

INTERNAL AUDIT REPORTS TO AUDIT COMMITTEE 2015 - 2016

1. EXECUTIVE SUMMARY

- 1.1 There are 9 audits being reported to the Audit Committee. Seven audits have a substantial level of assurance with 2 being rated as limited assurance.
- 1.2 Internal Audit provides a level of assurance upon completion of audit work, this is evaluated as follows:

Level of Assurance	Reason for the level of Assurance given
High	Internal Control, Governance and the Management of Risk are at a high standard with only marginal elements of residual risk, which are either being accepted or dealt with.
Substantial	Internal Control, Governance and the Management of Risk have displayed a mixture of little residual risk, but other elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Limited	Internal Control, Governance and the Management of Risk are displaying a general trend of unacceptable residual risk and weaknesses must be addressed within a reasonable timescale, with management allocating appropriate resource to the issues.
Very Limited	Internal Control, Governance and the Management of Risk are displaying key weaknesses and extensive residual risk above an acceptable level which must be addressed urgently, with management allocating appropriate resource to the issues.

- 1.3 The attached reports contain the action plans which detail those recommendations where Internal Audit in agreement with management has classified the findings either high or medium. Recommendations classified as low have been removed.
- 1.4 A high level summary of each report is noted below:
 - **Adult Learning:** This audit has a Substantial level of assurance. It was evidenced that Community Based Adult Learning activity has clear links with National Outcomes, Argyll and Bute’s Single Outcome Agreement,

and the Council's Corporate Plan. The Action plan notes two issues in relation to Partnership arrangements being informal and potential for resourcing issues arising from referral process.

- **Business Support:** This audit has a Substantial level of assurance. It was evidenced that a strategy is in place in the form of an overarching Economic Development Action Plan (EDAP), 2013/18 supplemented by Area Based EDAPs. It was further evidenced that there were specific actions targeted at achieving the vision and strategy included within the Area Based Economic Development Action Plans. Weaknesses were identified in relation to the meaningfulness of performance measures and also the completeness of information reported to Area Committee, specifically scorecard data.
- **Catering:** This audit has Substantial level of assurance. The scope of the Audit looked at arrangements in place in respect of compliance with the Children and Young People Act in terms of Primary 1 to Primary 3 free school meal provision. It was evidenced the Service was well prepared for this piece of legislation with evidence of good planning and appropriate arrangements being in place. Minor weaknesses were identified in respect of manual recording and reporting arrangements.
- **Employability:** This audit has a Substantial level of assurance. It was evidenced that appropriate controls and arrangements are in place in respect of Service Level Agreements, Reporting and Recording, Finance and Risk Management. The service has received positive reviews from external scrutiny partners and is considered to be a top performer within Scotland. Despite this successful performance there are ongoing challenges. The decreasing number of referrals to Welfare to Work provision, combined with funding pressures and compounded by the disparate geographical area of delivery, makes the delivery of these programmes financially challenging.
- **Health and Safety:** This audit provided a Substantial level of assurance. The service is compliant with relevant legislation and arrangements are in place in respect of accident reporting and recording. Weaknesses were identified in respect of efficiency of process and a lack of a formal follow up process.
- **H R and Learning and Development:** This audit has a Limited level of assurance. A number of weakness were identified some of which are organisational wide. These include lack of co-ordination of overall training programme /initiatives, clarity of role between services and learning and development team, inconsistencies, duplication and inaccuracies in recording, maintaining and reporting training information.
- **Information Communication and Technology:** This audit has a Substantial level of assurance. The scope of the audit focused on Public Sector Network (PSN) Code of Connection and our compliance with the various requirements. It was evidenced that appropriate arrangements were in place and the Council is formally certified as compliant until February 2016.

- **Out of Authority Placements:** This audit has a provided an overall Substantial level of assurance however weaknesses were identified in relation to documentation and file management control. It was also noted that guidance and authorisation route documentation also requires to be updated in respect of revised service structure.
- **Road Maintenance Prioritisation:** This audit has a Limited level of assurance with a number of issues identified including the RMAMP not being updated since 2004. A lack of an audit trail in relation to reasons as to why schemes were excluded /included in programme of works. Reporting weaknesses in relation to performance indicator information were also evidenced together with control weaknesses in relation to system access and housekeeping arrangements.

2. RECOMMENDATIONS

- 2.1 Audit Committee note the content of this summary report and detail within each individual report.

3. CONCLUSION

- 3.1 Management has accepted each of the reports submitted and has agreed responses and timescales in the respective action plans. The total number of recommendations made within the 9 audits is 37 as undernoted:

- High – 2
- Medium – 28
- Low – 7

4. IMPLICATIONS

- 4.1 Policy - None
- 4.2 Financial - None
- 4.3 Legal - None
- 4.4 HR - None
- 4.5 Equalities - None
- 4.6 Risk - None
- 4.7 Customer Service – None

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