

PERTH AND KINROSS COUNCIL**Audit Committee****19 June 2013****INTERNAL AUDIT UPDATE****Report by the Chief Internal Auditor****PURPOSE OF REPORT**

This report presents a summary of Internal Audit's work against the 2012/13 annual plan and provides an update on work for 2013/14 annual plan.

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 Work has continued on assignments from the 2012/13 Internal Audit Plan and has commenced on assignments from the 2013/14 Internal Audit Plan. In addition, work has been completed with regard to Council's involvement with Tayside Fire & Rescue. The facilitation of the National Fraud Initiative has also continued.
- 1.3 Of the 23 planned audits for 2012/13 for Perth & Kinross Council, along with 4 grants for which certification work is undertaken, one has been deleted from the plan [report 12/519 refers], and the remaining 22 have been completed and reported to the appropriate Committee.
- 1.4 An allocation of 40 days for the completion of the 2012/13 plan was approved by the Audit Committee in March 2013 [report 13/148 refers] however work required to complete the plan took 100 days and this has impacted on the completion timescales for the 2012/13 plan. This in turn has impacted on the commencement of the 2013/14 planned work. Internal Audit management are reviewing the allocation of resources to ensure that the Internal Audit Plan for 2013/14 can be delivered on time.
- 1.5 Appendix A shows a summary of each audit previously approved as part of the 2013/14 plan, along with the stage of progress of each assignment. Based on the work plans for each individual auditor, the indicative date for the Audit Committee to consider the report is recorded. The achievement of these scheduled dates is dependent upon the level of unplanned investigation work and engagement with Services.

2. CONCLUSION AND RECOMMENDATION(S)

- 2.1 It is recommended that the Committee notes the completion of Internal Audit's planned work for 2012/13 and notes the progress of work against the plan for 2013/14.

Author(s)

Name	Designation	Contact Details
Jackie Clark	Chief Internal Auditor	jclark@pkc.gov.uk 01738 475524

*Reports to be presented to a Member / Officer Group, Committee, Sub-Committee or the Council **must be signed off** by the Chief Executive or the relevant Executive Director.*

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Council Text Phone Number 01738 442573

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

The undernoted table should be completed for all reports. Where the answer is 'yes', the relevant section(s) should also be completed

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

1. Strategic Implications

1.1 Corporate Plan

- 1.1.1 The Council's Corporate Plan 2013 – 2018 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.

- 1.1.2 This report relates to all of these objectives.

2. Assessments

2.1 Equality Impact Assessment

- 2.1.1 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.
- 2.1.2 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.

2.2 Risk

- 2.2.1 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

3.1 Internal

- 3.1.1 The Chief Executive and all Executive Directors 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 A – Audit Activity Completed Since The Last Report To Audit Committee

Appendix B – Progress With Assignments Approved In The Internal Audit Plan for 2013/14

INTERNAL AUDIT UPDATE

Audit Activity Completed Since The Last Report To Audit Committee

Audit No.	Audit Title	Service
12-02	Following the Public Pound	All Services
12-04	Protection of Vulnerable Groups	Chief Executive's Service
12-06	Contracts & Tendering Arrangements	Housing & Community Care
12-10	Comfort Funds	Housing & Community Care
12-11	Owner Occupier Accommodation Related Costs	Housing & Community Care
12-12	Payroll	Chief Executive's Service
12-14	Business Continuity	The Environment Service
12-16	Forensic Mental Health Service	Housing & Community Care
12-17	Public Performance Reporting	Education & Children's Services
12-18	Rail Warrant Administration	Chief Executive's Service
12-19	Credit Cards	Chief Executive's Service
12-20	Gifts & Hospitality	All Services
12-22	ECS Change Fund	Education & Children's Services

Progress With Assignments Approved In The Internal Audit Plan for 2013/14

Audit No.	Audit Title	Anticipated Audit Committee	Assignment Brief in draft	Assignment brief approved	Factual accuracy confirmed	Draft Report issued	Final Report issued	Audit Committee Date
13-01	Revenue Monitoring	Sep 2013	Yes					
13-02	Software Licenses	Sep 2013	Yes					
13-03	Procurement	Sep 2013	Yes	5 June 2013				
13-04	MOT Testing	Oct 2013						
13-05	RMP Inspection & Maintenance	Sep 2013	Yes	4 June 2013				
13-06	Non-Domestic Rates	Oct 2013						
13-07	Council Tax Reduction Scheme	Oct 2013						
13-08	Youth Justice	Jan 2014*						
13-09	Contract Monitoring: School catering and school cleaning	Jan 2014*						
13-10	Works Awarded After Value for Money Assessment	Oct 2013						
13-11	Financial Management of All-through Schools	Oct 2013						
13-12	Voids Management	Mar 2014*						
13-13	Payroll	Jan 2014*						
13-14	Scottish Welfare Fund	Mar 2014*						

13-15	Spend Profiling	Jan 2014*						
13-16	Internal Control Review	Jan 2014*						
13-17	Financial Management of Libraries	May 2014*						
13-18	Fleet Management	May 2014*						
13-19	Capital Programme	Mar 2014*						
13-20	Welfare Reform	Mar 2014*	Yes					
13-21	Cycling Walking Safer Streets Grant Claim	Not applicable	Yes	5 June 2013				
13-22	Bus Service Operators Grant (6 monthly)	Not applicable	Yes					
13-23	Bus Service Operators Grant (6 monthly)	Not applicable	Yes					

* The dates recorded are estimates as the Committee cycle for 2014 has yet to be determined.

It is not anticipated that reports will be required to be issued for the certification of grant claims. Reports will only be issued where weaknesses in controls are identified which require action.