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

**SUBJECT: INTERNAL AUDIT SECTION COMPLETED PROJECTS REPORT**

**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.

**4. KEY MATTERS RELEVANT TO RECOMMENDATION**

4.1 In line with the approved internal audit plan, the following reviews were completed:

**General Data Protection Regulation**

4.2 A review has been undertaken of Council systems to ensure compliance with the United Kingdom's General Data Protection Regulation (GDPR). The General Data Protection Regulation is a 2016 European Union Regulation that was incorporated into the United Kingdom Data Protection Act 2018. The audit reviewed systems and controls to ensure the Council is fulfilling the requirements of GDPR. The review sought to confirm the required policies, procedures and guidance are in place; there is awareness throughout the Council with comprehensive training programmes and effective oversight and governance arrangements to monitor ongoing compliance with GDPR. The executive summary and recommendations for this project are given in **Appendix 1**.

## **Information Management**

- 4.3 An audit has been undertaken to review that an appropriate system exists in the management, security and transfer of data between the Council and care providers, including NHS Grampian. The decision to review information management was undertaken after discussions were held with the internal audit providers for NHS Grampian, Aberdeen City and Aberdeenshire Councils. The intention was to develop closer working relationships to better coordinate the audit planning process and provide a more comprehensive audit opinion of the control environment within Health and Social Care.
- 4.4 A start date for the information management audit was agreed, but I was then informed by the NHS Internal Audit Provider they could no longer complete the audit as a review by the Information Commissioner was taking precedence. As the audit within the Council was already well progressed, the review was completed in accordance with the Audit Plan. The executive summary and recommendations for this project are given in **Appendix 2**.

## **Payroll System**

- 4.5 A review has been undertaken of the payroll system. The payroll system is one of the core financial systems of the Council in administering approximately £80 million of annual expenditure. The audit reviewed the key controls in the management of the payroll service. This involved an assessment of the operational effectiveness of these controls. Audit testing included the random selection of a sample of salary payments and deductions to ensure the correct calculation of remuneration and statutory/ voluntary deductions are processed timeously and accurately. The Chartered Institute of Public Finance and Accountancy Control Matrices were used to develop an audit programme. Further to an incident regarding the unauthorised access to an officer's Employee Self-Service account, additional testing was also undertaken regarding access controls to the Employee Self Service System, where officers can amend their personal information, including bank details. The executive summary and recommendations for this project are given in **Appendix 3**.

## **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 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 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  
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