

PERTH AND KINROSS COUNCIL**Audit Sub-Committee – 27 June 2012****INTERNAL AUDIT UPDATE****Report by Chief Internal Auditor****ABSTRACT**

This report presents a summary of Internal Audit's work against the 2011/12 and 2012/13 annual plans.

1. RECOMMENDATION

- 1.1 The Audit Sub-Committee is asked to note the progress of Internal Audit's work against the plans for 2011/12 and 2012/13.
- 1.2 The Audit Sub-Committee is asked to delete two assignments from the Internal Audit Plan for 2011/12.

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 Internal Auditors have continued to work on the 2011/12 Internal Audit Plan and have commenced work on assignments from the 2012/13 Internal Audit Plan. In addition, work has been undertaken on unplanned assignments as necessary.
- 2.3 Work has continued on internal investigations. Any outcomes will be reported to the Audit Sub-Committee in due course.
- 2.4 Since the last update was provided in February 2012 [Report 12/93 refers], there has been a further unanticipated increase in the level of absence within Internal Audit which has impacted upon the completion of the Internal Audit Plan for 2011/12. Two assignments have not been progressed from this plan and it is proposed that these assignments are not progressed at this time. The risks associated with these audits will be taken into consideration when planning for future Internal Audit Plans.
- 2.5 Grant certification work has been completed on two grant claims. No significant issues arose as a result of this work and both were certified on time.

- 2.6 The facilitation of the National Fraud Initiative has continued. Audit Scotland has published its Final Report as a result of the 2010/11 exercise and the Audit Sub-Committee will be informed of any outcomes at the next meeting.
- 2.7 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.
- 2.8 Appendix B shows the status of the outstanding audit from plans pre-dating 2011/12, including currently forecast issue date in the fourth column. Arrangements have been made with the Service to finalise this report in order to table the report to the next meeting of the Audit Sub-Committee.
- 2.8 Appendix C shows a summary of each audit previously approved as part of the 2011/12 plan, along with the intended Audit Sub-Committee for the report to be considered.
- 2. Appendix D 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 plans for 2011/12 and 2012/13.
- 3.2 It is recommended that the two assignments from the 2011/12 Internal Audit Plan which have not been commenced be deleted from the plan.

4. CONSULTATION

- 4.1 The Depute Director of Housing & Community Care and Finance and the Depute 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 2011/12 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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INTERNAL AUDIT UPDATE

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

Audit No.	Audit Title	Service
08/023	Local Management of Schools - Primary	Education & Children's Services
10-06	Contract Monitoring	Education & Children's Services
11-01	Income	Corporate
11-03	Sales Ledger	Chief Executive's Service
11-04	Creditors	Chief Executive's Service
11-08	Records Management	Chief Executive's Service
11-09	Information Security	Chief Executive's Service
11-12	Commissioned Services: Temporary Accommodation	Housing & Community Care

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

Audit No.	Audit Title	Service
09/023	Bereavement Services	The Environment Service
11-06	Members Register of Interests	Chief Executive's Service
11-11	Cash & Banking	Housing & Community Care
11-13	Council Tax	Housing & Community Care

Section 3 The Following Assignments Are In Progress:

Audit No.	Audit Title	Service
11-07	Licensing	Chief Executive's Service
11-34	Investigation	The Environment Service
11-36	Investigation	Housing & Community Care
12-02	Following the Public Pound	Corporate
12-05	Housing Rents	Housing & Community Care
12-24	Investigation	The Environment Service

INTERNAL AUDIT UPDATE

Schedule Of Planned Audits For Previous Years With Planned Issue Dates

Audit Number	Audit Title	Planned Issue Date	Actual (Forecast) Issue Date	Comments
09/023	Bereavement Services	Dec 09	(Sep 12)	Meetings arranged to conclude

INTERNAL AUDIT UPDATE

Schedule Of Planned Audits For 2011/12

Audit Number	Audit Title	Planned Committee Date	Actual (Forecast) Committee Date	Comments
11-01	Income	Aug 2011	June 2012	Completed
11-02	Change Management	Feb 2012	Mar 2012	Completed
11-03	Sales Ledger	Jan 2012	June 2012	Completed
11-04	Creditors	Jan 2012	June 2012	Completed
11-05	Members Allowances & Expenses	Jan 2012	Mar 2012	Completed
11-06	Members Register of Interests	Oct 2011	(Sep 2012)	Initial report drafted
11-07	Licensing		(Sep 2012)	Commenced
11-08	Records Management	Oct 2011	June 2012	Completed
11-09	Information Security Management System		June 2012	Completed
11-10	Adult Support & Protection	Feb 2012		See paragraph 3.2
11-11	Cash & Banking	Aug 2011	(Sep 2012)	Initial report drafted
11-12	Commissioned Services: Temporary Accommodation	Feb 2012	June 2012	Commenced
11-13	Council Tax		(Sep 2012)	Initial report drafted
11-14	Interim Funders	Aug 2011	Aug 2011	Completed
11-15	Carbon Reduction Commitment	Oct 2011	Oct 2011	Completed
11-16	Waste Management Plan	Jan 2012	Jan 2012	Completed
11-17	Winter Maintenance	Oct 2011	Jan 2012	Completed
11-18	Child Protection	Oct 2011	Mar 2012	Completed
11-19	Financial Management of All-Through Schools	Feb 2012		See paragraph 3.2

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