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**INTERNAL AUDIT REPORTS TO AUDIT COMMITTEE 2015 - 2016**


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**1. EXECUTIVE SUMMARY**

- 1.1 There are 6 audits being reported to the Audit Committee, 2 have High assurance and 4 have Substantial assurance.
- 1.2 Internal Audit provides a level of assurance upon completion of audit work, this is evaluated as follows:

<b>Level of Assurance</b>	<b>Reason for the level of Assurance given</b>
<b>High</b>	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.
<b>Substantial</b>	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.
<b>Limited</b>	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.
<b>Very Limited</b>	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:
- **HOMELESSNESS:** This audit provided a High level of assurance. The main objective of the audit was to review compliance with Legislative changes (Dec 2012) in respect of Homelessness and included a review of policies and procedures in respect of system controls and processes, including governance and reporting arrangements.

- **EDAPs- Economic Development Action Plans:** This audit provided a Substantial level of assurance. Actions are in place within local EDAP's that relate to over-arching priorities and objectives. Weaknesses were identified in respect of reporting arrangements. A review of measures in place highlighted that a number of these were not aligned to SMART objective principles. It was noted that there was limited evidence of a formal prioritisation process being in place.
- **EXCLUSIONS AND TRUANCY:** This audit provided a Substantial level of assurance. The audit focused on a review of policies and procedures in respect of arrangements for Exclusion and Truancy, including compliance with policies and procedures. It was evidenced that policies and procedures exist which reflect national guidance. The service also has Management Circulars in place which provide guidance on truancy and exclusion protocols. Some minor weaknesses were identified in respect of timeliness review of procedures and also a lack of concise guides for parents /guardians of school pupils.
- **SCHOOL HOSTELS:** This audit provided a Substantial level of assurance. The audit focused on the Hostels' compliance with the National Care Standards for school care accommodation services. Five of 18 sections were reviewed for compliance. It was found that policies and procedures are in place to support the requirements of the national standards and was evidenced as being applied in practice. Weaknesses were identified regarding the safe storage of medication, both for administration by staff and for self-administration.
- **SCHOOL TRANSPORT:** This audit provided a Substantial level of Assurance. The audit focused on a review of policy and process as regards the payments system for external contracts and the monitoring and reporting of contracts. Internal Audit found that policy and processes were in place regarding the provision of school transport. Weaknesses were identified in respect of payment controls, contract recording and segregation of duties.
- **WELFARM REFORM:** This audit provided a High level of assurance. The audit focused on the Council's compliance with legislation regarding Discretionary Housing Payments and the sustainability of current arrangements. Policies and procedures were found to be in line with legislation and applied in practice. Robust monitoring and reporting processes were found to be in place including updates on the sustainability of the fund.
- **RESOURCE ALLOCATION SYSTEM (RAS).** This audit did not progress as planned. The service has confirmed that the use of this system will be discontinued effective April 1<sup>st</sup> 2016 thus rendering any audit findings obsolete. It is proposed to implement standard budget identification protocols utilising national guidance. This approach is commonly used across other Councils and Health partnerships.

## 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 have agreed responses and timescales in the respective action plans. The total number of recommendations made within the 6 audits was 19, with 6 of these being rated high.

### **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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