

PERTH AND KINROSS COUNCIL**Audit Committee****1 April 2015****THE INTERNAL AUDIT PLAN, 2015/16****Report by the Chief Internal Auditor****PURPOSE OF REPORT**

This report presents the proposed Internal Audit Plan for the financial year 2015/16.

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 2015 to March 2016 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 and is attached at Appendix C) has been undertaken. 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. Consultation has also taken place with Services regarding Internal Audit coverage for 2015/16.
- 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 2015/16, additional resources have been made available. These resources will be utilised by working in partnership with an external organisation to augment the capabilities of the Internal Audit team in a co-sourcing arrangement. The procurement for the co-sourcee will commence early in the financial year. 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.
- 1.8 Detailed work in the area of adult health and social care has yet to be scoped in partnership with colleagues in the NHS. As such, an allocation of resources is provided within the plan and the approach to be adopted will be reported in due course. Likewise there is an allocation of Internal Audit resources set aside to support the Council prior to and during the roll out of Universal Credits.

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 27 audit assignments plus the co-sources assignments, which total an additional 5. 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 2015/16 Audit Plan is summarised in the table below:

Quarter	Title	Service
1	Following the Public Pound	Chief Executive's Service
1	Establishment Approval Process	Chief Executive's Service
1	Complaints	Chief Executive's Service

Quarter	Title	Service
1	Fostering	Education & Children's Services
1	Corporate Health & Safety	The Environment Service
1	LEADER	The Environment Service
1	Reablement	Housing & Community Care
2	Reserves Strategy	Chief Executive's Service
2	Corporate Governance	Chief Executive's Service
2	Job Evaluation & Design	Chief Executive's Service
2	New School Governance	Education & Children's Services
2	Modernising the School Office	Education & Children's Services
2	Financial Management of a Community Care establishment	Housing & Community Care
2	Housing Service consultancy	Housing & Community Care
2	Corporate Risk Management	The Environment Service / All Services
2	School Transport Contracts	The Environment Service
3	Payroll	Chief Executive's Service
3	Optimum	Chief Executive's Service
3	Integrated Assessment Framework	Education & Children's Services
3	Financial Management of Schools – Early Years and Primary	Education & Children's Services
3	SEEMIS	Education & Children's Services
3	IT Disaster Recovery	Education & Children's Services
3	Planning Applications	The Environment Service
3	Homelessness Service	Housing & Community Care
3	Housing Investment Programme	Housing & community Care
4	Perth City Campus	Education & Children's Services
4	Self Directed Support	Housing & Community Care
Through-out year	Place Based Scrutiny	Education & Children's Services / All Services
Through-out year	Health & Social Care Integration	Housing & Community Care
Through-out year	Property System	The Environment Service
Through-out year	Universal Credits	Housing & Community Care
Through-out year	Transformation	All Services
Through-out year	Sport & Leisure Provision	Education & Children's Services

- 2.3 In addition to the audit coverage of health & social care integration being undertaken throughout the year, the audit of Universal Credits is also highlighted as such. This is due to the as yet uncertain nature as to the extent and timing of the roll out throughout the United Kingdom. This work will be of a consultancy nature to support Housing & Community Care in this regard.
- 2.4 In 2014/15, Internal Audit provided consultancy advice and support to The Environment Service's Property Division in the procurement of a Property Asset Management System. This procurement is well progressed and it is anticipated that Internal Audit's involvement with its roll out will continue into 2015/16. As such, this is also highlighted as consultancy work and as such work will take place over a prolonged period.
- 2.5 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 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.
- 2.6 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.
- 2.7 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.
- 2.8 The planned work will take place from April 2015 to March 2016, in order to contribute to the development of the Council's Annual Governance Statement for 2015/16.
- 2.9 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 effective. 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.
- 2.10 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 2015/16.

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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	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, all Executive Directors and the Head of Finance have been consulted in the preparation of this report.

3.2 External

- 3.1.2 The Council's External Auditors 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 2015 to March 2016

Appendix B – The Audit Universe, Priority Ratings and the Plan for April 2015 to March 2016

Appendix C – The Audit Universe for the 2015/16 Plan

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

Appendix A – Internal Audit Resources (Audit Days) for April 2015 to March 2016

Description	2015/16
Days Attendance at Work (Net of Public Holidays, Annual Leave and Sickness Allowance)	1007
Less: Time on Other Non-Audit Activity (Team and Other Meetings, Training, Personnel and Other Management Tasks)	(104)
Days Available for internal audit activity	903
Less: Time on 'Core' Audit Work (Follow-Up, Strategic Audit Planning, Supporting the Audit Committee, Development of Policies & Procedures, Supervision and Quality Assurance)	(190)
Grant certification works	(20)
Supporting the National Fraud Initiative	(35)
Allocation of resources for unplanned work, ad-hoc advisory work and investigations and Counter-Fraud and Corruption	(110)
Days available for allocation to specified assignments	548
Equivalent Assignments	28
Anticipated externally delivered assignments	5
Total assignments included within the 2015/16 Internal Audit Plan	33

Appendix B – The Audit Universe, Priority Ratings and the Plan for April 2015 to March 2016
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 the key arrangements for the governance of the integrated Adult Health & Social Care agenda as required by guidance.	High	40	Ongoing
Corporate / The Environment Service		Corporate Risk Management	To ensure the adequacy of corporate risk management within the Council.	Medium	*	2
Chief Executive's Service	Legal Services & Democratic Service	Corporate Governance	To provide assurance over the adequacy of the systems of Corporate Governance	Medium	*	2
Chief Executive's Services	Legal Division	Complaints	To ensure the adequacy of the systems in place to identify and resolve complaints within Services and corporately	High	30	1
Chief Executive's Service	Finance Division	Payroll	To ensure the adequacy of controls in place for accurate and timely payment of salaries and associated deductions.	Medium	25	3
Chief Executive's Service	Finance Division	Optimum	To ensure the adequacy of controls over the Optimum time recording system	Medium	*	3
Chief Executive's Service	Finance Division	Reserves Strategy	To ensure that there are appropriate controls over the management of reserves	Medium	20	2
Chief Executive's Service	Human Resources	Job Evaluation & Design	To provide assurance over the adequacy of the process for job evaluation and design.	Medium	*	2
Education & Children's	Education Services	Perth City Campus	To ensure that arrangements are in place for the delivery of the Perth City Campus	Medium	25	1

Services			priorities.			
Education & Children's Services	Education Services	Financial Management of Schools – Early Years and Primary	To review arrangements in place for the financial administration of primary and nursery schools	Medium	25	3
Education & Children's Services	Children & Family Services	Fostering	To ensure that arrangements are in place for the placement of children and young people and for the payment of allowances.	Medium	25	1
Education & Children's Services	Children & Family Services	Integrated Assessment	To ensure that the processes are in place and are effective for the assessment of individual need.	Medium	25	3
Education & Children's Services	Corporate IT	SEEMIS	To ensure the adequacy of the framework for the SEEMIS system.	Medium	*	3
Education & Children's Services	Corporate IT	IT Disaster Recovery	To ensure the adequacy of arrangements for the recovery of IT systems in an emergency.	High	20	3
Housing & Community Care	Finance & Support Services	Housing Investment Programme	To ensure that arrangements are in place for the monitoring of the Housing Improvement Plan	High	25	3
Housing & Community Care	Community Care	Reablement	To ensure that arrangements are in place to provide value for money through reablement	High	25	1
Housing & Community Care	Community Care	Financial Management of a Community Care establishment	To review arrangements in place for the financial administration of an establishment	Medium	15	2
Housing & Community Care	Community Care / Finance & Support Services	Self Directed Support	To ensure that arrangements are in place for the management of self directed support.	High	25	4

Housing & Community Care	Housing & Strategic Commissioning	Homelessness Service	To ensure the adequacy of arrangements in place for the delivery of services to homeless households	Medium	25	3
The Environment Service	Performance & Resources	Corporate Health & Safety	To provide assurance over the management of corporate health and safety.	Medium	25	1
The Environment Service	Performance & Resources	LEADER	To ensure that adequate arrangements are in place in line with LEADER requirements	Medium	10	1
The Environment Service	Performance & Resources	School Transport Contracts	To ensure the adequacy of the management arrangements for school transport contracts	Medium	20	2
The Environment Service	Planning & Regeneration	Planning Applications	To provide assurance over the arrangements in place within the planning applications process	High	25	3
Consultancy						
Corporate	Various	Place Based Scrutiny	To provide advice and support on place based scrutiny	High	10	1 and ongoing
Corporate	Various	Transformation	To provide consultancy resources to support the transformation agenda	High	20	Ongoing
Chief Executive's Service	Legal Division	Following the Public Pound	To provide advice and assurance on the revisions to the Code of Guidance.	Medium	8	1
Chief Executive's Service	Finance & Human Resources Divisions	Establishment Approval Process	To provide advice and assurance over the controls in place within the approval process for recruitment and changes in circumstances.	Medium	10	1
Education & Children's Services	Business & Resources	New School Governance	To provide advice and assurance over the governance arrangements for the new school.	Medium	10	2
Education & Children's Services	Business & Resources	Modernising the School Office	To provide advice on the control environment for the modernisation of the school office.	Medium	10	2
Education & Children's Services	Cultural & Community	Sport and Leisure	To provide advice and assurance for the review of sport and leisure provision	Medium	10	Ongoing

Services	Services	Provision				
Housing & Community Care	Finance & Support Services	Universal Credits	To provide advice and consultancy resource to support the roll out of Universal Credits	High	10	Ongoing
Housing & Community Care	Housing & Strategic Commissioning	Housing Service Consultancy	To provide advice and assurance to support the reviews within Housing Services	Medium	15	2
The Environment Service	Property Division	Property System	To continue to provide advice and assurance over the arrangements for the roll out of the property system	High	15	Ongoing
Total Days					548	

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

Appendix C – The Audit Universe for the 2015/16 Plan

Key: 4 and 5 High Priority: Anticipated coverage 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	2015/16 Plan?	Previous 3 year coverage
Corporate Issues			
Capital Programme	4		Yes
Capital Projects	4		Yes
Welfare Reform (inc Universal Credits)	5	Yes	Yes
Integration of Adult Health & Social Care	5	Yes	Yes
Following the Public Pound	4	Yes	Yes
Contracting & Tendering	4		Yes
Management of contracts	4		Yes
Transformation	4	Yes	
Place based Scrutiny	4	Yes	
Management of Relationship With Tayside Contracts	4		
Corporate Governance	4	Yes	
Savings Arising From Restructures & Reviews	4		
Strategic Planning (including SOA, CPP)	4		
Corporate Risk Management	3	Yes	

Service / Subject	Priority	2015/16 Plan?	Previous 3 year coverage
Gifts & Hospitality	3		Yes
Codes of conduct	3		
Business Continuity	3		Yes
Adherence to Council policies	3		
Management Capacity of Senior Managers	3		
Employee Engagement	3		
Officer and Elected Member involvement with external organisations	2		
Asset Management (Stocks & Inventories)	2		
Employability / Modern Apprentices	2		
Learning & Organisational Development	2		
Chief Executive's Service			
Democratic Services			
Payments to Elected Members	3		
Register of Hospitality / Interests (Elected Members)	3		
Community Councils	3		
Registration of Births, Deaths, Marriages & Civil Partnerships	3		
Committee Services / Supporting Decision-Making	3		
Development & Support for Elected Members	3		

Service / Subject	Priority	2015/16 Plan?	Previous 3 year coverage
External and Internal Communications	3		
Civic Hospitality	3		
Elections Team	2		
Design Team	2		
Finance			
Payroll	4	Yes	Yes
Capital Budgeting / Monitoring	4		Yes
Revenue Budgeting / Monitoring	4		Yes
Reserves Strategy	4	Yes	
Payroll & Expenses (Elected Members)	4		
Purchases / Creditors Ledger	4		Yes
Income / Debtors Ledger	4		Yes
Optimum	3	Yes	
Treasury Management	3		
Value Added Tax	3		
Credit Cards	3		Yes
Bank Accounts	3		
Debt Recovery & Write-off	3		
BACS	3		

Service / Subject		Priority	2015/16 Plan?	Previous 3 year coverage
	Employee Expenses	3		Yes
	General Ledger	3		Yes
	Insurance	3		Yes
	Cash & Banking	3		
	Sundry Payments	2		
	Charities / Common Good Funds	2		
	Controlled Stationery	2		
	Renewal & Repair fund	2		
	Non-payroll travel arrangements	2		Yes
	Annual Efficiency Statement	2		
	Issues arising from NFI	1		
	Human Resources			
	Disclosure Checks / Protection of Vulnerable Groups	4		Yes
	Workforce Management & Planning	4		
	Equalities (Employment)	3		
	Maximising Attendance / Sickness Management	3		Yes
	Job Evaluation & Design	3	Yes	
	Employee Approval Process	3	Yes	
	HR Strategy / Policy	3		

Service / Subject	Priority	2015/16 Plan?	Previous 3 year coverage
Early / Flexible Retirement	3		
Employee Review & Development	3		
Flexible Working	3		
Occupational Health	3		
Redeployment	2		
Modern Apprentices / Graduate Trainees	2		
Legal Services			
Information Security	5		Yes
Data Protection	4	Yes	
Licensing / Licensing Board	4		Yes
Complaints	4	Yes	
Records Management	4		Yes
Human Rights / Covert Surveillance	3		
Freedom Of Information	3		
Internet Policies	3		
Corporate Complaints	3		
New Legislation / Legal Compliance	3		
Corporate Governance Support	2		

Service / Subject	Priority	2015/16 Plan?	Previous 3 year coverage
Education & Children's Services			
Children & Families Services			
Integrated Assessment Framework	5	Yes	
Service For Looked-After Children	5		Yes
Youth Justice	4		
Child Protection	4		Yes
Community Support For Identified Families	4		
Change Fund	3		Yes
Children's Hearings	3		
Fostered / Adopted Children	3	Yes	
Throughcare	3		
Permanence Planning	3		
Young Carers Strategy	3		
Cultural & Community Services			
Live Active Leisure Service Level Agreement	4		Yes
Horsecross Service Level Agreement	4		
Sport & Leisure Provision	4	Yes	
Libraries	4		Yes
Arts & Heritage Services	3		

Service / Subject	Priority	2015/16 Plan?	Previous 3 year coverage
Sports Development	2		
Community Capacity Team	2		
Community Learning & Development	2		
Youth Services Team	2		
Instrumental Tuition Service	2		
Perth & Kinross Accredited Club Excellence Scheme	1		
Education Services			
Raising Attainment & Achievement	4		
Children & Young People's Act	4		Yes
Financial Management of Schools (Early Years and Primary)	4	Yes	Yes
Financial Management of Schools (Secondary)	4		Yes
Financial Management of Schools (All-through)	4		Yes
New School Governance	4	Yes	
School Outings	4		
Perth City Campus	4	Yes	
Early Years services	3		
Modernising the School Office	3	Yes	
School Funds administration	3		Yes
School Attendance Management	3		

Service / Subject		Priority	2015/16 Plan?	Previous 3 year coverage
	Supply Teachers	3		
	Probationer Teachers	3		
	Breakfast clubs	3		
	Wraparound Care / Out of School Clubs	3		
	Nursery Partner-Providers	3		
	Nursery Admissions	3		
	School Admissions	2		
	Class sizes	2		
	Evidence 2 Success	2		
	Education Psychology Service	2		
	School Crossing Patrols	2		
	Parent Councils	2		
	Education Maintenance Allowances	2		
	Community Link Workers	2		
	Playstart	2		
	School rolls / Class sizes	2		
	Clothing Grants	2		

Service / Subject	Priority	2015/16 Plan?	Previous 3 year coverage
Business & Resources			
Change Management – supporting transformation	4		Yes
School Estates Strategy	4		
Project Management Standards	4		
Contract Monitoring - School Catering	3		Yes
Contract Monitoring - School Cleaning	3		Yes
Contract Monitoring - Investment In Learning	3		
School Transport (Entitlement)	3		
School Lets	3		Yes
Corporate IT			
Network Security	4		
ICT Strategy	4		
ICT Purchasing	4		
IT Change Management	4		Yes
SEEMIS	4	Yes	
Applications Software Development & Maintenance	4		
Hardware Asset Management	4		Yes
IT Disaster Recovery	4	Yes	
Interfaces	3		Yes

Service / Subject		Priority	2015/16 Plan?	Previous 3 year coverage
	Customer Engagement	3		
	Software Licensing	3		
	ICT Operations / Infrastructure Management	3		
	Telephone Communications	3		
	Housing & Community Care			
	Community Care			
	Adult Protection & Support	4		Yes
	Drugs & Alcohol Service	4		
	Mental Health Services	4		Yes
	Self Directed Support	4	Yes	
	Home Care Service	4		
	Residential Care Services	4	Yes	Yes
	Re-ablement	4	Yes	
	Change Fund	3		
	Comfort Fund administration	3		Yes
	Day Care Centres	3		
	Disabilities Services	3		
	Community Payback	3		

Service / Subject		Priority	2015/16 Plan?	Previous 3 year coverage
	National Care Home Agreement	2		
	Occupational Therapy	2		
	Mentoring Service for Adults at risk of offending	2		
	Client Transport (Entitlement)	2		
	Community Alarm Service	2		
	Housing & Strategic Commissioning			
	Housing Quality Standard	5		Yes
	Housing Rents	5		Yes
	Affordable Housing	4		
	Commissioned Services for Housing	4		
	Commissioned Services for Community Care	4		
	Housing Repairs	4		Yes
	Housing Transformation	4	Yes	
	New Build Programme	4		Yes
	Housing Investment Plan	4		
	Homelessness	3	Yes	
	Housing Allocations	3		Yes
	Voids Management	3		Yes

Service / Subject	Priority	2014/15 Plan?	Previous 3 year coverage
Local Housing Strategy	3		
Private Sector Housing Grants	3		
Sheltered Housing	3		
Tenancy Fraud	3		
Owner Occupier's Accommodation Related costs	2		Yes
Decorating Vouchers	2		
Garages & Lock-ups	2		
Housing Improvement Grants	2		
Finance & Support Services			
Housing Benefits	4		Yes
Council Tax	4		Yes
Housing Improvement Programme	4	Yes	
Procurement	4		Yes
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	2014/15 Plan?	Previous 3 year coverage
	Non-Domestic Rates	3		Yes
	Internal Control Team	3		Yes
	Customer Service Centre	3		
	Petty Cash	3		Yes
	Contributions Policy	3		
	Charging Policy	3		
The Environment Service				
	Planning & Regeneration			
	Development Control	5	Yes	
	Flood Mitigation	4		Yes
	Building Standards	3		
	Perth City Development	3		
	Acquisition & Disposal of Assets	3		
	Commercial Property Investment Programme	3		
	LEADER	3	Yes	
	Support for Businesses	3		
	Financial Assistance	3		
	Developers Contributions	3		

Service / Subject		Priority	2014/15 Plan?	Previous 3 year coverage
	Perth Harbour	2		
	Visit Scotland Partnership Agreement	1		
	Traffic Regulation Orders	1		
	Environmental & Consumer Services			
	Waste Strategy & Management	4		
	Fleet Management / Operators License	4		Yes
	Events & Festivals Strategy	4		
	Refuse Collection	3	Yes	
	Commercial Waste	3		
	Street Cleansing	3		
	Grounds Maintenance	3		
	Bereavement Services	3		
	MOT Testing	3		Yes
	Regulatory Services	3		Yes
	Parks & Open Spaces	3		
	Fuel Management	2		
	Recycling Centres	2		
	Stores	2		
	Public Conveniences	2		

Service / Subject		Priority	2014/15 Plan?	Previous 3 year coverage
	Placemaking	1		
	Caravan Park	1		
	Performance & Resources			
	Corporate Health, Safety & Wellbeing (Internal)	4	Yes	
	Business Continuity	4		Yes
	Corporate Asset Management	4		
	Roads Maintenance Partnership	4		
	Works Awarded After VFM Assessment	4		Yes
	Roads Inspection And Maintenance	3		Yes
	Winter Maintenance	3		
	Roads Safety	3		
	Street Lighting Partnership	3		
	Civil Contingencies	3		
	School Transport (Contract)	3		
	Community Care Transport (Contract)	2		
	Local Bus Support Service	2		
	Traffic Control	2		
	Adoption of Public Roads	2		
	Parking Services	2		

Service / Subject		Priority	2014/15 Plan?	Previous 3 year coverage
	Blue Badges	2		
	Property Services			
	Property System	4	Yes	Yes
	Property Maintenance	4		
	Corporate Premises Management	3		
	Construction Project Management	3		
	Carbon Reduction Commitment	3		
	Energy Management	3		
	Rechargeable Works	2		
	Water Management	2		
	Building Cleaning	2		
	Architectural & Design Services	1		

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 2015/16 Internal Audit Plan.

Approval of the Internal Audit Plan

The Internal Audit Plan 2015/16 will be submitted to Audit Committee for approval on 1 April 2014. 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:

17 March 2015:	2015/16 Internal Audit Plan considered by the Executive Officer Team
1 April 2015:	2015/16 Internal Audit Plan considered by Audit Committee
31 May 2015:	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 in terms.
2. Heads of Service will be consulted on the drafting of the Assignment Briefs prior to the end of May 2015.
3. The Assignment Brief will be issued to Executive Directors, Deputies, 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 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 Executive 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 the 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, 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.

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

