

# **PERTH AND KINROSS COUNCIL**

## **Audit Committee**

**20 September 2021**

### **INTERNAL AUDIT UPDATE**

**Report by Chief Internal Auditor (Report No. 21/168)**

#### **PURPOSE OF REPORT**

This report presents a summary of Internal Audit's work undertaken as part of the Internal Audit Plans for 2019/20 and 2020/21.

#### **1. BACKGROUND / MAIN ISSUES**

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor reports periodically to the Audit Committee on internal audit activity and on performance relative to the approved plan.
- 1.2 At the meeting of the Audit Committee on 21 June 2021 ([report 21/97](#) refers), it was reported that outstanding work from previous Internal Audit plans will be rolled forward for consideration for inclusion within planned Internal Audit work for 2021/22. The Strategy and Plan for 2021/22 was approved on 30 June ([report 21/111](#)).
- 1.3 Following this review, A20-03 Digital IT Assets, A20-08 Scottish Welfare Fund and A20-11 Tay Cities Deal will be included within the scope of work to be undertaken as part of the 2021/22 Audit Plan, namely A21-06 IT Assets, A21-03 Welfare Rights and A21-05 Tay Cities Deal respectively. The latter is a collaboration of audit activity of the Councils within the Tay Cities region.
- 1.4 Internal Audit has provided advice where necessary regarding COVID-19 Grants and this area is subject to review as part of the National Fraud Initiative (NFI) exercise. As such, it is not proposed to undertake any further activity in this area outside of the NFI, unless this process highlights significant weaknesses in this area.
- 1.5 As part of the agreed Internal Audit Plan for Perth & Kinross Integration Joint Board, an audit was undertaken regarding COVID-19 related grants paid to commissioned services partners. The outcomes from this report, which is of relevance to the Council as it relates to payments made through Council systems and processes, is included on the agenda for this Committee.
- 1.6 Due to the developments since the original report arising from the audit of A20-10 Horsecross Arts was drafted, this report is being updated and will be available for the next meeting of the Audit Committee.

- 1.7 The audit of the A19-04 Transformation Programme is a historic review and the Programme itself no longer exists. The outcomes have therefore been reflective, in terms of what lessons can be learned for any future similar arrangements. Areas for consideration being progressed are around the role of political oversight and elected member scrutiny and the potential role of Scrutiny Committee going forward in terms of overall project/programme performance. It is also noted that the opportunities for improving the Council's framework for the management and oversight of projects, as highlighted within the Council's Capital Update report in relation to the use of gateway reviews and the investment blueprint, is being developed and utilised for both Capital and non-Capital projects.
- 1.8 Appendix 1 shows the status of audits arising from the 2020-21 and 2021-22 Internal Audit Plans. Anticipated Committee dates are subject to review as Internal Audit is undertaking recruitment activity. These dates will be dependent upon successful recruitment to vacant posts.

## 2. CONCLUSION AND RECOMMENDATIONS

- 2.1 This report presents a summary of Internal Audit's work.
- 2.2 It is recommended that the Committee notes progress with Internal Audit activity.

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	None
Strategic Plan	Yes
<b>Resource Implications</b>	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
<b>Assessments</b>	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
<b>Consultation</b>	
Internal	Yes
External	None
<b>Communication</b>	
Communications Plan	None

### 1. Strategic Implications

Community Plan/Single Outcome Agreement

Corporate Plan

- 1.1 The Council's Corporate Plan 2018 – 2022 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.2 This report relates to all of these objectives.

### 2. Assessments

Equality Impact Assessment

- 2.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

- 2.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

#### Risk

- 2.3 The risks are associated with the level of assurance provided on the control environment in the event that Internal Audit's planned work is not completed on time.

### **3. Consultation**

#### Internal

- 3.1 The Chief Executive and Head of Legal and Governance have been consulted in the preparation of this report.

### **2. BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

### **3. APPENDICES**

- Appendix 1 – Internal Audit Activity