

PERTH AND KINROSS COUNCIL**Audit Sub-Committee – 3 March 2010****INTERNAL AUDIT UPDATE****Report by Acting Chief Internal Auditor****ABSTRACT**

This report presents a summary of Internal Audit's work for 2009/10 against the annual plan.

1. RECOMMENDATIONS

1.1 The Audit Sub-Committee is asked to

1.1.1 note the progress of Internal Audit's work against the plans for 2009/10; and

1.1.2 approve the proposal detailed in Section 3.2

2. BACKGROUND

2.1 CIPFA's 'Code of Practice for Internal Audit in Local Government in the United Kingdom' requires that the Chief Internal Auditor presents interim reports on the progress with planned audit work.

2.2 A revised planning methodology has been devised for use in the development of the Internal Audit Plan for 2010/11 and is being commenced. This process will ensure that stakeholders are fully engaged and will provide a risk based plan for approval to the June 2010 Audit Sub Committee. The period covered by the Audit Plan will be June 2010 to March 2011.

2.3 There has been an increase in the level of Internal Audit involvement in unplanned work as a result of a number of expressions of concerns from employees through the Employees With Concerns ("whistle-blowing") procedure. This may result in further work being prioritised within the year and this will be reported to the Audit Sub-Committee as required. In addition, further investigation work has been undertaken with regard to a number of sensitive matches which have arisen as a result of the National Fraud Initiative 2008/09.

2.4 Internal Audit has concluded its involvement with 3 investigations which will not result in reports being issued. Any issues raised will be taken into consideration in the preparation of the 2010/11 Internal Audit Plan.

- 2.5 There continues to be a high level of absence within Internal Audit. In addition, the post of Senior Auditor, who is temporarily undertaking the role of Acting Chief Internal Auditor, has not been back-filled. These situations may impact on the delivery of the Audit Plan for 2009/10, which will be monitored and the necessary action will be reported to the Audit Sub-Committee in due course.
- 2.6 Audit Assignment 08/005 – Registers of Hospitality has been reported to the Audit Sub-Committee as being “on hold” pending the return of the Chief Internal Auditor. As the policy and guidance surrounding gifts and hospitality is currently under review by the Policy & Governance Group, of which the Acting Chief Internal Auditor is a member, it is proposed to remove this audit from the 2008/09 Plan and re-consider this item in line with the methodology for the 2010/11 Internal Audit Plan.
- 2.7 Appendix A shows a summary of the status of Internal Audit’s current assignments, detailing those final reports issued since the last Audit Sub-Committee, the assignments where work is completed and the findings are under discussion with management, and assignments in progress.
- 2.8 Appendix B shows a summary of the status of each outstanding audit from previous years’ plans, including currently forecast issue dates in the fourth column.
- 2.9 Appendix C shows a summary of the status of each audit previously approved as part of the 2009/10 plan. Planned issue dates will be provided in the next update report to the Audit Sub-Committee.

3. PROPOSALS

- 3.1 It is recommended that the Sub-Committee notes the progress of Internal Audit’s work against the plans for 2009/10.
- 3.2 It is recommended that the audit assignment 08/005 – Registers of Hospitality be removed from the 2008/09 plan.

4. CONSULTATION

- 4.1 The Head of Finance has been consulted in the preparation of this report.

5. RESOURCE IMPLICATIONS

- 5.1 There are no resource implications arising from this report.

6. COUNCIL CORPORATE PLAN OBJECTIVES 2009-2012

- 6.1 The Council’s Corporate Plan 2009-2012 lays out five Objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:-

- (i) A Safe, Secure and Welcoming Environment
- (ii) Healthy, Caring Communities
- (iii) A Prosperous, Sustainable and Inclusive Economy
- (iv) Educated, Responsible and Informed Citizens
- (v) Confident, Active and Inclusive Communities

6.2 The Chief Executive's Service provides a range of functions for internal and front-line customers alike. These functions support the work of the whole Council by assisting them in the delivery of the Council's Corporate Objectives. As a consequence, this report does not specifically relate to one of the objectives, but assists with the delivery of all five.

7. EQUALITIES ASSESSMENT

7.1 The Council's Corporate Equalities Assessment Framework requires an assessment of functions, policies, procedures or strategies in relation to race, gender and disability and other relevant equality categories. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new policies to ensure there is no adverse impact on any community group or employees.

7.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Assessment Framework and the determination was made that the items summarised in this report do not require further assessment as they do not have an impact on people's wellbeing.

8. STRATEGIC ENVIRONMENTAL ASSESSMENT

8.1 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS).

8.2 However, no action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

9. CONCLUSION

9.1 This report presents a summary of Internal Audit's work for 2008/09 and 2009/10 against the annual plans.

J CLARK
Acting Chief Internal Auditor

Note: 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.

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INTERNAL AUDIT UPDATE

Section 1 The Following Final Reports Have Been Issued since the last Audit Sub-Committee:

Audit No.	Audit Title	Service
	There have been no Internal Audit reports issued since the last Audit Sub-Committee	

Section 2 Work On The Following Assignments Is Complete And The Findings Are Under Discussion With Management:

Audit No.	Audit Title	Service
07/012	Best Value / Shared Services	Chief Executive's
08/004	Business Continuity	The Environment Service
08/023	Local Management of Schools - Primary	Education & Children's Services
08/027	Services to Homeless People	Housing & Community Care
09/001	Registrars	Chief Executive's
09/007	Treasury Management	Chief Executive's
09/012	ICT Purchasing	Education & Children's Services
09/020	School Transport (Entitlement)	Education & Children's Services
09/040 (b)	Implementation of integrated Human Resources & Payroll system (consultancy)	Chief Executive's
09/040 (c)	ISMS	Chief Executive's
09/053	NFI Matches	Education & Children's Services; Chief Executive's

Section 3 The Following Assignments Are In Progress:

Audit No.	Audit Title	Service
08/054	Assets & Inventories	Tayside Fire & Rescue Board
09/017	Fostered & Adopted Children	Education & Children's Services
09/023	Bereavement Services	The Environment Service

09/040	Implementation of integrated Human Resources & Payroll system (consultancy)	Chief Executive's
09/054	Capital Projects	Tayside Fire & Rescue
09/055	Training	Tayside Fire & Rescue
09/057	Investigation	Education & Children's Services
09/058	Investigation	Education & Children's Services

INTERNAL AUDIT UPDATE

Schedule Of Planned Audits For Previous Years With Issue Dates

Audit Number	Audit Title	Planned Issue Date	Actual (Forecast) Issue Date	Comments
07/012	Best Value / Shared Services		(Mar 10)	In progress
08/004	Business Continuity		(Mar 10)	In progress
08/023	Local Management of Schools – Primary	Jan 09	(Feb 10)	In discussion
08/027	Services to Homeless People	Sep 08	(Feb 10)	In discussion

INTERNAL AUDIT UPDATE

Schedule Of Planned Audits For 2009/10

Audit Number	Audit Title	Planned Issue Date	Actual (Forecast) Issue Date	Comments
09/001	Registrars	Nov 09	(Mar 10)	In discussion
09/002	Statutory Performance Indicators 2008/09	-	-	Cancelled. Completed by Henderson Loggie
09/003	Statutory Performance Indicators 2009/10	Apr 10	(Apr 10)	
09/004	Corporate Risk Management	Oct 09	Nov 09	Complete
09/005	Grants Received	-	-	Un-resourced
09/006	Procurement	Jan 10	(Mar 10)	In progress
09/007	Treasury Management	Dec 09	(Mar 10)	In discussion
09/008	Purchases – Creditors Ledger	Feb 10	(Mar 10)	In progress
09/009	Expenses (Employees)	Sept 09	Jan 10	Complete
09/010	Corporate Health & Safety	May 10	(May 10)	
09/011	Recruitment, Establishment Control	-	-	Un-resourced
09/012	ICT Purchasing	Sept 09	(Mar 10)	In discussion
09/013	Applications Software Development & Maintenance	Jan 10	(Apr 10)	
09/014	Licensing, Licensing Board	Feb 10	(Mar 10)	
09/015	Freedom of Information	-	-	Un-resourced
09/016	Planned & Unplanned Maintenance	-	-	Un-resourced
09/017	Fostered & Adopted Children	Jan10	(Mar 10)	In progress
09/018	Devolved School Management (Secondary)	Jan 10	(Mar 10)	
09/019	Devolved School Management (Special Schools)	-	-	Un-resourced

09/020	School Transport (Entitlement)	Sept 09	(Mar 10)	In discussion
09/021	Supply Teachers	-	-	Un-resourced
09/022	Economic Development	-	-	Un-resourced
09/023	Bereavement Services	Dec 09	(Mar 10)	In progress
09/024	Sites for Travelling People	Mar 10	(May 10)	
09/025	Roads (Inspection & Maintenance)	-	-	Un-resourced
09/026	Home Care Services (Elderly)	May 10	(May 10)	
09/027	Day Care Centres (Elderly)	-	-	Un-resourced
09/028	Housing Allocations	Apr 10	(May 10)	
09/029	Council Tax	Feb 10	(Mar 10)	
09/030	Housing Repairs	Apr 10	(Apr 10)	
09/040	Implementation of integrated Human Resources & Payroll system (consultancy)	Various		In progress