ARGYLL AND BUTE COUNCIL	AUDIT & SCRUTINY COMMITTEE
STRATEGIC FINANCE	01 DECEMBER 2017

INTERNAL AUDIT REPORTS TO AUDIT & SCRUTINY COMMITTEE 2017 - 2018

1.   EXECUTIVE SUMMARY

1.1   There are five audits being reported to the Audit & Scrutiny 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:

- **Performance Management:** This audit has provided a substantial level of assurance as internal control, governance and management of risk is generally sound. The Performance Improvement Framework outlines governance roles and responsibilities and these were evidenced as operating well in practice. Documentation/evidence is readily available for review and is generally found to be complete and compliant with relevant policy. Two medium rated recommendations were made which focused on further strengthening the existing user guidance documentation.

- **Scottish Living Wage Compliance:** This audit has provided a substantial level of assurance as internal control, governance and management of risk is generally sound. Roles and responsibilities are documented within the Procurement and Commissioning procedures and are operating well. Contracts are in place with adult care service providers which cover the obligations of service providers to pay the Scottish Living Wage. Two medium rated recommendations were made, one to further improve monitoring reporting and one to ensure service providers formally agreed to revised terms and conditions.

- **Recruitment and Selection:** This audit has provided a substantial level of assurance as internal control, governance and management of risk is generally sound.   Records and supporting documentation were found to support recruitment decisions and these were held securely, with access limited to authorised personnel. Four medium rated recommendations were made which focused on updating user guidance, inconsistencies in completion of interview paperwork, non-compliance with training requirements for interview panel members and approval of 'authorisation to recruit' forms within education.

- **Records Management Plan:** This audit has provided a substantial level of assurance as internal control, governance and management of risk is generally sound. The Records Management Plan has been accepted by the Keeper of the Records of Scotland with its development plan progressing towards completion. Three recommendations were made which focused on the requirement to review the Council's Information Strategy, the need to review completion date of departmental disposal guidelines and requirement to roll out training to records management champions and thereafter to all Council staff.

- **SEEMIS:** This audit has provided a reasonable level of assurance as internal control, governance and management of risk is broadly reliable however we have identified areas of residual control weakness. Generally, supporting documentation was available to evidence effective controls over access to SEEMIS and data quality. Guidelines are available on the SEEMIS website and guidance notes are available in the SEEMIS modules. Three medium rated recommendations were made which focused on strengthening password complexity, review of user access levels, strengthening the SEEMS audit trail and keeping appropriate record of training.

2.   RECOMMENDATIONS

2.1   Audit & Scrutiny Committee to 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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