
INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2021/2022

1. EXECUTIVE SUMMARY

- 1.1 There are three audits being reported to the Audit and Scrutiny Committee.
- 1.2 The table below 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	VFM Actions
Environmental Health	Substantial	0	0	3	0
LiveArgyll Budget Monitoring	High	0	0	1	0
Purchasing Cards	Reasonable	2	4	0	1

- 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 the detail within each individual report.

3. DETAIL

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

Environmental Health: This audit has provided a substantial level of assurance. Internal control, governance and the management of risk is sound, however, there are minor areas of weakness which put some system objectives at risk. Environmental Health have policy and procedures in place which are consistent with the requirements of the Health and Safety at Work etc. Act 1974. Roles and responsibilities are clearly identified and training is regularly carried out. Process followed by the Environmental Health Service were found to be consistent with the established policies and procedures. Appropriate reports are prepared for management team meetings. Minor weaknesses were identified in regard to length of period between procedure reviews, recording of reviews of incident documentation carried out by management and informing interested parties of investigation outcomes.

- 3.2 **LiveArgyll Budget Monitoring:** This audit has provided a High level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently. LiveArgyll have comprehensive financial and security regulations in

place which provide clarity for financial roles and responsibilities, including budget monitoring. The Revenue Budget Monitoring Guidance provides information for budget holders and operational contacts and is aligned to the Financial Regulations. Processes and procedures are in place to provide budget holders with the information and support they require to ensure they can effectively monitor the cost centres within their services. The COVID pandemic and resultant restrictions led to the closure of LiveArgyll facilities and the lack of transactional activity meant that high level budget monitoring was carried out. Budget monitoring and budget engagement meetings will recommence when LiveArgyll facilities are fully operational. Financial monitoring reports, detailing the overall financial position are regularly presented to the Board, the Finance and Audit Sub Committees and the Senior Management Team.

- 3.3 **Purchasing Cards:** This audit has provided a reasonable level of assurance. This means that internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk. The procedure note to provide guidance on the use of purchase cards no longer reflects current work practice and is no longer circulated. However, the creditors' team have provided comprehensive training and telephone support to purchase card holders in the use of purchase cards. Processing, maintenance and administration of purchase cards takes a considerable amount of creditors' staff time. Creditors' staff maintain a comprehensive spreadsheet detailing purchase cards in use, however paper records were found to be incomplete. The creditors' team approve transactions for catering staff, the procurement team and any outstanding departmental transactions in order to ensure the direct debit to the bank is cleared. The majority of purchase card transactions fall within the procurement threshold of £0 - £999 for which there is limited guidance available. There is currently no requirement to record purchase card transactions on PECOS and purchase card reports are not provided to the procurement team therefore it is difficult to establish the full extent to which best value is being achieved.

4. CONCLUSION

- 4.1 Management has accepted each of the reports submitted and have agreed responses and timescales in the respective action plans.

5. IMPLICATIONS

- 5.1 Policy - None
- 5.2 Financial - None
- 5.3 Legal - None
- 5.4 HR – None
- 5.5 Fairer Scotland Duty - None
 - 5.5.1 Equalities – None
 - 5.5.2 Socio-Economic Duty – None
 - 5.5.3 Islands Duty – None
- 5.6 Climate Change – None
- 5.7 Risk - None
- 5.8 Customer Service – None

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APPENDICES