

PERTH AND KINROSS COUNCIL

Audit Committee

27 March 2019

INTERNAL AUDIT UPDATE

Report by the Chief Internal Auditor (Report No.19/97)

PURPOSE OF REPORT

This report presents a summary of Internal Audit's work.

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 2018/19, as approved by Audit Committee in March 2018 (report 18/109) and June 2018 (report 18/221).
- 1.3 Since April 2018, Internal Audit has been contacted on 12 occasions to provide advice, assurance and / or assistance to services regarding specific issues. Internal Audit will follow up on these areas during the year, where necessary. This unplanned workload is contained within the resources allocated as part of the Internal Audit planning process. Where control issues arise as a result of this work, Internal Audit will provide the Audit Committee with a report.
- 1.4 Internal Audit has undertaken work from the Integrated Joint Board's Audit Plan.
- 1.5 Matches as a result of the National Fraud Initiative have been released for the 2018/19 exercise and the process of ensuring that these are appropriately investigated is being facilitated by Internal Audit.
- 1.6 Appendix 1 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 2 shows the areas of work being undertaken following the Audit Committee's consideration of the Internal Audit work plan for 2018/19.

2. OUTCOMES FROM CONSULTANCY WORK

- 2.1 Within the Internal Audit Plan, there are a number of assignments which were identified as 'consultancy'. Following approval from Audit Committee of a revised reporting process for consultancy assignment (Report 16/306), this report provides a summary of completed work with regard to such assignments, where appropriate.
- 2.2 The scope of 18-25 Community Empowerment was to continue to act as a 'critical friend' and to contribute to the governance framework for the development in relation to community empowerment. The Service has engaged an external consultant review local decision making in the context of community empowerment legislation. This has resulted in an Action Plan being developed which is in the process of being implemented. Internal Audit does not propose to undertake any further work in this area at present.
- 2.X The outcomes from consultancy assignments are taken into account when considering the Internal Audit universe, from which future Internal Audit plans are derived.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 This report presents a summary of Internal Audit's work.
- 3.2 It is recommended that the Committee notes:
- i) The progress with assignments from the Internal Audit Plan for 2018/19
 - ii) The outcome from consultancy work

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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

Community Plan/Single Outcome Agreement

Corporate Plan

- 1.1 The Council's Corporate Plan 2018 – 2022 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.

- 1.2 This report relates to all of these objectives.

2. Assessments

Equality Impact Assessment

- 2.1 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.
- 2.2 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.

Risk

- 2.3 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

Internal

- 3.1 The Chief Executive and Head of Legal and Governance 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 1 – Audit Activity Completed Since The Last Report To Audit Committee

Appendix 2 – Work Commenced from 2018/19 Internal Audit Work Plan