



Internal Audit Report
The Environment Service
15/46 Superconnected Cities Grant Claim
January 2016

Final Report

Finance Division
Corporate and Democratic Services
Perth & Kinross Council
Blackfriars Development Centre
North Port
Perth PH1 5LU

Internal Audit

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. Public Sector Internal Auditing Standards (PSIAS)

On 27th March 2013, the Council’s Audit Committee approved the PSIAS as the relevant standard for its Internal Audit activity.

Background

This review was carried out in addition to the approved audit plan for 2014/15 and as part of the work undertaken by Internal Audit to certify the grant claim for Superconnected Cities for the period 27 February 2014 to 31st March 2015

The council has secured funding from Department of Culture, Media and Sport through the Urban Broadband Fund to provide access to ultra-fast broadband for small to medium enterprises across Perth City through a connection voucher scheme. Additionally the council has secured funds through the same channels for provision of free public wifi hotspots in public buildings.

This report has been prepared as there is scope for enhancement of the grant claim’s supporting documentation.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of the staff and management who assisted in the grant certification process.

Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A ‘control objective’ is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

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| Control Objective: To ensure the accuracy of the Superconnected Cities Grant claim in respect of the period February 2014-March 2015, allowing the Chief Internal Auditor to complete the certification. |
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| Auditor’s Comments: Whilst the auditor was able to confirm that the grant had been used for permitted expenditure, which enabled certification of the grant claim, there was a lack of readily available supporting documentation to provide complete assurance that all the terms of the grant claim had been fulfilled at each stage of the project. This was in part due to a number of changes in the grant conditions. |
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In respect of future grant claims the service should ensure that documented procedures are kept up to date, with any changes being subject to version control. Internal Audit should be consulted at the commencement of the process to ensure that there is assurance over the project terms and objectives and appropriate recording systems are in place to provide an audit trail.

Strength of Internal Controls:

Moderate

Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

Feedback

Internal Audit welcomes feedback from management, in connection with this audit or with the Internal Audit service in general.

Distribution

This report has been distributed to:

B Malone, Chief Executive

J Valentine, Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneur Development)

B Renton, Director, The Environment Service

D Littlejohn, Head of Planning and Regeneration

S Merone, Investment Manager, The Environment Service

J Symon, Head of Finance, Corporate and Democratic Services

G Taylor, Head of Democratic Services

P Dickson, Complaints & Governance Officer

External Auditor

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Authorisation

The auditor for this assignment was L Ferguson. The supervising auditor was M Morrison

This report is authorised for issue:

J Clark
Chief Internal Auditor
Date: 8 January 2016