

**PERTH AND KINROSS COUNCIL****Audit Committee****30 March 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 2015/16 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 2015/16. In addition, Internal Audit has provided support and guidance to Services for the National Fraud Initiative. A separate report is on the agenda for this Committee to consider in relation to the 2014/15 NFI exercise.
- 1.3 Internal Audit has also been involved with four areas of unplanned activity. Of these assignments, one remains outstanding and one, whilst issues have not been closed down, has shaped assignments within the Internal Audit Plan 2016/17, which is presented for approval at this Committee.
- 1.4 The Chief Internal Auditor has continued to work with our co-sourcee to deliver the relevant aspects of the Internal Audit Plan. Reports for these 3 assignments are on the agenda for this Committee and the remaining 3 will be presented to Audit Committee in June 2016.
- 1.5 It is anticipated that final reports for all Internal Audit's planned work will be completed by 31 March 2016.
- 1.6 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.
- 1.7 Appendix B shows a summary of each audit previously approved as part of the 2015/16 plan, along with the stage of progress of 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.

- 1.8 Appendix C details areas of work which are in addition to the approved Internal Audit Plan for 2015/16 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 2015/16 annual plan. It is currently anticipated that the 2015/16 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 2015/16.

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	None
Strategic 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 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 2015/16

Appendix C – Progress With Assignments Not Included In The Internal Audit Plan for 2015/16

**INTERNAL AUDIT UPDATE**

**Audit Activity Completed Since The Last Report To Audit Committee**

<b>Audit No.</b>	<b>Audit Title</b>	<b>Service</b>
15-10	Modernising the School Office	Education & Children's Services
15-13	School Transport Contracts	The Environment Service
15-15	Named Person Service	Education & Children's Services
15-18	Planning Applications	The Environment Service
15-22	Self-Directed Support	Housing & Community Care
15-23	Place Based Scrutiny	Education & Children's Services
15-27	Transformation	Corporate
15-33	Job Evaluation & Design	Corporate & Democratic Services
15-35	Optimum	Corporate & Democratic Services
15-36	SEEMIS	Corporate & Democratic Services / Education & Children's Services
15-50	Roads Maintenance Partnership Follow Up	The Environment Service



## Appendix B

### Progress With Assignments Approved In The Internal Audit Plan for 2015/16 as at August 2015

Audit No.	Audit Title	Original Anticipated Audit Committee	Assignment brief approved	Factual accuracy confirmed	Draft Report issued	Final Report issued	Audit Committee Date ^
15-01	Following the Public Pound	Sep 2015	1 June 2015	18 August 2015	18 August 2015	21 August 2015	<b>September 2015</b>
15-02	Establishment Approval Process	Sep 2015					June 2016
15-03	Complaints	Sep 2015	8 April 2015	7 July 2015	28 July 2015	21 August 2015	<b>September 2015</b>
15-04	Fostering – Kinship Care	Jun 2015	15 April 2015	28 May 2015	28 May 2015	5 June 2015	<b>June 2015</b>
15-05	Corporate Health & Safety	Sep 2015	12 May 2015	4 August 2015	13 August 2015	21 August 2015	<b>September 2015</b>
15-06	LEADER	Feb 2016	2 February 2015	16 March 2016			June 2016
15-07	Reablement	Jun 2015	23 April 2015	1 June 2015	1 June 2015	4 June 2015	<b>June 2015</b>
15-08	Reserves Strategy	Sep 2015	28 July 2015	20 August 2015	20 August 2015	21 August 2015	<b>September 2015</b>
15-09	New School Governance	Nov 2015	1 July 2015	13 August 2015	20 August 2015	21 August 2015	<b>September 2015</b>
15-10	Modernising the School Office	Sep 2015	17 September 2015	22 February 2016	22 February 2016	29 February 2015	<b>March 2016</b>

<b>Audit No.</b>	<b>Audit Title</b>	<b>Original Anticipated Audit Committee</b>	<b>Assignment brief approved</b>	<b>Factual accuracy confirmed</b>	<b>Draft Report issued</b>	<b>Final Report issued</b>	<b>Audit Committee Date ^</b>
15-11	Financial Management of a Community Care Establishment: a. Beechgrove b. Dalweem	Sep 2015	20 August 2015	29 October 2015	30 October 2015	2 November 2015	<b>November 2015</b>
15-12	Housing Service Consultancy	Sep 2015	22 February 2015	17 March 2016	17 March 2016		June 2016
15-13	School Transport Contracts	Apr 2016	8 January 2016	23 February 2016	23 February 2016	9 March 2016	<b>March 2016</b>
15-14	Payroll	Feb 2016	12 November 2015	18 December 2015	24 December 2015	8 January 2016	<b>February 2016</b>
15-15	Integrated Assessment – Named Person Service	Apr 2016	1 February 2016	16 February 2015	17 February 2016	29 February 2016	<b>March 2016</b>
15-16	Financial Management of Schools – Early Years and Primary: a. City of Perth Early Childcare Centre b. Kinross Primary School	Nov 2015	10 September 2015	16 December 2015	18 December 2015	24 December 2015	<b>February 2016</b>
15-17	IT Disaster Recovery	Feb 2016	1 October 2015	21 December 2015	15 January 2016		June 2016
15-18	Planning Applications	Apr 2016	20 January 2016	18 February 2016	18 February 2016	23 February 2016	<b>March 2016</b>
15-19	Homelessness Services	Feb 2016	18 August 2015	7 October 2015	14 October 2015	21 October 2015	<b>November 2015</b>



<b>Audit No.</b>	<b>Audit Title</b>	<b>Original Anticipated Audit Committee</b>	<b>Assignment brief approved</b>	<b>Factual accuracy confirmed</b>	<b>Draft Report issued</b>	<b>Final Report issued</b>	<b>Audit Committee Date ^</b>
15-20	Housing Investment Programme	Apr 2016	1 July 2015	17 August 2015	17 August 2015	24 August 2015	<b>September 2015</b>
15-21	Perth City Campus	Feb 2016	15 September 2015	29 October 2015	30 October 2015	2 November 2015	<b>November 2015</b>
15-22	Self-Directed Support	Apr 2016	30 October 2015	18 February 2016	19 February 2016	4 March 2016	<b>March 2016</b>
15-23	Place Based Scrutiny	Apr 2016	1 July 2015	23 February 2016	24 February 2016	25 February 2016	<b>March 2016</b>
15-24	Health & Social Care Integration	To be determined	1 February 2016				June 2016
15-25	Property System	Apr 2016	1 April 2015	17 November 2015	30 November 2015	22 December 2015	<b>February 2016</b>
15-26	Universal Credits	Apr 2016	2 March 2016				June 2016
15-27	Transformation	Apr 2016	2 February 2016	2 March 2016	7 March 2016	11 March 2016	<b>March 2016</b>
15-28	Sports & Leisure Provision	Apr 2016	3 March 2016				June 2016
15-29	Cycling, Walking & Safer Streets Grant	Not applicable	19 May 2015	29 June 2015	Not applicable	Not applicable	<b>Not applicable</b>
15-30	Bus Service Operators Grant (1)	Not applicable	5 May 2015	21 May 2015	Not applicable	Not applicable	<b>Not applicable</b>
15-31	Bus Service Operators Grant (2)	Not applicable	7 October 2015	18 November 2015	Not applicable	Not applicable	<b>Not applicable</b>

<b>Audit No.</b>	<b>Audit Title</b>	<b>Original Anticipated Audit Committee</b>	<b>Assignment brief approved</b>	<b>Factual accuracy confirmed</b>	<b>Draft Report issued</b>	<b>Final Report issued</b>	<b>Audit Committee Date ^</b>
15-32	Corporate Governance	Nov 2015	19 February 2016				June 2016
15-33	Job Evaluation & Design	Nov 2015	28 January 2016	29 February 2016	29 February 2016	8 March 2016	<b>March 2016</b>
15-34	Corporate Risk Management	Feb 2016	28 January 2016				June 2016
15-35	Optimum	Feb 2016	4 November 2015	December 2015	14 January 2016	4 March 2016	<b>March 2016</b>
15-36	SEEMIS	Feb 2016	1 October 2015	December 2015	11 January 2016	25 February 2016	<b>March 2016</b>
15-50	Roads Maintenance Partnership Follow Up	March 2016	3 February 2016	10 March 2016	10 March 2016	14 March 2016	<b>March 2016</b>

^ 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 2015/16

Ass No.	Assignment Description	State of progress	Draft Report issued	Final Report issued	Audit Committee Date
15-37	Whistleblowing – Education & Children's Services	Ongoing; outcomes fed into Internal Audit Planning process for 2016/17.			
15-38	Whistleblowing – The Environment Service	Complete	Not applicable	Not applicable	Not applicable
15-39	Whistleblowing – The Environment Service	Complete	Not applicable	Not applicable	Not applicable
15-41	Assessment & Charging, Community Meals	Complete	28 July 2015	20 August 2015	<b>September 2015</b>
15-42	Blue Badge Misuse Procedures	Complete	27 July 2015	21 August 2015	<b>September 2015</b>
15-43	Supported Living Team	Complete	16 October 2015	21 October 2015	<b>November 2015</b>
15-44	Whistleblowing – The Environment Service	Complete	Not applicable	Not applicable	Not applicable
15-45	Primary School Advice	Complete	Not applicable	Not applicable	Not applicable
15-46	Superconnected City Grant Claim	Complete	November 2016	November 2016	<b>February 2016</b>
15-47	Crieff Primary School	Complete	November 2016	December 2016	<b>February 2016</b>
15-48	Counter-Fraud and Corruption Proactive Work	Ongoing – to be reported in annual report			June 2016

15-49	ECS Advice	Complete	Not applicable	Not applicable	Not applicable
15-51	Investigation - ECS	Complete	Not applicable	Not applicable	Not applicable
15-52	ECS Cultural Services Tender Advice	Complete	Not applicable	Not applicable	Not applicable
15-53	Housing advice	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.