

ARGYLL & BUTE COUNCIL

Internal Audit Section

INTERNAL AUDIT REPORT

CUSTOMER DEPARTMENT	Choose an item.
AUDIT DESCRIPTION	
AUDIT TITLE	
AUDIT DATE	

2013/2014



1. AUDIT SCOPE AND OBJECTIVES

Contextual information included to outline the purpose/objectives/function of the activity being audited.

Include some key background information around budget, cost levels, income, monetary values, transactions, staff numbers and performance.

This section will give an indication of the scope and scale of the activity being audited.

Section 2 below sets out the key risks related to this activity. The purpose of this audit was to provide assurance on the following aspects:

Set out in list format the matters that the Council will be able to have assurance on as a result of this audit. Relate this to the risks in section 2 and the controls below.

Set out a summary of the main controls that would be expected to be in place to mitigate against the risks in section 2 and to provide the assurance set out above.

Explain that these are the controls that have been reviewed and tested as part of the audit and determine the level of assurance and the extent to which there are effective systems and processes in place to mitigate against the risks set out in section 2.

2. RISK

This section will set out the risks related to the activity. These will fall into several categories:

Strategic risks - To what extent does the activity impact on the risk set out in the strategic risk register and single outcome agreement or corporate plan.

Operational risks - To what extent does the activity impact on the risk set out in operational risk registers and service and team plans/outcomes.

Specific activity risks - Set out any specific risks related to or inherent in the particular activity in question.

Historic risks – Set out issues arising from previous audit activity that suggest there are risk in relation to the activity being audited.

Finish with an overall summary of the key risks.

3. AUDIT OPINION

The level of assurance given for this report is (One of Below)

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 off 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.

This framework for internal audit ratings has been developed and agreed with Council management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in this report have been discussed and rated with management.

4. Main findings

The following main findings were generated by the audit:

(Bullet Point breakdown of Detail in Action Plan.)

4. Conclusion

This audit has provided a XXXXX level of assurance. There were a number of recommendations for improvement identified as part of the audit and these are set out in Appendix 1 and 2. There were X high and X medium recommendations set out in Appendix 1 which will be reported to the Audit Committee. There are X low recommendations which are not reported to the Audit Committee. Appendices 1 and 2 set out the action management have agreed to take as a result of the recommendations, the persons responsible for the action and the target date for completion of the action. Progress with implementation of actions will be monitored by Internal Audit and reported to management and the Audit Committee.

APPENDIX 1 ACTION PLAN

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
1. Heading of Finding		High/ Medium or Low		
Detailed Finding This will outline the area of activity examined and the controls that were being reviewed and tested. It will give an indication of the testing carried out covering what and how much – number of transactions reviewed, period covered, amount of money etc. and a comment on the incidence and impact of errors and failures.	Impact of Finding This will set out what the results of the detailed findings mean in terms of risk, control and assurance. It will cover areas of weakness in systems and processes or risks that are not effectively mitigated.	Rating	Agreed Action as agreed with department	(Responsible Person completed by department) (Date of recommendation due completed by department)

APPENDIX 2

ACTION PLAN

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
1. Heading of Finding		High/ Medium or Low		
<p>Detailed Finding</p> <p>This will outline the area of activity examined and the controls that were being reviewed and tested. It will give an indication of the testing carried out covering what and how much – number of transactions reviewed, period covered, amount of money etc. and a comment on the incidence and impact of errors and failures.</p>	<p>Impact of Finding</p> <p>This will set out what the results of the detailed findings mean in terms of risk, control and assurance. It will cover areas of weakness in systems and processes or risks that are not effectively mitigated.</p>	<p>Rating</p> <p>LOW</p>	<p>Agreed Action as agreed with department</p>	<p>(Responsible Person completed by department)</p> <p>(Date of recommendation due completed by department)</p>