
**INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE
2018/2019**

1. EXECUTIVE SUMMARY

- 1.1 There are four audits being reported to the Audit and Scrutiny Committee. Table below is provided for information at the pre-agenda meeting.
- 1.2 The below table provides a summary of the conclusions for the audits performed. The full reports are included as appendices to this report.

| Audit Name | Level of Assurance | High Actions | Medium Actions | Low Actions |
|-----------------------------|---------------------------|---------------------|-----------------------|--------------------|
| Performance Management | High | 0 | 0 | 2 |
| Environmental Health | Substantial | 0 | 1 | 5 |
| CareFirst | Reasonable | 0 | 8 | 3 |
| Commercial Waste Management | Limited | 2 | 3 | 3 |

- 1.3 Internal Audit provides a level of assurance upon completion of audit work. A definition for each assurance level is documented in each audit report.

2. RECOMMENDATIONS

- 2.1 Audit and Scrutiny Committee to review and endorse this summary report and detail within each individual report.

3. DETAIL

- 3.1 A high level summary of each completed audit report is noted below:

- **Performance Management:** This audit has a high level of assurance as internal control, governance and the management of risk are at a high standard. The Performance Improvement Framework (PIF) establishes the Council's approach to performance management with roles and responsibilities clearly defined and appropriate user guidance in place. Business outcomes have been linked to corporate priorities. Service plans, including targets, are reviewed annually in line with the Council's budget setting process however one low recommendation was included to incorporate this process in the PIF. A further low recommendation was identified in relation to amending performance reports to include a 'dashboard' summary of service performance.
- **Environmental Health:** This audit has provided a substantial level of assurance as internal control, governance and the management of risk is sound. Good progress is being made in progressing the Food Standards Scotland action plan

although some areas were identified as requiring further work. One medium priority recommendation highlighted a need to quantify resource requirements in line with Scottish Food Enforcement Liaison Committee guidance and four low priority recommendations were identified to provide; improvement in recording of work carried out, missing training certificates, version control on policies and procedures, and recording of actions from informal management meetings. Robust measures are in place to deliver the private water supply grant scheme in accordance with government standards. Financial management arrangements are in place to ensure expenditure incurred is appropriately recovered in line with guidance provided, however, one low priority recommendation was identified to provide inclusion of qualifying time expended by the regulatory services manager in future claims.

- **CareFirst:** This audit has a reasonable level of assurance as internal control, governance and the management of risk are broadly reliable. Access to CareFirst is password controlled and access rights are aligned to job roles and there are various policies and procedures in place. Access to CareFirst will be given to approximately 300 health staff by 31 March 2019, with a further 200 staff given access later in the year. Eight medium recommendations were identified in relation to updating policies and procedures, a review of password requirements, the process for review of user access profiles and the provision of system training. Three low recommendations were identified in relation to identifying training needs and considering how the CareFirst licence and ongoing system support will be resourced.
- **Commercial Waste Management:** This audit has a limited level of assurance as internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives at risk. Two high recommendations were identified relating to the current backlog of over 400 contracts to be processed or amended and the failure to complete income reconciliations during 2018/19 which impacts on Strategic Finance's ability to project year end income figures. Medium recommendations relating to the administration intensive contract process and the lack of overview of commercial waste sundry debtors were identified. In addition, three low recommendations were raised regarding B&B income maximisation, a review of policies and procedures and improvement of the information available on the Council website in relation to commercial waste.

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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APPENDICES

1. Performance Management audit report
2. Environment Health audit report
3. CareFirst audit report
4. Commercial Waste Management audit report