

PERTH AND KINROSS COUNCIL**Audit Committee****28 September 2016****INTERNAL AUDIT UPDATE****Report by the Chief Internal Auditor****PURPOSE OF REPORT**

This report presents a summary of Internal Audit's work against the 2016/17 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 included within the Internal Audit Plan for 2016/17.
- 1.3 Since April 2016, Internal Audit has also been involved with six areas of unplanned activity. Of these assignments, five remain outstanding and one has been concluded without any further action required. Internal Audit's unplanned workload is within the resources allocated as part of the Internal Audit Planning process and there are currently no implications for this additional work on the completion of the Internal Audit Plan for 2016/17. However, this work may impact on the ability to complete work in accordance with the original schedule. The Audit Committee will be informed if there is any change to this situation.
- 1.4 Appendix A details those assignments where work has been completed since the last report to Audit Committee. Where appropriate, Internal Audit Reports for these assignments will be presented to the Audit Committee.
- 1.5 Appendix B shows a summary of each audit previously approved as part of the 2016/17 plan, along with the stage of progress for each assignment. 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.
- 1.6 Appendix C details areas of work which are in addition to the approved Internal Audit Plan for 2016/17 arising from either Service requests for assistance or from investigatory work.

2. CONCLUSION AND RECOMMENDATIONS

- 2.1 This report presents a summary of Internal Audit's work against the 2016/17 annual plan. It is currently anticipated that the 2016/17 Internal Audit Plan will be completed within the year.
- 2.2 It is recommended that the Committee notes the progress of work against the plan for 2016/17.

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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 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

Appendix C – Progress With Assignments Not Included In The Internal Audit Plan for 2016/17

INTERNAL AUDIT UPDATE**Audit Activity Completed Since the Last Report to Audit Committee**

Audit No.	Audit Title	Service
16-02	Credit Cards	Corporate & Democratic Services / All Services
16-05	Information Sharing	Corporate & Democratic Services / All Services
16-06 (a)	Financial Management of All-Through Schools – (a) Fairview School	Education & Children's Services
16-07	Financial Assessment & Charging	Housing & Community Care
16-08	Adult Protection	Housing & Community Care
16-09	Housing Options	Housing & Community Care

Appendix B

Progress with Assignments Approved In the Internal Audit Plan for 2016/17 as at August 2016

Audit No.	Audit Title	Original Anticipated Audit Committee	Assignment brief approved	Factual accuracy confirmed	Draft Report issued	Final Report issued	Audit Committee Date ^
16-01	Debt Recovery & Write Off	Sep 2016	23 August 2016				November 2016
16-02	Credit Cards	Sep 2016	6 Apr 2016	19 May 2016	21 July 2016	16 September 2016	September 2016
16-03	Sales Ledger	Sep 2016	17 August 2016				November 2016
16-04	SWIFT	Feb 2017					February 2017
16-05	Information Sharing	Sep 2016	20 Apr 2016	25 May 2016	7 June 2016	6 September 2016	September 2016
16-06	Financial Management of All-Through Schools: (a) Fairview School (b) St. John's Academy	Sep 2016	26 May 2016	17 August 2016	17 August 2016	(a) 24 August 2016 (b) November 2016	(a) September 2016 (b) November 2016
16-07	Financial Assessment and Charging	Sep 2016	23 June 2016	14 July 2016	27 July 2016	5 September 2016	September 2016
16-08	Adult Protection	Sep 2016	12 Apr 2016	7 June 2016	9 June 2016	19 August 2016	September 2016
16-09	Housing Options	Nov 2016	10 May 2016	9 August 2016	9 August 2016	31 August 2016	September 2016

16-10	Charging for Services	Feb 2017							November 2016
16-11	Management of Relationship with Horsecross	Nov 2016							February 2017
16-12	Procurement	Nov 2016							February 2017
16-13	Performance & Capacity Management	Sep 2016							February 2017
16-14	Named Person Follow Up	Feb 2017							February 2017
16-15	Fuel Management	Jun 2016	22 Apr 2016	19 May 2016	19 May 2016	31 May 2016			June 2016
16-16	Transformation	Feb 2017							February 2017
16-17	Pupil Support	Nov 2016							November 2016
16-18	Housing Rents	Feb 2017							November 2016
16-19	Rent Arrears	Feb 2017							February 2017
16-20	LEADER	Feb 2017							February 2017
16-21	Property Maintenance	Nov 2016	10 August 2016	9 September 2016	13 September 2016				November 2016
16-22	Roads Maintenance Partnership	Feb 2017							March 2017
16-23	Personalisation	Feb 2017							February 2017
16-24	Commissioned Services: Care At	Mar 2017							March 2017

	Home								
16-25	Parking Services	Mar 2017							March 2017
16-26	Health & Social Care Partnership – Integrated Joint Board	Mar 2017							March 2017
16-27	Events and Festivals	Mar 2017							March 2017
16-28	BSOG April - September 2016 Grant Claim	Not Applicable	25 May 2016	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
16-29	BSOG October – March 2016 Grant Claim	Not applicable	25 May 2016						No report anticipated
16-30	Cycling Walking Safer Streets Grant Claim	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
16-31	Superconnected Cities Grant Claim	Not applicable							No report anticipated
16-32	Childs Plan	Feb 2017							February 2017
16-33	European Social Fund	Nov 2016							November 2016
16-34	Tayside Contracts	Mar 2017							March 2017
16-35	Transformation	Mar 2017							March 2017
16-36	Corporate Governance	Mar 2017							March 2017
16-37	Universal Credit	Sep 2016							November 2016
16-38	Housing Technology Implementation Plan	Mar 2017							March 2017

^ Dates in bold are when reports have been considered by Audit Committee. Other dates are the current anticipated dates for consideration by Audit Committee where this differs from the originally anticipated date.

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.

Appendix C

Progress With Assignments Not Included In The Internal Audit Plan for 2016/17

Ass No.	Assignment Description	State of progress	Draft Report issued	Final Report issued	Audit Committee Date
16-40	Bereavement Services	Completed	Not applicable	Not applicable	Not applicable
16-41	Housing & Community Care Internal Controls	Ongoing			
16-42	Housing & Community Care Repairs and Improvements Service	Ongoing			
16-43	Whistleblowing – Staff Parking	Ongoing			
16-44	TES correspondence	Ongoing			
16-45	Whistleblowing – The Environment Service	Ongoing			

When additional work is undertaken during the year, a report will only be issued where the review highlights areas for improvement in the control environment or significant risks.

