
INTERNAL AUDIT REPORTS TO AUDIT COMMITTEE 2016 - 2017

1. EXECUTIVE SUMMARY

- 1.1 There are 6 audits being reported to the Audit Committee.
- 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 identified, which are either being accepted or dealt with. A sound system of control is in place designed to achieve the system objectives and the controls are being consistently applied.
Substantial	Internal Control, Governance and management of risk is sound, however, there are minor areas of weakness which put some system objectives at risk and where specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
Reasonable	Internal Control, Governance and management of risk are broadly reliable, however although not displaying a general trend there are a number of areas of concern which have been identified where elements of residual risk or weakness with some of the controls may put some of the system objectives at risk.
Limited	Internal Control, Governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal Control, Governance and management of risk is poor, significant residual risk exists and/ or significant non-compliance with basic controls leaves the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.

- 1.3 The attached reports contain the action plans which detail those findings where Internal Audit, in agreement with management, has classified the findings either high or medium. Findings classified as low have been removed.

1.4 A high level summary of each report is noted below:

- **Education Maintenance Allowances (EMAs):** This audit has provided a high level of assurance as internal control, governance and the management of risk are at a high standard. Policies and procedures are in place to meet the requirements set out by the Scottish Government. Roles and responsibilities are clearly defined. There were no findings identified as part of the audit.
- **Service Planning:** This audit has provided a high level of assurance. Internal Control, Governance and the Management of Risk are at a high standard with only marginal elements of residual risk. Policies and procedures are in place and roles and responsibilities are clearly defined.
- **Common Good Property:** This audit has provided a substantial level of assurance. Governance and management of risk was deemed to be sound. Upon receipt of guidance from Scottish Government internal audit will undertake follow up activity to assess progress within any stipulated requirements.
- **Use of Pool Cars:** This audit has provided a substantial level of assurance. Controls in place were deemed to be sound and operating effectively however there are potential opportunities for savings to be achieved through maximising the utilisation of the current pool car fleet and/or increasing existing fleet.
- **Sustainable Communities:** This audit has provided a substantial level of assurance. The focus of the audit was on grant applications made prior to the introduction of the new processes. Weaknesses were identified in terms Policy and procedures having not been documented however walk through tests carried out on a sample of award payments established that adequate controls were in place and that reporting arrangements were sound.
- **Risk Management:** This audit has provided a substantial level of assurance. Processes are well embedded and development work is on-going in respect of both Operational Risk registers and the Strategic Risk register.

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.

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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