

INTERNAL AUDIT REPORTS TO AUDIT COMMITTEE 2013 - 2014

1. SUMMARY

In compliance with good practice set out in the CIPFA Code of Practice for Internal Audit in Local Government (the Code); final report summaries and action plans from recent internal audits are attached for the Audit Committee to review. Appendix 1, lists the attached reports with dates for draft issue, final management comment and final issue.

2. RECOMMENDATIONS

2.1 The contents of this report are to be noted.

3. DETAILS

3.1 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.

3.2 As at June 2014, final reports for 12 audits undertaken in the financial year 2013/14 and final reports for 1 audit undertaken in the financial year 2014/15 are presented to the Audit Committee for review.

- 3.3 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.
- 3.4 A high level summary of each report is noted below:
- 3.4.1 Carefirst –The report provided a Substantial level of assurance, system controls are currently operating effectively. The data held on CareFirst is complete, accurate, input on time and appropriately authorised. The report highlights areas for improvement around procedures, data protection and the recording of staff training.
 - 3.4.2 Customer Service Centre - The report provided a Substantial level of assurance, system controls are currently operating effectively. The report highlights areas for improvement around Social work responses to calls and call handling/ monitoring procedures.
 - 3.4.3 Universal Credit - The report provided a Substantial level of assurance. Argyll & Bute Council are leading a Welfare Reform Working Group which is establishing plans for the implementation of Universal Credit. It is understood that Universal Credit will not be introduced in Argyll & Bute Council (The Council) until 2016 at the earliest.
 - 3.4.4 Budget Preparation and Control - The report provided a Substantial level of assurance. Budget Monitoring and control procedures are comprehensive. The report highlights areas for improvement relating to guidance and procedures.
 - 3.4.5 Uniform System - The report provided a Substantial level of assurance. There are sound policies and procedures in place. The report highlights areas for improvement relating to procedures for notification of changes and further development of security within the system.
 - 3.4.6 Additional Support Needs (ASN) - The report provides a Substantial level of assurance. There is robust documentation to show that pupils requiring assisted needs are having their needs assessed and that each pupils response to the resource allocated have been properly documented. The report highlights areas for improvement relating to the budget preparation and reviewing process for ASN.
 - 3.4.7 Leisure - The report provides a Substantial level of assurance. The service has satisfactorily carried out the recommendations outlined in the 12/13 Health and Safety external audits and that the Membership scheme to charge and administer Leisure members is working efficiently. The report highlights areas for improvement relating to communications between departments and Health and Safety procedures.
 - 3.4.8 Business Continuity – The report provides a Substantial level of

assurance. Business Continuity Plans have been established for Educational Establishments within Argyll & Bute Council. Priorities have been considered and the critical activity identified for Education is in relation to SQA Exams. The report highlights requirements for further work within the Critical Activity plans and better challenge and scrutiny of the plans.

- 3.4.9 SPI's - The report provides a Substantial level of assurance. Based on the findings of our review it can be concluded that departments have expended effort in producing SPI returns. The report highlights areas for improvement relating to ensuring accuracy before submission of data to the Improvement Service. Establishing a consistent approach for accounting for visitor numbers, at libraries and museums was also recommended.
- 3.4.10 Treasury Management – The report provides a Substantial level of assurance. The report highlighted a requirement for referencing of figures used in reports to provide a clear audit trail.
- 3.4.11 Creditors, Purchase Cards - The report provides a Substantial level of assurance. The report highlights areas for improvement around the frequency of use of purchase cares and the claiming of VAT on the purchases.
- 3.4.12 Procurement - The report provides a Substantial level of assurance. The report highlights areas for improvement regarding the new Vendor Rating System and differing documentation between offices.
- 3.4.13 Stock - The report provides a Substantial level of assurance. The report highlights the need for timeous forwarding of paperwork.

4. CONCLUSION

- 4.1 There are 13 audits being reported to the Audit Committee. In total there are 3 high, 26 medium and 16 low priority recommendations. A substantial Level of assurance is in place for the 13 audits completed.

5. IMPLICATIONS

- 5.1 Policy: None
- 5.2 Financial: None
- 5.3 Personnel: None
- 5.4 Legal: None
- 5.5 Equal Opportunities: None

For further information please contact Kevin Anderson, Chief Internal Auditor
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