

**PERTH AND KINROSS COUNCIL****Audit Committee****14 June 2017****INTERNAL AUDIT UPDATE****Report by the Chief Internal Auditor****PURPOSE OF REPORT**

This report presents a summary of Internal Audit's work against the 2017/18 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 been commenced on assignments included within the Internal Audit Plan for 2017/18.
- 1.3 Since April 2017, Internal Audit have been contacted on two occasions to provide advice and assurance to services regarding specific issues. Internal Audit will follow up on these areas during the year. This unplanned workload is contained within the resources allocated as part of the Internal Audit Planning process. The Audit Committee will be informed if there is any change to this situation.
- 1.4 Internal Audit has continued to work with colleagues in NHS Tayside to support the Audit and Performance Committee of the Integrated Joint Board.
- 1.5 Internal Audit has continued to facilitate the National Fraud Initiative to ensure that Services are investigating relevant data matches appropriately.
- 1.6 Appendix A details those assignments where work has been completed since the last report to the Audit Committee. Where appropriate, Internal Audit Reports for these assignments will be presented to the Audit Committee.
- 1.7 Appendix B shows a summary of each audit previously approved as part of the 2016/17 plan, along with the date that the outcome has been considered by Audit Committee.

**2. CONCLUSION AND RECOMMENDATIONS**

- 2.1 This report presents a summary of Internal Audit's work against the 2017/18 annual plan.
- 2.2 It is recommended that the Committee notes the progress of work against the plan for 2017/18.

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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

#### 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 Head of Finance 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 2016/17

**INTERNAL AUDIT UPDATE****Internal Audit Activity Completed Since The Last Report To Audit Committee**

<b>Audit No.</b>	<b>Audit Title</b>	<b>Service</b>
17-02	Financial Management of Schools: Perth Academy	Education & Children's Services
17-03	Capital Programme	The Environment Service



## APPENDIX B

### Progress With Assignments Approved In The Internal Audit Plan for 2017/18 as at May 2017

Audit No.	Audit Title	Original Anticipated Audit Committee	Assignment brief approved	Factual accuracy confirmed	Draft Report issued	Final Report issued	Audit Committee Date ^
17-01	General Outcome Focussed Assessment	September 2017					
17-02	Financial Management of Secondary Schools: Perth Academy Kinross High School	June 2017 September 2017	April 2017 April 2017	May 2017	May 2017	May 2017	<b>June 2017</b>
17-03	Capital Programme	June 2017	April 2017	May 2017	May 2017	May 2017	<b>June 2017</b>
17-04	Partnership Working – Community Justice Partnership	November 2017					
17-05	Management of Contracts	September 2017					
17-06	Northgate Housing	November 2017					
17-07	Financial Assessment and Charging Follow Up	November 2017					
17-08	Integrated Adult & Social Care	Not applicable. Outcomes will be reported directly to the Integrated Joint Board					
17-09	Child's Plan	September 2017					
17-10	Embedding new Risk Management Arrangements	March 2018					

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17-11	IR35	September 2017					
17-12	Arms Length External Organisations	November 2017					
17-13	Transformation	March 2018					
17-14	Corporate Governance	March 2018					
17-15	Community Empowerment	November 2017					
17-16	New Process Development	November 2017					
17-17	Bus Service Operators Grant	September 2017	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.				

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