

INTERNAL AUDIT REPORTS TO AUDIT AND SCRUTINY COMMITTEE 2023/2024

1. EXECUTIVE SUMMARY

- 1.1 There are four 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
Risk Management	High	0	0	1	0
Education maintenance Allowance (EMA)	High	0	0	0	0
Kintyre Community Centre - LiveArgyll	High	0	0	0	0
Victoria Hall - LiveArgyll	High	0	0	0	0

- 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:

Risk management: Our overall audit opinion for this audit is that we can take 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. The Council's risk manual sets out a comprehensive process to identify and prioritise risks. All business activities within the Council have a risk assessment and are identified within each department's operational risk register. A review of the ORR's confirmed that risk management is applied to all Council business activities. A review of the Council's risk registers (both SRR and ORR) confirmed that risks have been assessed and prioritised and mitigating action identified where a decision has been taken to treat the risk. Minutes of the Strategic Management Team (SMT) and the three Council Departmental Management Teams (DMT) confirm that risk registers are being reviewed and updated as per the requirements detailed within the Manual. In addition it is clear

that reporting arrangements are being adhered to. Furthermore the Head of Financial Services updates the Policy & Resources (P&R) Committee on the Council's key financial risks as a standard agenda item. The risk manual currently published on the Council's intranet site (HUB) reflects a previous version and requires to be updated with the current version.

Education maintenance allowance (EMA): 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. There are appropriate arrangements in place to process applications, payments and submission of monthly claims and year-end schedules. Awards of EMA payments were made appropriately to young people following submission of formal applications and relevant supporting documentation. All payments and costs claimed were aligned with details held on the Council's general ledger and correctly reflected in the total value requested for reimbursement from Scottish Government in accordance with the terms and conditions of the offer of grant.

Kintyre community centre: 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. Audit testing on LiveArgyll establishments are predominantly observational, therefore, any issues that are highlighted are based on what was witnessed on the day of the visit. Recommendations are not included in the reports and LiveArgyll management determine whether any corrective action is required. Under any 'areas for consideration' management will take appropriate action. (For Information only)

Victoria Hall: This audit 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. Audit testing on LiveArgyll establishments are predominantly observational, therefore, any issues that are highlighted are based on what was witnessed on the day of the visit. Recommendations are not included in the reports and LiveArgyll management determine whether any corrective action is required. Under any 'areas for consideration' management will take appropriate action. (For Information only)

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 – The implementation of recommendations contained in audit reports may help mitigate the risk to the Council.
- 5.8 Customer Service – None

Paul Macaskill
Chief Internal Auditor
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For further information contact:

Paul Macaskill, Chief Internal Auditor
Tel: 01546 604108
Email: paul.macaskill@argyll-bute.gov.uk

APPENDICES

1. Risk Management
2. Education maintenance Allowance (EMA)
3. Kintyre Community Centre - LiveArgyll
4. Victoria Hall - LiveArgyll