

**PERTH AND KINROSS COUNCIL****Audit Committee – 27 March 2013****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 Committee is asked to note the progress of Internal Audit's work against the plan for 2012/13.

**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 been completed on certification for a grant and the facilitation of the National Fraud Initiative has continued.
- 2.3 Internal Audit assignments for Tayside Fire and Rescue have also continued.
- 2.4 There are 23 planned audits covering Perth & Kinross Council and Tayside Fire & Rescue, along with 4 grants for which certification work is undertaken. Of these assignments, one has been deleted from the plan [report 12/519 refers], six have been completed and reported, two are in discussion and a further six audits have commenced. This leaves five to commence in March. The Committee will note that the reports for the two unplanned assignments are under discussion with management. Assuming that there is no further unplanned work required, it is anticipated that the current plan should be completed.
- 2.5 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.
- 2.6 Appendix B shows a summary of each audit previously approved as part of the 2012/13 plan, along with the intended Audit 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 Committee notes the progress of Internal Audit's work against the plan 2012/13.

### **4. CONSULTATION**

- 4.1 The Depute Director of Housing and 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:** March 2013

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## INTERNAL AUDIT UPDATE

### **Section 1    The Following Final Reports Have Been Issued Since the Last Audit Committee:**

<b>Audit No.</b>	<b>Audit Title</b>	<b>Service</b>
12-15	School Funds	Education & Children's Services
12-21 (a)	Financial Management of Primary Schools – Inchview	Education & Children's Services
12-21 (b)	Financial Management of Primary Schools - Crieff	Education & Children's Services
12-24	Investigation	The Environment Service
12-27	Insurance	Tayside Fire & Rescue
12-28	Budget Monitoring	Tayside Fire & Rescue

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

<b>Audit No.</b>	<b>Audit Title</b>	<b>Service</b>
11-34	Investigation	The Environment Service
12-02	Following the Public Pound	Corporate
12-22	Change Fund	Education & Children's Services
12-29	Payroll	Tayside Fire & Rescue

### **Section 3    The Following Assignments Are In Progress:**

<b>Audit No.</b>	<b>Audit Title</b>	<b>Service</b>
12-04	Protection of Vulnerable Groups	Chief Executive's Service
12-06	Contracts & Tendering Arrangements	Housing & Community Care
12-12	Payroll	Chief Executive's Service
12-14	Business Continuity	All Services
12-16	Mental Health Services	Housing & Community Care
12-20	Gifts & Hospitality	All Services

**Appendix B****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	(Jun 2013)	Under discussion
12-04	Protection of Vulnerable Groups	Sep 2012	(Jun 2013)	Commenced
12-05	Housing Rents	Nov 2012	Nov 2012	Completed
12-06	Contracts & Tendering Arrangements	Sep 2012	(Jun 2013)	Commenced
12-07	Maximising Attendance	Nov 2012	Nov 2012	Completed
12-08	Capital Budgeting / Monitoring	Nov 2012	Jan 2013	Completed
12-09	Home Care			Deleted
12-10	Comfort Funds	Mar 2013	(Jun 2013)	To commence March
12-11	Owner Occupier Accommodation Related costs	Nov 2012	(Jun 2013)	To commence March
12-12	Payroll	Mar 2013	(Jun 2013)	Commenced
12-13	Insurance	Jan 2013	Jan 2013	Completed
12-14	Business Continuity	Mar 2013	(Jun 2013)	Commenced
12-15	School Funds	Mar 2013	Mar 2013	Completed
12-16	Mental Health Services	May 2013	(Jun 2013)	Commenced
12-17	Public Performance Reporting	Mar 2013	(Jun 2013)	To commence March
12-18	Centrally Procured Travel Arrangements	May 2013	(Jun 2013)	Commenced
12-19	Credit Cards	May 2013	(Jun 2013)	To commence March
12-20	Gifts & Hospitality	Mar 2013	(Jun 2013)	Commenced
12-21	Financial Management of Primary Schools	Mar 2013	Mar 2013	Completed
12-22	ECS Change Fund	Mar 2013	(Jun 2013)	Ongoing

