
INTERNAL AUDIT REPORTS TO AUDIT COMMITTEE 2017 - 2018

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:

- **Crematorium:** This audit has provided a high level of assurance as internal control, governance and the management of risk in relation to compliance with current legislation is high. It was evidenced that operational duties were carried out to a high standard, documentation was well maintained and available for review, ashes were handled according to the wishes of the applicant and fees were in line with current charges as published on the Council's website.
- **Additional Support Needs Analysis:** This audit has provided a substantial level of assurance as internal control, governance and the management of risk in relation to Additional Support Needs analysis and service provision is sound. Testing provided assurance that policies and procedures were in place and operating effectively with all previous audit recommendations fully implemented. All relevant stakeholders are involved in the process, budgets are managed effectively and hours are allocated according to needs. A weakness was identified in the absence of a formal agreement for hospital tuition.
- **Education Management Circulars:** This audit has provided a substantial level of assurance as internal control, governance and the management of risk in relation to the review, circulation and application of circulars is sound. There were minor instances of non-compliance identified within schools visited and the current review process is not formally documented in a procedure note.
- **CAA Compliance - Oban Airport:** This audit has provided a Substantial level of assurance. It was evidenced that logs and records were available and complied with the airports aerodrome manual in respect of Airfield Inspections, Incidents and Accidents, Aircraft Movements and Runway Inspections. Weakness were identified in respect of outstanding defects and the aircraft movement log.
- **Health and Social Care Partnership Charging Orders:** This audit has provided a Substantial level of assurance. It was evidenced that Charging Orders are administered in line with Government legislation and that Council Policy and procedures are being followed. Weaknesses were identified in relation to verification of valid Power of Attorneys and also timeframes in relation to the process.
- **Fees and Charges:** This audit has provided a Reasonable level of assurance. A system for preparing and updating fees and charges is in place and is known to staff however this is not formally documented and there is some confusion as to roles and responsibilities. The application of agreed charges was found to be accurate. Limited evidence exists in respect of reviewing key factors when setting fees and charges.

2. RECOMMENDATIONS

- 2.1 Audit Committee review and endorse 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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