

PERTH AND KINROSS COUNCIL**Audit Committee****30 March 2016****THE INTERNAL AUDIT PLAN, 2016/17****Report by the Chief Internal Auditor****PURPOSE OF REPORT**

This report presents the strategy for the delivery of Internal Audit and the proposed Internal Audit Plan for the financial year 2016/17.

1. BACKGROUND

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require the production of risk based plans to determine the priorities for internal audit activity, based on a documented risk assessment which is undertaken at least annually.
- 1.2 This plan presented to the Audit Committee is for the period April 2016 to March 2017 and therefore covers a period of 12 months.
- 1.3 In order to ensure compliance with the PSIAS requirement of undertaking an annual risk assessment, a detailed exercise reviewing the 'audit universe' (which includes all significant activities and systems that contribute to the achievement of the Council's objectives) has been undertaken and is attached at Appendix C. This includes a review of the Corporate and Service Risk Registers and relevant Service documentation and the analysis of risks and reports submitted to Council and Committees. The Local Area Network of external scrutiny bodies undertakes a strategic risk assessment for Perth & Kinross Council and produces an Assurance and Improvement Plan, which is the assessment of the level of external scrutiny required for each council, and this has been examined. Previous Internal Audit activity and information regarding complaints to the Council have also contributed to the development of the audit universe. Consultation has also taken place with Services regarding Internal Audit coverage for 2016/17.
- 1.4 Each potential audit subject contained in the audit universe is assigned a priority rating which derives from an assessment of four factors:
 - (i) the significance of the activity or system in relation to the Council's objectives;
 - (ii) the likely consequences of a failure of control, whether in financial, legal, health & safety, reputational or other ways;
 - (iii) the degree of change in the activity or system, whether legislative, managerial or in other ways;
 - (iv) the assessed strength of the internal controls in place, where known, and reported performance.

- 1.5 The priority ratings are assigned independently by internal audit; however, the process benefits greatly from the information provided by Services during consultation.
- 1.6 Once the priority ratings have been assigned, a review of the available resources is undertaken. For the year 2016/17, some resources will be utilised by working in partnership with Highland Council to augment the capabilities of the Internal Audit team in order to deliver more technical IT audits. This will ensure that a greater number and wider variety of audits can be undertaken within the year.
- 1.7 Each audit assignment has been assessed with regard to the indicative scope and has been assigned an appropriate level of resource in order to deliver the assignment. The allocation of resources is based on the assumption that there will be no significant issues arising from the audit which require any detailed investigative work over and above the anticipated assurance work on the control environment.
- 1.8 An allocation of resources has been set aside to enable Internal Audit to respond to requests for ad hoc advice or requests for unplanned consultancy during the year. The allocation also provides for resources to be available to support the Counter-Fraud and Corruption Strategy and to undertake investigations as required. This resource equates to roughly 10% of resources available for Internal Audit activity.
- 1.9 A further allocation of resources has been set aside within the Plan to support the Chief Internal Auditor of NHS Fife, Tayside and Forth Valley in delivering the plan for the Integrated Joint Board. Detailed work in this area will be approved by, and reports will be submitted to, the Integrated Joint Board.

2. PROPOSALS

- 2.1 Appendix A shows a summary of the forecast internal audit resources for 2015/16. The 'Days available for allocation to PKC Internal Audit Plan' equates to 31 audit assignments plus the co-sourced assignments, which total an additional 2. This represents the 'core' audit plan for the Council and is in addition to other direct audit work, including:
 - (i) the certification of Council grant claims;
 - (ii) supporting Audit Scotland in the National Fraud Initiative;
 - (iii) other ad-hoc audit assignments; and
 - (iv) supporting Services with the roll out of arrangements for the implementation of the Counter Fraud and Corruption Strategy.
- 2.2 Appendix B shows the assignments which are proposed to be undertaken during 2015/16. It highlights the areas to be audited, along with the indicative scope of the assignment. The number of audit days attributable to each audit has been estimated and is included here for information, along with the indicative time scales for each audit. The appendix also references where the assignments are linked to either the Corporate or Service Risk Registers. The 2016/17 Audit Plan is summarised in the table below:

Quarter	Title	Lead Service
1	Credit Cards	Corporate & Democratic Services
1	Information Sharing	Corporate & Democratic Services
1	Housing Options	Housing & Community Care
1	Financial Assessment & Charging	Housing & Community Care
1	Sales Ledger	Corporate & Democratic Services
1	Debt Recovery and Write Off	Corporate & Democratic Services / All Services
1	Fuel Management	The Environment Service
1	Adult Protection	Housing & Community Care
1	SWIFT	Housing & Community Care / Corporate & Democratic Services
1 & 2	Financial Management of All-Through Schools	Education & Children's Services
2	Performance and Capacity Management	Corporate & Democratic Services
2	Charging for Services	Corporate
2	Procurement	Corporate
2	Named Person's Service – Follow Up	Education & Children's Services
2	Horsecross	Corporate
3	Property Maintenance	The Environment Service
3	Pupil Support	Education & Children's Services
3	LEADER	The Environment Services
3	Housing Rents	Housing & Community Care
3	Rent Arrears	Housing & Community Care
3	Roads Maintenance Partnership	The Environment Service
3	Transformation	Corporate
4	Personalisation	Housing & Community Care and Education & Children's Services
4	Parking Services	The Environment Service
4	Commissioned Services: Care at Home	Housing & Community Care
4	Events & Festivals	The Environment Service
Through-out year	Integrated Adult Health & Social Care	Integrated Joint Board
Through-out year	Grant claim certification as required	The Environment Service

Quarter	Title	Lead Service
<i>Consultancy</i>		
3	Child's Plan	Education & Children's Services
3	European Social Fund	The Environment Service
Through-out year	Tayside Contracts	The Environment Service
Through-out year	Transformation (advisory)	Corporate
Through-out year	Corporate Governance	Corporate & Democratic Services
Through-out year	Universal Credit	Housing & Community Care
Through-out year	Housing Technology Improvement Plan	Housing & Community Care

- 2.3 Appendix B also highlights a division between assurance and planned consultancy activity, which may take place over a longer period. The consultancy assignments are a more pro-active, enabling audit approach and aim to support management in building in controls at the outset for the implementation of systems, processes and procedures and also for the provision of specific assurance for particular projects or issues at the request of management. This approach is consistent with the PSIAS and with the Internal Audit Charter, approved by the Audit Committee in November 2015 (report 15/545 refers)
- 2.4 The listing of audit subjects by Council Service and Division in Appendix B is intended only as a guide. It does not necessarily imply that sole responsibility for that activity or system rests with the Service named or that the audit will be restricted to the work of that Service. In particular, many subjects of a 'corporate' nature (including most of the Council's financial systems) may require access to records across all Services.
- 2.5 It is not the purpose of this part of the planning process to specify the content of each audit in detail, but the high-level indicative scope has been captured to indicate the areas which will be subject to review. This will minimise the time taken in the detailed scoping of assignments at a future date.
- 2.6 The planned work will take place from April 2016 to March 2017, in order to contribute to the development of the Council's Annual Governance Statement for 2016/17.
- 2.7 The responsibility for implementing and maintaining the appropriate controls in each area rests with management. The purpose of the internal audit process is to provide independent assurance to the Council that these controls are appropriate and are operating effectively. The aim of the prioritisation process described above is to ensure that this assurance is directed to those areas where it is of most benefit in supporting the delivery of the Council's objectives.

- 2.8 The achievement of the audit plan is based on the assumption of the availability of the anticipated financial and staffing resources. It is also reliant upon the co-operation of Council Services throughout the process, from agreeing the scope of the audit to the implementation of agreed actions. Appendix D details the protocol with Services for the delivery of the Internal Audit Service.

3. CONCLUSION AND RECOMMENDATION

- 3.1 It is recommended that the Audit Committee considers and approves the proposed internal audit plan for 2016/17.

Author(s)

Name	Designation	Contact Details
Jackie Clark	Chief Internal Auditor	jclark@pkc.gov.uk 01738 475524

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*



Council Text Phone Number 01738 442573

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	Yes
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, Depute Chief Executives, Directors, the Head of Finance, relevant Heads of Service and Elected Members on the Audit Committee have been consulted in the preparation of this report.

3.2 External

- 3.1.2 The Council's External Auditors, Audit Scotland, 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 – Internal Audit Resources (Audit Days) for April 2016 to March 2017

Appendix B – The Internal Audit Plan for April 2016 to March 2017

Appendix C – Reserve List of Assignments To Be Considered Where Resources Allow

Appendix D – The Audit Universe with priority ratings for the 2016/17 Plan

Appendix E – Protocol with Services for Delivery of the Approved Internal Audit Plan

Appendix A – Internal Audit Resources (Audit Days) for April 2016 to March 2017

Description	2015/16
Days Attendance at Work (Net of Public Holidays, Annual Leave and Sickness Allowance)	1086
Less: Time on Other Non-Audit Activity (Team and Other Meetings, Training, Personnel and Other Management Tasks)	(117)
Days Available for internal audit activity	969
Less: Time on 'Core' Audit Work (Follow-Up, Strategic Audit Planning, Supporting the Audit Committee, Development of Policies & Procedures, Supervision and Quality Assurance)	(169)
Grant certification and supporting the National Fraud Initiative	(68)
Allocation of resources for unplanned work, ad-hoc advisory work, investigations and Counter-Fraud and Corruption	(95)
Days available for allocation to specified assignments	637
Equivalent Assignments	32
Anticipated externally delivered assignments	2
Total assignments included within the 2015/16 Internal Audit Plan	34

Appendix B – The Internal Audit Plan for April 2016 to March 2017

Internal Audit Assignments:

Service	Division	Title	Indicative Scope	Internal Audit Priority rating	Total days	Quarter
Corporate	Community Care	Integrated Adult Health & Social Care	To work in partnership with NHS Internal Audit colleagues to ensure the adequacy of key arrangements for the governance of the Integrated Joint Board. Reported to Integrated Joint Board.	High	20	Ongoing
Corporate	All Services	Charging for Services	To ensure that arrangements are in place throughout the council for charging for services	Medium	20	2
Corporate	All Services	Management of Relationships with Horsecross	To review the adequacy and effectiveness of the Council's management of the relationship with Horsecross.	High	20	2
Corporate	Strategic Commissioning & Organisational Development	Transformation	To provide assurance over projects included within Phase 1 of the transformation programme.	High	25	3
Corporate	Strategic Commissioning & Organisational Development	Procurement	To ensure that arrangements are in place to secure value for money through procurement activity	High	30	2
All Services	All Services / Finance	Debt Recovery & Write-off	To ensure an adequate, consistent approach to the identification of debt, it's recovery and write-off.	Medium	25	1

Service	Division	Title	Indicative Scope	Internal Audit Priority rating	Total days	Quarter
Corporate & Democratic Services / All Services	All Services / Finance	Credit Cards	To review usage and control over credit card spend.	Medium	20	1
Corporate & Democratic Services	Finance	Sales Ledger	To ensure that key controls are in place for Sales Ledger.	Medium	20	1
Corporate & Democratic Services	Corporate IT	SWIFT	To ensure the adequacy of the framework for the SWIFT system.	High	*	1
Corporate & Democratic Services	Corporate IT	Performance & Capacity Management	To ensure the adequacy of the assessment and management of current and future performance and capacity	High	*	2
Corporate & Democratic Services	Legal	Information Sharing	To review the adequacy of the Council's arrangements for sharing information.	High	25	1
Education & Children's Services	Education Services	Financial Management of Schools – All Through	To review arrangements in place for the financial administration of all through schools	Medium	20	1 & 2
Education & Children's Services	Children & Family Services	Named Person follow up	A follow up on the Named Person audit from 2015/16 to ensure that arrangement are in place.	High	5	2
Education & Children's Services	Education Services	Pupil Support	To review the arrangements in place for the deployment of resources in schools	Medium	20	3

Service	Division	Title	Indicative Scope	Internal Audit Priority rating	Total days	Quarter
Housing & Community Care	Finance & Support Services	Financial Assessment & Charging	To ensure that financial assessments are carried out, are accurate and are promptly invoiced	High	30	1
Housing & Community Care	Community Care	Adult Protection	To provide assurance over the process being followed for the protection of adults referred to the Council.	High	25	1
Housing & Community Care and Education & Children's Services	Community Care / Children's Services	Personalisation	To ensure that the adequacy of the personalisation arrangements.	High	25	4
Housing & Community Care	Community Care	Commissioned Services – Care at Home	To review the adequacy of arrangement for the commissioning of care at home services	High	25	4
Housing & Community Care	Housing	Housing Options	To ensure adequate arrangements are in place within Housing Options	Medium	25	1
Housing & Community Care	Housing	Housing Rents	To review arrangements in place for the identification and collection of housing rents, including arrangements for the management of rent arrears.	High	25	3
Housing & Community Care	Housing	Rent Arrears	To review the adequacy of arrangements for the management of rent arrears	High	20	3
The Environment Service	Performance & Resources	LEADER	To ensure that adequate arrangement are in place in line with LEADER requirements	Medium	10	3
The Environment Service	Performance & Resources	Parking Services	To review arrangements for the management of parking operations	Medium	25	4

Service	Division	Title	Indicative Scope	Internal Audit Priority rating	Total days	Quarter
The Environment Service	Planning and Development	Events & Festivals	To ensure that involvement with events and festivals contributes to the delivery of Council objectives.	Medium	20	4
The Environment Service	Environmental & Consumer Service	Fuel Management	To ensure the adequacy of arrangements in place for the management of fuel used by fleet vehicles	Medium	20	1
The Environment Service	Property	Property Maintenance	To review arrangements for the identification of maintenance requirements and it's procurement.	High	30	3
The Environment Service	Roads Maintenance Partnership	Roads Maintainance Partnership	To review arrangements within the Roads Maintenance Partnership.	High	25	3
<i>Total days allocated to traditional audit activity</i>					555	

* highlights assignments to be undertaken through an externally-procured arrangement

Service	Division	Title	Indicative Scope	Internal Audit Priority rating	Total days	Quarter
Consultancy						
Education & Children's Services	Children & Family Services	Child's Plan	To provide assurance over the arrangements in place for the implementation of the Childs Plan in line with requirements arising from the Children and Young People (Scotland) Act 2014	Medium	20	3
The Environment Service	Planning & Development	European Social Fund	To provide assurance over the management of projects linked to funding from the European Social Funds	High	15	3
The Environment Service	Directorate	Tayside Contracts	To support the review of the governance arrangements for Tayside Contracts	High	10	Ongoing
Corporate	Various	Transformation	To provide consultancy resources to support the transformation agenda	High	10	Ongoing
Corporate	Housing & Community Care	Universal Credit	To provide assurance over the controls in place for the roll out and mitigation of Universal Credits	High	10	Ongoing
Corporate	Legal Services	Corporate Governance	To provide resources to support continued review of governance arrangements	Medium	5	Ongoing
Housing & Community Care	Housing	Housing Technology Improvement Plan	To provide advice, support and guidance through the HTIP project	Medium	12	Ongoing
<i>Total days allocated to planned consultancy audit activity</i>					82	
TOTAL AUDIT DAYS					637	

Appendix C – Reserve List of Assignments To Be Considered Where Resources Allow

Service	Division	Title	Indicative Scope	Internal Audit Priority rating	Total days	Quarter
Corporate	Strategic Commissioning & Organisational Development	Performance Reporting	To ensure the adequacy of the framework for collating information and reporting performance	High		
Corporate & Democratic Services	Finance	Creditors	To ensure that key controls are in place for creditors	Medium		
Education & Children's Services	Whole Service	Assessment of Need	To review the management of arrangements for the assessment of children and young people's needs and appropriate placement for both education and care	Medium		
Housing & Community Care	Community Care	Community Justice	To provide assurance over the arrangements for changes in community justice	High		
Housing & Community Care	Community Care	Supported Living Team	To review arrangement for the Supported Living Team	Medium		

Appendix D – The Audit Universe for the 2016/17 Plan with Priority Ratings

Key: 4 and 5 High Priority: Anticipated coverage at least once within a 3 to 5 year cycle
 3 Medium Priority: Anticipated coverage dependent on available resources
 1 and 2 Low Priority: Not anticipated to cover, however will continue to be included within Audit Universe to ensure that risks remain evaluated.

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
Corporate Issues					
		Transformation	5	Yes	Yes
		Integration of Health and Social Care (IJB)	5	Yes	Yes
		Management of contracts	5		Yes
		Procurement	4	Yes	
		Strategic Commissioning	4		
		Community Planning	4		
		Welfare Reform (inc Universal Credits)	4	Yes	Yes
		Corporate Risk Management	4		Yes
		Corporate Governance	4	Yes	Yes
		Management of Relationship With Significant ALEOs	4	Yes	
		Procurement Strategy	3		
		Tendering	3		
		Hubco	3		

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Use of framework agreements	3		
		Strategic Planning	3		
		Community Engagement	3		Yes
		Public Performance Reporting	3	Reserve	
		Charging for Services	3	Yes	
		Use of Consultants	3		
		Gifts and Hospitality	3		
		Business Continuity	3		Yes
		Equalities	2		Yes
		Organisational Development	2		
		Employee Engagement	2		
		Officer and Elected Member involvement with external organisations	2		
		Asset Management (Stocks & Inventories)	2		
Corporate & Democratic Services					
	Corporate IT				
		IT Change Management	4		Yes
		Critical systems	4	Yes	Yes
		ICT Purchasing	4		

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Performance and Capacity Management	4	Yes	
		Network Security	4		
		ICT Governance	3		Yes
		IT Disaster Recovery	3		Yes
		Hardware Asset Management	3		Yes
		Interfaces	3		Yes
		Service Level Management	3		
		Software Licensing	3		
		Configuration Management	3		
		Physical and Environmental controls	3		
		Operations Management	3		
		Service desk, incident and problem management	3		
		Software Applications Development & Maintenance	2		
	Democratic Services				
		Payments to Elected Members	3		Yes
		Elected Member Code of Conduct - Register of Interests	3		Yes
		Civic Hospitality	3		
		External and Internal Communications	3		
		Community Councils	2		

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Registration of Births, Deaths, Marriages & Civil Partnerships	2		
		Supporting Decision-Making / Committee Services	2		
		Development & Support for Elected Members	2		
		Elections Team	2		
		Design Team	2		
	Finance				
		Payroll	4		Yes
		Purchases / Creditors Ledger	4	Reserve	Yes
		Income / Sales Ledger	4	Yes	Yes
		Capital Budgeting / Monitoring	3		Yes
		Revenue Budgeting / Monitoring	3		Yes
		MyView	3	Reserve	
		Optimum	3		Yes
		Treasury Management	3		
		Value Added Tax	3		
		Credit Cards	3	Yes	Yes
		Bank Accounts	3		
		Debt Recovery & Write-off	3	Yes	
		Payroll & Expenses (Elected Members)	3		Yes

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Employee Expenses	3		Yes
		General Ledger	3		Yes
		Insurance	3		Yes
		Payment Card Industry Data Security Standard	3		
		Sundry Payments	3	Reserve	
		Cash & Bank Reconciliations	2		
		BACS	2		
		Charities / Common Good Funds	2		
		Controlled Stationery	2		
		Reserves Strategy	2		Yes
		Renewal & Repair fund	2		
		Non-payroll travel arrangements	2		Yes
		Issues arising from NFI	1		
		Human Resources			
		Workforce Management & Planning	4		
		Early / Flexible Retirement / Severance Scheme	3		
		Disclosure Checks / Protection of Vulnerable Groups	3		Yes
		Recruitment / Selection	3	Reserve	
		Maximising Attendance / Sickness Management	3		Yes

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Job Evaluation & Design	3		Yes
		Use of Consultants	3	Reserve	
		HR Policies	3		
		Code of Conduct (Employees)	3		
		Employment Approval Process	3		Yes
		Employee Review & Development	3		
		Occupational Health	3		
		Flexible Working	2		
		Employee Induction	2		
		Redeployment	2		
		Modern Apprentices / Graduate Trainees	2		
	Legal & Governance Services				
		Information Security	5		Yes
		Data Protection	4		Yes
		Information Sharing	4	Yes	
		Following the Public Pound	4		Yes
		Records Management	4		Yes
		Complaints	4		Yes
		Licensing	3		Yes

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Freedom Of Information	3		
		New Legislation / Legal Compliance	3		
		Licensing Board	3		
		Human Rights / Covert Surveillance	2		
Education & Children's Services					
	Children & Families Services				
		Child's Plan	4	Yes	
		Child Protection	4		Yes
		Assessment of Need	4	Reserve	
		Commissioned Placements	4		
		Named Person Service	4	Yes	Yes
		Fostering & Adoption Services	3		Yes
		Kinship Care	3		Yes
		Children's Hearings	3		
		Youth Services	3		
		Continuing Care	3		
		Looked After Children	3		
		Young Carers Strategy	2		

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
	Education Services				
		Raising Attainment & Achievement	4		
		Financial Management of Schools (Secondary)	4		Yes
		Financial Management of Schools (All-through)	4	Yes	Yes
		Financial Management of Schools (Early Years and Primary)	4		Yes
		Inclusion Services	4	Reserve	
		Additional Support Needs Resourcing	4	Yes	
		Early Years services	3		Yes
		Wraparound Care / Out of School Clubs	3		
		Nursery Partner-Providers	3		
		Supply Teachers	2		
		Probationer Teachers	2		
		Perth City Campus	2		Yes
		Breakfast clubs	2		
		Education Psychology Service	2		
		Parent Councils	2		
		Education Maintenance Allowances	2		
		Careers Service	2		
		Youth Services	2		

Service / Subject		Priority	2016/17 Plan?	Previous 5 year coverage
	Instrumental Music Services	2		
	Business & Resources			
	Change Management – supporting transformation	4		Yes
	School Estates Strategy	3		
	Contract Monitoring - School Catering	3		Yes
	Contract Monitoring - School Cleaning	3		Yes
	Contract Monitoring - Investment In Learning	3		
	School Transport (Entitlement)	3		
	New School Governance	3		Yes
	School Outings	3		
	Modernising the School Office	3		Yes
	School Funds administration	3		Yes
	School Attendance Management	3		
	Admission to Educational Establishments	3		
	School Lets	2		Yes
	Class sizes	2		
	Evidence 2 Success	2		
	School Crossing Patrols	2		
	School rolls / Class sizes	2		

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Playstart	2		
		Clothing Grants	2		
		Janitorial Services	2		
Housing & Community Care					
	Community Care				
		Adult Protection & Support	4	Yes	Yes
		Personalisation	4	Yes	Yes
		Community Justice	4	Reserve	
		Drugs & Alcohol Service	3		
		Mental Health Services	3		Yes
		Care at Home Services	3		
		Residential Care Homes	3		Yes
		Quality of Residential Care	3		Yes
		Reablement	3		Yes
		Community Meals Service	3		
		Comfort Fund administration	3		Yes
		Day Care Centres	3		
		Supported Living team	3	Reserve	

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Community Payback	3		
		National Care Home Agreement	2		
		Occupational Therapy / JELS	2		
		Safer Communities	2		
		Mentoring Service	2		
		Client Transport (Entitlement)	2		
		Community Alarm Service	2		
		Housing & Care Commissioning			
		Housing Rents	5	Yes	Yes
		Housing Investment Plan	4		Yes
		Commissioned Services for Housing	4		
		Commissioned Services for Community Care	4	Yes	
		Housing Repairs	4		Yes
		Housing Transformation	4	Yes	
		Housing Options	4	Yes	
		Rent Arrears	4	Yes	
		Homelessness	3		Yes
		Buy Backs	3		Yes
		Housing Charter: Performance	3		

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Voids Management	3		Yes
		Tenancy Fraud	3		
		Private Sector Housing Grants	2		
		Sheltered Housing	2		
		Affordable Housing	2		
		Mixed Tenure Contributions	2		Yes
		Decorating Vouchers	2		
		Garages & Lock-ups	2		
		Rent Bond Guarantee Scheme	2		
	Revenues, Finance & Support Services				
		Housing Benefits	4		Yes
		Council Tax	4		Yes
		Financial Assessment & Charging	4	Yes	
		Contributions Policy	3		
		Scottish Welfare Fund	3		Yes
		Discretionary Housing Payments	3		Yes
		Council Tax Reduction Scheme	3		Yes
		Welfare Rights & Income Maximisation	3		
		Interim Funders	3		Yes

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Non-Domestic Rates	3		Yes
		Customer Service Centre	3		
		Petty Cash	3		Yes
		Cash Office	3		
The Environment Service					
	Planning & Regeneration				
		Development Control	5		Yes
		Flood Mitigation	4		Yes
		Building Standards	3		
		Perth City Development	3		
		Planning Enforcement	3		
		Commercial Property Investment Programme	3		
		Events & Festivals	3	Yes	
		Strategic Planning	3		
		LEADER	3	Yes	Yes
		European Social Funds	3	Yes	
		Support for Businesses	3		
		Financial Assistance	3		

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Developers Contributions	2		
		Perth Harbour	2		
	Environmental & Consumer Services				
		Waste Management Strategy	4		
		Fleet Management / Operators License	4		Yes
		Fuel Management	3	Yes	
		Refuse Collection	3		
		Commercial Waste	3		
		Street Cleansing	3		
		Grounds Maintenance	3		
		Landfill Tax	3		
		Bereavement Services	3		
		MOT Testing	3		Yes
		Regulatory Services	3		Yes
		Parks & Open Spaces	2		
		Recycling Centres	3		
		Air Quality Management	2		
		Private Water Supplies	2		
		Stores	2		

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Public Conveniences	2		
		Roads Network Management	2		
		Sites for Travelling People	2		
		Traffic Regulation Orders	1		
		Placemaking	1		
	Performance & Resources				
		Capital Programme	5		Yes
		Corporate Health, Safety & Wellbeing	4		Yes
		Business Continuity	4		Yes
		Parking Services	4	Yes	
		Corporate Asset Management	4		
		Roads Maintenance Partnership	4	Yes	
		Works Awarded After VFM Assessment	4		Yes
		Roads Inspection And Maintenance	3		Yes
		Winter Maintenance	3		
		Street Lighting Partnership	3		
		Civil Contingencies	3		
		School Transport (Contract)	3		Yes
		Community Care Transport (Contract)	2		

Service / Subject			Priority	2016/17 Plan?	Previous 5 year coverage
		Local Bus Support Service	2		
		Adoption of Public Roads	2		
		Blue Badges	2		
	Property Services				
		Property Maintenance	4	Yes	
		Property System	3		Yes
		Corporate Premises Management	3		
		Carbon Reduction Commitment	3		
		Energy Management	3		
		Rechargeable Works	2		
		Water Management	2		
		Building Cleaning	2		

Protocol with Services for Delivery of the Approved Internal Audit Plan

This document lays down the principles for the delivery of Internal Audit within Services to ensure the delivery of the 2016/17 Internal Audit Plan.

Approval of the Internal Audit Plan

The Internal Audit Plan 2016/17 will be submitted to Audit Committee for approval on 30 March 2016. In support of the delivery of the Internal Audit Plan on time and to budget, it is essential that Services interact appropriately with the Internal Auditors undertaking the audit assignments, from initial discussion of the original brief, through to the agreement of the Final Report and subsequently undertaking the agreed actions on time.

Key dates

For information, the following are key dates for the Internal Audit process:

1 March 2016:	2016/17 Internal Audit Plan considered by the Executive Officer Team
30 March 2016:	2016/17 Internal Audit Plan considered by Audit Committee
31 May 2016:	All Heads of Service will have been consulted on a more detailed scope of assignments in areas on which they lead.

Requirements of the Audit Process

In order to ensure that the process is managed appropriately:

1. Prior to the submission of the Audit Plan to Audit Committee, Heads of Service will have given consideration to the planned timing of the audit assignment and may be able to influence which quarter the assignments are planned to commence so as to ensure that Service provision can be maximised, relevant staff can be released to assist in the process and the process may add the most value.
2. Heads of Service will be consulted on the drafting of the Assignment Briefs prior to the end of May 2016.
3. The Assignment Brief will be issued to Directors, relevant Heads of Service and Service Management as appropriate immediately prior to the commencement of each audit.
4. Once the audit has commenced, it is the responsibility of the Head of Service to ensure that staff are made available to facilitate the audit process. The Internal Auditor will provide an indication of the likely timeframe for testing and for the draft report to Senior Managers once the assignment brief has been issued. The Assignment Brief will detail the anticipated meeting of the Audit Committee which will consider the Final Report.

5. Once fieldwork has been completed, a draft report will be issued to managers in the area being audited, along with other relevant parties, for confirming factual accuracy and for discussion of any potential actions arising from the findings detailed in the report.
6. Once the report has been through a final quality assurance review in Internal Audit, the Draft Report will be issued to Managers and Heads of Service in order to develop an action plan to mitigate the issues raised by the audit. In some cases, Service Managers may have provided responses and where this is the case, these actions will be included within the report. It is management's responsibility to ensure that the action plans are achievable within the timeframes stated within the report.
7. It is imperative that reports are dealt with promptly to ensure that the weaknesses highlighted in the report can be identified timeously for appropriate remedial management action. As such, responses from Heads of Service and Service Managers are to be provided to the relevant Internal Auditor as soon as possible and at least within 10 working days of the issue of the draft report.
8. Once the response has been received and clarifications have been sought to resolve any issues raised, the draft Final Report will be issued to Directors for their information prior to issuing the report as a Final Report.

Undertaking Agreed Actions

In order for Internal Audit to be effective, to deliver a Service which adds value to the organisation and feeds into the Annual Governance Statement, it is necessary for Senior Managers and Chief Officers to engage positively with the entirety of the internal audit process. This process includes addressing the agreed actions arising from the audit report completely and on time.

Internal Audit undertakes a systematic review of all actions agreed in internal and external audit reports to ensure that action plans are completed on time and in full. This 'follow up' process takes place in line with the Audit Committee timetable and supports the work of the Audit Committee. The Audit Committee is informed of those actions which have not been completed and are provided with an update on the progress of these outstanding actions.

Internal Auditors will contact nominated officers within the Services to ascertain the progress of actions which are due to have been completed. It is the responsibility of Services to respond promptly to such requests for information and to provide the previously agreed evidence as part of the response. Where the actions have not been completed as agreed, the Service must provide an explanation for the delay, an update on progress being made with the implementation of the action, a plan to implement the action as soon as possible and a revised date for completion. On occasions, the agreed action may no longer be required or appropriate. Where this is the case, a detailed explanation of the reasons must be provided to Internal Audit for their assessment.

It is Internal Audit's responsibility to arrive at a view, based on the evidence provided, as to whether the action has been fully completed and the control issues raised have been appropriately dealt with. Any issues will be discussed with the Service prior to an opinion being formed.

Feedback

Any feedback on the audit process is welcome. Please contact the chief Internal Auditor, Jackie Clark, on 01738 475524 or by email at JClark@pkc.gov.uk

