

**PERTH AND KINROSS COUNCIL****Audit Sub-Committee – 20 January 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 plans.

**1. RECOMMENDATIONS**

- 1.1 The Audit Sub-Committee is asked to note the progress of Internal Audit's work against the plans for 2009/10; and

**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 is currently being devised for use in the development of the Internal Audit Plan for 2010/11. The process for undertaking the planning exercise for 2010/11 will ensure that stakeholders are fully engaged, understand the methodology and how it has been applied. It will allow for increased transparency around the areas identified and aims to ensure that a balanced plan is being proposed.
- 2.3 Internal Audit has been involved with a number of investigations which are currently being taken forward by management within the Services. 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 is being undertaken with regard to a number of sensitive matches which have arisen as a result of the National Fraud Initiative 2008/09.
- 2.4 There continues to be a high level of sickness absence within Internal Audit which may impact on the delivery of the Audit Plan for 2009/10. This situation will be monitored and any necessary action will be reported to the Audit Sub-Committee in due course.
- 2.5 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.

2.6 Appendix B shows a summary of the status of each outstanding audit from the 2008/09 plan, including currently forecast issue dates in the fourth column.

2.7 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.

### **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.

**Contact Officer:** Jackie Clark, Ext. No. 75522, JClark@pkc.gov.uk  
**Address of Service:** Council Building, 2 High Street, PERTH, PH1 5PH  
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Council Text Phone Number 01738 442573



## INTERNAL AUDIT UPDATE

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

<b>Audit No.</b>	<b>Audit Title</b>	<b>Service</b>
08/008	Committee Services / Supporting Decision Making	Chief Executive's
09/004	Corporate Risk Management	Corporate
09/009	Employee Expenses	Chief Executive's
09/031	Cycling Walking & Safer Streets Grant Claim	The Environment Service

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

<b>Audit No.</b>	<b>Audit Title</b>	<b>Service</b>
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
09/001	Registrars	Chief Executive's
09/007	Treasury Management	Chief Executive's
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

**Section 3 The Following Assignments Are In Progress:**

<b>Audit No.</b>	<b>Audit Title</b>	<b>Service</b>
08/027	Services to Homeless People	Housing & Community Care
08/038	Investigation	Education & Children's Services
08/054	Assets & Inventories	Tayside Fire & Rescue Board
09/012	ICT Purchasing	Education & Children's Services

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
09/041	Investigation	The Environment Service
09/044	Investigation	Housing & Community Care
09/045	Investigation	Chief Executive's
09/053	Investigation	Education & Children's Services
09/054	Capital Projects	Tayside Fire & Rescue
09/055	Training	Tayside Fire & Rescue

**Section 4 The Following Assignment Is On Hold:**

<b>Audit No.</b>	<b>Audit Title</b>	<b>Service</b>
08/005	Registers of Hospitality	Corporate

## 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		(Feb 10)	In progress
08/004	Business Continuity		(Jan 10)	In progress
08/005	Register of Hospitality	Dec 08		On hold
08/023	Local Management of Schools – Primary	Jan 09	(Jan 10)	In progress
08/027	Services to Homeless People	Sep 08	(Jan 10)	In progress



## 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	(Jan 10)	In progress
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	(Feb 10)	
09/007	Treasury Management	Dec 09	(Jan 10)	In progress
09/008	Purchases – Creditors Ledger	Feb 10	(Feb 10)	
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	(Jan 10)	In progress
09/013	Applications Software Development & Maintenance	Jan 10	(Feb 10)	
09/014	Licensing, Licensing Board	Feb 10	(Feb 10)	
09/015	Freedom of Information	-	-	Un-resourced
09/016	Planned & Unplanned Maintenance	-	-	Un-resourced
09/017	Fostered & Adopted Children	Jan10	(Jan 10)	In progress
09/018	Devolved School Management (Secondary)	Jan 10	(Feb 10)	
09/019	Devolved School Management (Special Schools)	-	-	Un-resourced

09/020	School Transport (Entitlement)	Sept 09	(Jan 10)	In progress
09/021	Supply Teachers	-	-	Un-resourced
09/022	Economic Development	-	-	Un-resourced
09/023	Bereavement Services	Dec 09	(Jan 10)	In progress
09/024	Sites for Travelling People	Mar 10	(Mar 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 09	(Apr 09)	
09/029	Council Tax	Feb 10	(Feb 10)	
09/030	Housing Repairs	Apr 10	(Apr 10)	
09/040	Implementation of integrated Human Resources & Payroll system (consultancy)	Various		In progress