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

**SUBJECT: INTERNAL AUDIT PLAN 2022/23**

**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 2022/23 financial year.

**2. RECOMMENDATION**

- 2.1 **It is recommended that the Committee considers and agrees to 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. It is therefore pleasing to report an audit of Information Management has been agreed to be undertaken by all of the internal audit providers. The audit will review that an appropriate system exists in the management, security and transfer of data. The sharing of an audit programme has also been agreed upon as part of this process.

- 3.4 Moray Council's Audit and Scrutiny Committee, at its meeting on the 30 March 2022, approved an audit plan which provided for a total of 80 days input for audit work relating to the MIJB and Social Care. This increases the number of days from the last year and restores the number of available audit days to previous years' allocation.

#### 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 2022/23 Audit Plan:-

- **Care First System-** An exercise to assess system management, security and resilience of the Care First System used for the recording and management of service users data.
- **Self-Directed Support-** Review of Self Directed Support financial monitoring arrangements regarding Option 2/3 where care support packages to service users are managed by the Moray Council or an Individual Service Fund (ISF) Provider.
- **Information Management-** Ensure appropriate systems exist in the management and security of data including the transfer of data between Local Authorities and the NHS.

- 4.3 The pandemic has resulted in significant changes within current working practices that make audit planning challenging, and uncertainty remains regarding these arrangements in the period ahead. In addition, all audit staff are still working from home, which brings some limitations to the audit process. Team members have been fortunate to be classed as mobile workers, each with a dedicated work laptop and mobile phone, but lack of face to face contact has slowed the pace of audits. Committee should therefore be aware of delays in progressing and completing audit reviews remain due to the limitations on working practices from the impact of the pandemic.

- 4.4 The Public Sector Internal Audit Standards requires 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, and to draw this to the attention of the Committee. Demands on the Internal Audit Service have increased over many years, and it is expected this will continue. A review of the staffing establishment for the Internal Audit Service has recently been completed, and additional staff resources in the form of an Assistant Auditor have been agreed.

- 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 “Moray Partners in Care 2019 – 2029”**

The work of internal audit supports good governance and provides independent assurances to the MIJB on use of its resources.

**(b) Policy and Legal**

The report has been prepared having regard to IRAG guidance issued by Scottish Government.

**(c) Financial implications**

There are no financial implications arising directly 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 risk.

**(e) Staffing Implications**

No implications.

**(f) Property**

None arising from this report.

**(g) Equalities/Socio Economic Impact**

None arising from this report.

**(h) Climate Change and Biodiversity Impacts**

None arising from this report.

**(i) Consultations**

Consultations have taken place with the MIJB Chief Officer, Chief Financial Officer and Jane Mackie, Head of Service, any comments have been considered in writing this report.

## **6. CONCLUSION**

**6.1 The Committee is asked to consider and agree the planned audit coverage for the MIJB for 2022/23.**

Author of Report: Dafydd Lewis, Chief Internal Auditor  
Background Papers: Audit working papers  
Ref: MIJB/aprc/310322