



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 23 NOVEMBER 2022

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

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND
ORGANISATIONAL DEVELOPMENT)**

1. REASON FOR REPORT

- 1.1 The report advises Committee on the work of the Internal Audit Section for the period from 29 June 2022 to 23 November 2022.
- 1.2 This report is submitted to Committee in terms of Section III (2) and (7) of the Council's Scheme of Administration relating to consideration of reports from the Council's Internal Auditor and monitoring delivery of the audit service carried out by Internal Audit.

2. RECOMMENDATION

- 2.1 **That Committee consider the contents of this report, seeks clarification on any points noted and otherwise notes the report.**

3. BACKGROUND

- 3.1 This report provides details of the internal audit work concluded during the period 29 June 2022 to 23 November 2022.

Core Financial Systems- Cyber Security

- 3.2 Cyber Security concerns the protection of computers, servers, mobile devices, electronic systems, networks, and data from malicious attacks. Cyber security controls are designed to combat threats against networked systems and applications, whether those threats originate from inside or outside an organisation. The Scottish Government in 2020 issued a Cyber Resilience Framework to all Local Authorities. The Framework includes a self-assessment tool to assist Local Authorities in improving their cyber resilience and compliance with a range of legislative, regulatory, policy and audit requirements regarding cyber security. The audit programme was developed from this Cyber Resilience Framework and other good practice guidelines. The impact of a successful cyber attack would immediately affect how the Council would be able to continue providing day to day services. The executive summary and recommendations for this project are given in **Appendix 1**.

Core Financial Systems– Creditor Payments

- 3.3 Part of the audit plan annually is devoted to main financial systems including creditor payments that cover non-payroll expenditure, i.e., payment for works, goods and services to suppliers or contractors. The purpose of the audit was to confirm ongoing compliance with procurement and payment processing regulations.
- 3.4 Testing was undertaken by using a data analysis software application to extract a random sample of transactions for review. A check for duplicate payments was also carried out by extracting listings where more than one invoice from a single supplier had been paid for the same amount. 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. The executive summary is given in **Appendix 2**.
- 3.5 A similar review has also been undertaken to test a sample of transactions generated under the direction of the Moray Integration Joint Board. The purpose of the audit was to confirm again that effective controls are operating to ensure all payments are appropriately authorised, accurate and paid in accordance with regulations and agreed terms and conditions. However, the review noted findings where further improvements are required in the recording and processing of invoices. The executive summary and recommendations for this project are given in **Appendix 3**.

Departmental Systems – Planning Fees

- 3.6 An audit has been undertaken into the accounting arrangements for collecting and accounting of planning fees income. Planning application fees are set for all Scottish Local Authorities by the Scottish Government (Town and Country Planning (Scotland) Regulations). Approximately £833,000 of planning fees income was received by the Council in 2021/22. The audit also reviewed other related services, including pre-application advice, development enquiries, recovery of neighbour notification advertisements and non-material variation orders. The audit checked to ensure the correct fees had been charged, and testing was undertaken to confirm the accuracy, completeness and accountability for all income collected. The executive summary and recommendations for this project are given in **Appendix 4**.

Departmental Systems – Social Care & CareFirst System Information Governance Review

- 3.7 An audit has been undertaken into how information relating to social care service users is recorded, accessed and kept up to date. The Council uses a system known as CareFirst to record and manage social care cases for both adult and children's services. CareFirst is a long standing widely used application within the public sector for recording social care data. Most of the service user data is available on CareFirst, with some data retained separately either on a Council server or in paper files.

- 3.8 The scope of this review considered the findings and recommendations from an audit undertaken of the CareFirst System within the 2017/18 Audit Plan. The audit also reviewed the management arrangements for reviewing case files and access controls of who can view, add, amend or delete information, recognising that restricted access has to be balanced with a need for prompt availability of information for those employees who require it for the effective delivery of services. The executive summary and recommendations for this project are given in **Appendix 5**.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcome Improvement Plan (LOIP))

Internal audit work supports good governance and the delivery of efficient services.

(b) Policy and Legal

No implications.

(c) Financial Implications

No implications directly arising from this report.

(d) Risk Implications

The independent review of selected systems and procedures mitigates the risks associated with inadequate or ineffective control procedures.

(e) Staffing Implications

No implications.

(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.

5. CONCLUSION

- 5.1 This report provides Committee with a summary of findings arising from an audit project completed during the review period.**

Author of Report:

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Background Papers:

Internal audit files

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