

PERTH AND KINROSS COUNCIL

Audit Sub-Committee – 14 November 2012

INTERNAL AUDIT UPDATE

Report by Chief Internal Auditor

ABSTRACT

This report presents a summary of Internal Audit's work against the 2012/13 annual plan.

1. RECOMMENDATION

1.1 The Audit Sub-Committee is asked to:

1.1.1 note the progress of Internal Audit's work against the plan for 2012/13 and

1.1.2 approve the proposal detailed in Section 3.2.

2. BACKGROUND

2.1 CIPFA's 'Code of Practice for Internal Audit in Local Government in the United Kingdom' requires that the Chief Internal Auditor presents interim reports on the progress with planned audit work.

2.2 Work has continued on assignments from the 2012/13 Internal Audit Plan. In addition, work has commenced on certification work for a grant and the facilitation of the National Fraud Initiative has continued.

2.3 Work has also concluded on an internal investigation. The report into the outcome of improvements in control which arose during the course of this review is currently under discussion and will be reported to the next meeting of the Audit Sub-Committee.

2.4 Initial work in preparation for the planned audit of Homecare revealed that the Service had been subject to a recent inspection from the Care Inspectorate. The review undertaken was described as a "high intensity inspection" and the Care Inspectorate's report has revealed that there would be no additional areas where Internal Audit would add value by undertaking an additional, internal review. As such, it is recommended that this assignment be removed from the Internal Audit Plan for 2012/13.

2.5 The Chief Internal Auditor has undertaken a review of the available resources to complete the audit plan, taking into consideration the level of unplanned work undertaken to date. With the proposed removal of the Homecare assignment, it is anticipated that the remainder of the Internal Audit Plan for

2012/13 should be achievable. This is however dependent upon there being no further unplanned work arising during the course of the remainder of the year.

- 2.6 Appendix A shows a summary of the status of Internal Audit's current assignments, detailing those assignments where work is completed and the findings are under discussion with management, and assignments in progress.
- 2.7 Appendix B shows a summary of each audit previously approved as part of the 2012/13 plan, along with the intended Audit Sub-Committee for the report to be considered. The achievement of these scheduled dates is dependent upon the level of unplanned investigation work and engagement with Services.

3. PROPOSALS

- 3.1 It is recommended that the Sub-Committee notes the progress of Internal Audit's work against the plan 2012/13.
- 3.2 It is also recommended that the Sub-Committee approve the deletion of 12-09 Home Care audit from the plan.

4. CONSULTATION

- 4.1 The Depute Director of Housing & Community Care and the Chief Executive have been consulted in the preparation of this report.

5. RESOURCE IMPLICATIONS

- 5.1 There are no resource implications arising from this report.

6. COUNCIL CORPORATE PLAN OBJECTIVES 2009-2012

- 6.1 The Council's Corporate Plan 2009-2012 lays out five Objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:-

- (i) A Safe, Secure and Welcoming Environment
- (ii) Healthy, Caring Communities
- (iii) A Prosperous, Sustainable and Inclusive Economy
- (iv) Educated, Responsible and Informed Citizens
- (v) Confident, Active and Inclusive Communities

- 6.2 The Chief Executive's Service provides a range of functions for internal and front-line customers alike. These functions support the work of the whole Council by assisting them in the delivery of the Council's Corporate Objectives. As a consequence, this report does not specifically relate to one of the objectives, but assists with the delivery of all five.

7. EQUALITIES ASSESSMENT

- 7.1 An equality impact assessment needs to be carried out for functions, policies, procedures or strategies in relation to race, gender and disability and other relevant protected characteristics. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new and existing policies.
- 7.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Impact Assessment process (EqIA) and was assessed as **not relevant** for the purposes of EqIA

8. STRATEGIC ENVIRONMENTAL ASSESSMENT

- 8.1 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS).
- 8.2 However, no action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

9. CONCLUSION

- 9.1 This report presents a summary of Internal Audit's work for 2012/13 against the annual plan.

J CLARK

Chief Internal Auditor

Note: 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.

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Date: November 2012

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INTERNAL AUDIT UPDATE

Section 1 The Following Final Reports Have Been Issued Since the Last Audit Sub-Committee:

| Audit No. | Audit Title | Service |
|------------------|-----------------------|---------------------------|
| 09/023 | Bereavement Services | The Environment Service |
| 11-11 | Cash & Banking | Housing & Community Care |
| 12-05 | Housing Rents | Housing & Community Care |
| 12-07 | Maximising Attendance | Chief Executive's Service |

Section 2 Work On The Following Assignments Is Complete And The Findings Are Under Discussion With Management:

| Audit No. | Audit Title | Service |
|------------------|--------------------|---------------------------|
| 11-34 | Investigation | The Environment Service |
| 12-08 | Capital Monitoring | Chief Executive's Service |
| 12-24 | Investigation | The Environment Service |

Section 3 The Following Assignments Are In Progress:

| Audit No. | Audit Title | Service |
|------------------|------------------------------------|---------------------------------|
| 12-02 | Following the Public Pound | Corporate |
| 12-04 | Protection of Vulnerable Groups | Chief Executive's Service |
| 12-06 | Contracts & Tendering Arrangements | Housing & Community Care |
| 12-13 | Insurance | Chief Executive's Service |
| 12-15 | School Funds | Education & Children's Services |

INTERNAL AUDIT UPDATE

Schedule Of Planned Audits For 2012/13

| Audit Number | Audit Title | Planned Committee Date | Actual (Forecast) Committee Date | Comments |
|--------------|--|------------------------|----------------------------------|-----------------------|
| 12-02 | Following the Public Pound | Nov 2012 | (Jan 2013) | Commenced |
| 12-04 | Protection of Vulnerable Groups | Sep 2012 | (Jan 2013) | Commenced |
| 12-05 | Housing Rents | Nov 2012 | Nov 2012 | Completed |
| 12-06 | Contracts & Tendering Arrangements | Sep 2012 | (Jan 2013) | Commenced |
| 12-07 | Maximising Attendance | Nov 2012 | Nov 2012 | Completed |
| 12-08 | Capital Budgeting / Monitoring | Nov 2012 | (Jan 2013) | Commenced |
| 12-09 | Home Care | | | Proposed for deletion |
| 12-10 | Comfort Funds | Mar 2013 | (Mar 2013) | To commence February |
| 12-11 | Owner Occupier Accommodation Related costs | Nov 2012 | (Mar 2013) | To commence December |
| 12-12 | Payroll | Mar 2013 | (Jan 2013) | To commence February |
| 12-13 | Insurance | Jan 2013 | (Jan 2013) | Commenced |
| 12-14 | Business Continuity | Mar 2013 | (Mar 2013) | To commence January |
| 12-15 | School Funds | Mar 2013 | (Mar 2013) | Commenced |
| 12-16 | Mental Health Services | May 2013 | (May 2013) | To commence January |
| 12-17 | Public Performance Reporting | Mar 2013 | (Mar 2013) | To commence December |
| 12-18 | Centrally Procured Travel Arrangements | May 2013 | (May 2013) | To commence February |
| 12-19 | Credit Cards | May 2013 | (May 2013) | To commence January |

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|-------|---|----------|------------|----------------------|
| 12-20 | Gifts & Hospitality | Mar 2013 | (Mar 2013) | To commence January |
| 12-21 | Financial Management of Primary Schools | Mar 2013 | (Mar 2013) | To commence February |
| 12-22 | ECS Change Fund | Mar 2013 | (Mar 2013) | Ongoing |