

PERTH AND KINROSS COUNCIL

Audit Committee

21 June 2021

INTERNAL AUDIT UPDATE

Report by Chief Internal Auditor
(Report No. 21/97)

PURPOSE OF REPORT

This report presents a summary of Internal Audit's work undertaken as part of the Internal Audit Plans for 2019/20 and 2020/21.

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 From September 2020, since substantive audit work re-commenced following the response to the COVID-19 pandemic, Internal Audit has been contacted 9 times for advice/ guidance. Internal Audit will follow up on these areas during the year, where necessary. Where control issues arise as a result of this work, Internal Audit will provide the Audit Committee with a report. One such area has resulted in an additional report which is included in the agenda for this meeting of the Audit Committee.
- 1.3 As a result of re-tasking of Internal Audit staff, and of the availability of officers within Services to support Internal Audit work due to the focus on their response to the COVID-19 pandemic, there has been a delay in finalising assignments from the 2020/21 Internal Audit Plan. Outstanding work will be rolled forward for consideration for inclusion within planned Internal Audit work for 2021/22.
- 1.4 Appendix 1 shows the areas of work which have been undertaken since the meeting of the Audit Committee in December 2020 and the anticipated dates for finalising and reporting on the remaining Internal Audit assignments.
- 1.5 The Contracting assignments for 2019/20 and 2020/21 will be considered as part of a single report which is anticipated will be presented at the first meeting of the Audit Committee after the recess. It is further anticipated that all remaining reports from 2020/21 will be considered at that meeting.
- 1.6 Work has been completed to certify the Bus Service Operators Grant claims. In addition, Internal Audit has also supported Services in preparing for the release of matches associated with the 2021/22 National Fraud Initiative exercise and is overseeing the completion of this exercise.

- 1.7 In addition to undertaking work in connection with the Internal Audit Plan for Perth & Kinross Council, the team is undertaking assignments in relation to the Perth & Kinross Integration Joint Board.

2. CONCLUSION AND RECOMMENDATIONS

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

- 2.2 It is recommended that the Committee notes: -

- i) the assignments undertaken by Internal Audit since the last meeting of the Audit Committee.
- ii) the proposed dates for completion of planned Internal Audit 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 interim 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 – Internal Audit Activity