capacity of Audit and Risk Manager and has continued to engage with officers and the Chair of APR Committee in the capacity of Chief Internal Auditor to the MIJB.

- 3.5 The Chief Internal Auditor role is a statutory requirement and a further nomination is now required.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 It is the responsibility of the MIJB to establish and maintain adequate and proportionate internal audit arrangements. These for now 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 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 2024 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 "Moray Partners in Care 2019 – 2029"

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 proposed 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 has assumed an extension of duties to fulfil the responsibilities of the Chief Internal Auditor for the MIJB. These services are currently provided at no cost to the MIJB. There may be financial implications to consider beyond 2023/24.

(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

Dafydd Lewis is employed by Moray Council. If appointed, he will continue to be employed by Moray Council. Duties for the MIJB will continue to fall within his remit. This arrangement will be subject to ongoing review through the APRC 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) Consultations

Consultations 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:

- Legal Services Manager, Moray Council
- Chief Financial Officer, MIJB
- Corporate Manager, HSCM
- Dafydd Lewis, Audit and Risk Manager, Moray Council
- Tracey Sutherland, Committee Services Officer, Moray Council
- Katrina McGillivray, 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

Background Papers: Held with author

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