

AUDIT SCOTLAND NATIONAL REPORTS

1 SUMMARY

- 1.1 This report sets out a revised approach for submitting Audit Scotland National reports to the Audit Committee.

2 RECOMMENDATION

- 2.1 The Audit Committee agree the revised approach to dealing with Audit Scotland National Reports.

3 DETAIL

- 3.1 For a number of years it has been the practice to submit all Audit Scotland National Reports to the Audit Committee. This has ensured these reports are reviewed to identify issues that the Council need to address. The reports when submitted to the Audit Committee have normally been accompanied by a management response to the issues raised.

- 3.2 The national reports can be more generic in terms of identifying national risks and areas of concern rather than being directly related to an individual organisation. It is also the case that the “how Councils work” style of reports are tending to include good practice checklists rather than necessarily identifying weaknesses in organised processes. As a result the relationship between an issue reported in a national report and what the Council needs to do is less clear. These reports whilst important are beginning to take up more time at the Committee and take a greater proportion of the agenda papers. The Audit Committee has asked if a review can be undertaken to identify options for bringing the information to the Audit Committee in a more manageable way that ensures there is oversight of these reports but that ensures the focus of the Audit Committee is seeking assurance on the key risks and controls.

- 3.3 Moving forward it is proposed that the following be considered as a starter for consideration in dealing with these reports.

1. The report is received by Internal Audit from Audit Scotland.
2. Internal Audit and Improvement and OD (Performance Management) agree split of report between audit issues and performance issues and identify a lead manager to review and respond to relevant elements of the report. This to be completed within 2 weeks of + 2 weeks

receipt of report.

3. Internal Audit issue report and request for review, comments, assessment of council position and drafting of an action plan to relevant lead managers. A period of 2 weeks allowed for lead managers to complete this. + 4 weeks
4. Internal Audit and Improvement and OD (Performances Management) review completed responses for adequacy / appropriateness and refer back to lead managers if required. A joint report is then prepared for SMT to highlight key issues from the report, comments by lead managers, the lead managers assessment of the council position and the proposed action plan. The full report would be attached as an appendix. This to be completed with 2 weeks of receipt of completed management comments / assessment. + 6 weeks
5. SMT agree report, assessment and action plan and its release to PRS Committee and Audit Committee or SMT request revision. +7 weeks
6. Internal Audit and Improvement and OD (Performance Management) prepare a quarterly report for Audit Committee and / or PRS Committee that sets out a summary of each national report, the relevant issues for Audit Committee and PRS Committee, the Councils assessment against these and the proposed action plan. In respect of the Audit Committee this would involve an assessment of impact on the audit risk assessment.
7. The updated audit risk assessment would ensure finding from these reports were assessed as part of ongoing audit planning and were included where appropriate in terms of reference for audits either scope and objectives or audit risk assessment.
8. Progress against action plan would be monitored and reported to Audit Committee and PRS Committee as appropriate.

A report would be submitted to each Policy & Resource Committee setting out the national reports received, a summary of the report and a note setting out how the national reports would be progressed and reported to Audit Committee and PRS Committee. A link would be provided for members to access the report.

3.4 This approach would address the interest of key parties as follows:

Audit Scotland - Report to members to ensure impact.

- Members - To be aware of Audit Scotland funding
- Audit Committee - To be able to identify audit issues and be assured that the Council has assessed these and they are being addressed.
- PRS Committee - To be aware of performance issues, know they have been assessed by the Council and that the Council has considered the action required.

3.5 Audit Committee are asked to consider the principles set out above for a revised approach to dealing with Audit Scotland National Reports.

4 CONCLUSION

4.1 This report sets out a revised approach for the Audit Committee considering Audit Scotland National reports. The proposed approach will allow a review of these reports to identify issues of concern to the Audit Committee and the proposed action. It will allow these to be considered by the Audit Committee in a more focused manner.

5. IMPLICATIONS

5.1 Legal – None

5.2 Finance – None

5.3 HR – None

5.4 Policy – Sets out approach to Audit Scotland National Report

5.5 Risk – Will allow more focus on risks related to Council

5.6 Equalities – None

5.7 Customer Services – None

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