

PERTH AND KINROSS COUNCIL

Audit Committee

2 December 2020

INTERNAL AUDIT FOLLOW UP

Report by Chief Internal Auditor
(Report No. 20/234)

PURPOSE OF REPORT

This report presents a current summary of Internal Audit's 'follow up' work relating to actions agreed arising from Internal Audit Reports.

1. BACKGROUND AND MAIN ISSUES

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require the Chief Internal Auditor to establish a follow-up process to monitor and ensure that management actions have been effectively implemented. Internal Audit request evidence from Services which confirms that actions have been implemented and, therefore, controls have been improved.
- 1.2 There are 52 actions arising from Internal Audit reports which have previously been reported to this Committee for which evidence of completion has not been considered by Internal Audit. Of these, 9 had a completion date after September 2020, with the remaining 43 having dates between February and September 2020.
- 1.3 Internal Audit paused follow up work during the COVID-19 pandemic and has recently re-engaged with Services on the outstanding actions. It is appreciated that Services have been concentrating on delivering the key services throughout the pandemic and, as such, some areas of agreed activity have not been completed as anticipated.
- 1.4 Of the 43 actions due for completion prior to September 2020, 15 were classed as of high importance, with 22 medium- and 6 low-importance actions.

2. PROPOSALS

- 2.1 Of the 15 high importance actions, 11 related to Internal Audit Report 19-01 Live Active Leisure: Income Collection and Reimbursement. Due to the lack of activity within campuses relating to this area of business since the commencement of the COVID-19 pandemic, it is not possible to verify the completion of these actions as sufficient evidence is not yet available. As a result, it is proposed to delay following up these actions until January 2021, subject to further developments with the COVID-19 pandemic. The remaining 4 actions, which relate to 3 other reports, will be followed up in December 2020. The outcome from this exercise will be considered by Audit Committee around March/April 2021, depending upon the Committee timetable.

- 2.2 The remaining actions are being followed up currently and a detailed update of these actions, where they are not completed, will be provided to the next meeting of the Audit Committee.

3 CONCLUSION AND RECOMMENDATIONS

- 3.1 It is recommended that the Audit Committee approves the proposed action to be taken to progress the agreed Action Plans following the commencement of Services as a result of the COVID-19 pandemic.

Author

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate 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

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 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

Internal

- 3.1 The Chief Executive and the 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

None