

## PERTH AND KINROSS COUNCIL

## Audit Committee

26 November 2014

## INTERNAL AUDIT FOLLOW UP

## Report by Chief Internal Auditor

**PURPOSE OF REPORT**

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

**1. BACKGROUND AND MAIN ISSUES**

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor establishes a follow-up process to monitor and ensure that management actions have been effectively implemented. To assist the Audit Committee, the appendices to this report provide information on those actions that have not been implemented in accordance with the original agreed timetable, or where there is insufficient information on the current situation. Some dates have been revised and agreed with Services in recognition of the need for more time to complete the actions.
- 1.2 Appendix A presents a summary of the number of actions arising from internal and external audit reports. Table 1 shows the total number of agreed actions which Internal Audit will be following up even where the originally agreed completion dates have not yet been reached; the total number of actions is 99. Table 2 shows the number of agreed actions that have been reported as incomplete as at their original agreed completion date; these total 27, of which 3 had a completion date of July and August 2014 and are therefore detailed in the following Appendix B. A further 24 actions not completed by their original date have been allocated revised dates for completion after 31 August and progress will be reported on these at a future Committee. Therefore, the number of agreed actions which have yet to be followed up as the date for completion is after 31 August 2014 is 72. In both tables, the actions are grouped by Service and reported by 'importance' of the agreed actions.
- 1.3 Appendix B presents detailed follow-up information in respect of actions agreed for completion in the period of July and August 2014. The appendix also records service management's explanations of the status of each action point and internal audit comments where relevant. There are no actions with a completion date of July and August 2014 that have not been completed for the Chief Executive's Service, Education & Children's Services and Housing & Community Care.

## 2. PROPOSALS

- 2.1 It is recommended that the Committee seeks assurance that there are clear and achievable action plans for completing the agreed actions noted above.

## 3 CONCLUSION AND RECOMMENDATIONS

- 3.1 The Audit Committee is asked to consider the most appropriate action to be taken to progress the agreed Action Plans.
- 3.2 It is recommended that the Audit Committee:
- (i) Note the current position in respect of the agreed actions arising from internal and external work;
  - (ii) Consider the most appropriate action to be taken to progress the agreed action plans, taking into account the recorded audit opinions.

### Author

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If you or someone you know would like a copy of this document in another language or format, (on occasion only, a summary of the document will be provided in translation), this can be arranged by contacting *Jackie Clark*



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## ANNEX

### 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	None
Corporate 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 There is a risk to the strength of the control environment if the agreed action plans are not carried out in a timely manner.

## 3. **Consultation**

### 3.1 Internal

- 3.1.1 The Chief Executive and all Executive Directors 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 - Summary of Agreed Actions

Appendix B - Audit Follow-Up The Environment Service

## Appendix A: Summary of Agreed Actions

Table 1: All Agreed Actions for Follow-Up (figures in brackets reported in June 2014). This table includes actions not yet due for completion.

Service	Importance					
	Critical	High	Medium	Low	Not Rated	Total
Chief Executive's	0 (0)	3 (0)	21 (15)	10 (4)	7 (8)	41 (27)
Education & Children's Services	0 (0)	1 (4)	4 (8)	6 (4)	0 (0)	11 (16)
Housing & Community Care	0 (0)	3 (2)	12 (10)	6 (4)	0 (0)	21 (16)
The Environment Service	0 (0)	8 (12)	6 (13)	10 (9)	2 (2)	26 (36)
<b>All Services</b>	<b>0 (0)</b>	<b>15 (18)</b>	<b>43 (46)</b>	<b>32 (21)</b>	<b>9 (10)</b>	<b>99 (95)</b>

Table 2: All Actions Reported as Incomplete on their Original Agreed Date

Service	Importance					
	Critical	High	Medium	Low	Not Rated	Total
Chief Executive's	0 (0)	0 (0)	9 (9)	0 (1)	5 (6)	14 (16)
Education & Children's Services	0 (0)	1 (1)	2 (2)	1 (1)	0 (0)	4 (4)
Housing & Community Care	0 (0)	0 (0)	2 (2)	0 (0)	0 (0)	2 (2)
The Environment Service	0 (0)	2 (2)	1 (4)	2 (1)	2 (2)	7 (9)
<b>All Services</b>	<b>0 (0)</b>	<b>3 (3)</b>	<b>14 (17)</b>	<b>3 (3)</b>	<b>7 (8)</b>	<b>27 (31)</b>
Actions with a completion date of July and August 2014 which have not been completed and therefore included on Appendices B						3
Those actions where the agreed date is not July and August 2014 which have been previously reported to Audit Committee						24



**Appendix B - Audit Follow-up  
The Environment Service  
(Reporting for All dates on or before: August 2014)**

<b>Action Plan</b>	<b>Dates</b>	<b>Status/Explanation</b>
<p>13-19 - Capital Programme Action Point: 13 - Corporate Governance Roles and Responsibilities - Groups Importance: High</p> <p>Audit Committee Date: June 2014</p> <p>The Capital Programme Manager will arrange for the Corporate Risk Profile to be updated to reflect the role of the Strategic Investment Group (SIG).</p> <p>(N Ballantine, TES CAM Team Leader)</p>	<p>Jul 2014 Dec 2014</p>	<p>The Service has advised that the risk profile has been updated to reflect the role of the SIG and approved by TESMT on 14 August 2014.</p> <p>The updated Corporate Risk Log is awaiting approval by EOT.</p> <p>Internal Audit Opinion: Accepted</p>
<p>13-19 - Capital Programme Action Point: 16 - Corporate Governance Roles and Responsibilities - Individuals Importance: High</p> <p>Audit Committee Date: June 2014</p> <p>The Corporate Risk Profile will be reviewed to focuses on TES and Corporate actions.</p> <p>(N Ballantine, TES CAM Team Leader)</p>	<p>Jul 2014 Dec 2014</p>	<p>As per Action 13, the Service has advised that the risk profile has been updated and approved by TESMT on 14 August 2014. The updated Corporate Risk Log is awaiting approval by EOT.</p> <p>Internal Audit Opinion: Accepted</p>
<p>Audit Scotland 4 - Maintaining Scotland's Roads - Follow up Action Point: 2 - AP 2 Importance: N/A</p> <p>The Roads Asset Management Plan is being developed as part of the Society of Chief Officers for Transportation (SCOTS)</p>	<p>Jun 2013 Mar 2014 Jul 2014 Jan 2015</p>	<p>The Service advised that the Roads Asset Management Plan is still being developed in conjunction with Roads colleagues and SCOTS. A report is due to be considered by the Enterprise and Infrastructure Committee in November providing comparative</p>

Action Plan	Dates	Status/Explanation
<p>national project.</p> <p>(S Terras, Corporate Asset Management Team Leader)</p>		<p>information on the state of the roads network in Perth and Kinross which draws on the asset management data collated nationally through SCOTS. The Roads Asset Management Plan is due for completion by the end of 2014 to align with the national timetable produced by SCOTS.</p> <p>Internal Audit Opinion: Accepted</p>