

Governance, Risk and Best Value Committee

10.00am, Thursday 5 March 2015

Internal Audit Quarterly Update Report 1 October– to 31 December 2014

Item number	7.3
Report number	
Executive/routine	
Wards	

Executive summary

Internal Audit has made satisfactory progress in delivering the 2014/15 Audit plan in the third quarter of the audit year. This report provides details of the activity from 1 October to 31 December 2014.

Links

Coalition pledges	PO30
Council outcomes	CO25
Single Outcome Agreement	

Internal Audit Quarterly Update Report 1 October – to 31 December 2014

Recommendations

- 1.1 Committee is requested to note the progress of Internal Audit in respect of the 2014/15 internal audit plans and to note the areas of higher priority findings.

Background

- 2.1 Internal Audit is required to deliver an annual plan of work, which is scoped using a risk-based assessment of Council activities, and includes follow-up reviews on previous recommendations. Additional reviews are added to the plan where considered necessary to address any emerging risks and issues identified during the year, subject to approval from the relevant Committees.
- 2.2 Status of work and a summary of findings are presented to the Governance, Risk and Best Value Committee for consideration on a quarterly basis.

Main report

- 3.1 Internal Audit has made satisfactory progress in delivering the 2014/15 Audit plan in the third quarter of the audit year. This report provides details of the activity from 1 October 2014 to 31 December 2014. The status of outstanding recommendations from reports issued prior to this period is discussed in the report 'Internal Audit follow-up arrangements: status report from 1 October 2014 to 31 December 2014'.
- 3.2 Appendix 1 provides a summary of reports and the classification of findings in the period. A copy of all final reports is available to members.

Measures of success

- 4.1 The Action Plans of these reports, when implemented, will demonstrate that the Council continues to strengthen its control framework and overall approach to risk management.

Financial impact

5.1 None.

Risk, policy, compliance and governance impact

- 6.1 If Internal Audit recommendations are not implemented, the Council will be exposed to the risks set out in the relevant detailed Internal Audit reports. Internal Audit recommendations are raised as a result of control gaps or deficiencies identified during reviews therefore overdue items inherently impact upon compliance and governance.
- 6.2 To mitigate the associated risks, the Committee should review the progress of Internal Audit and the higher classified findings, and consider if further clarification or immediate follow-up is required with responsible officers for specific items.

Equalities impact

7.1 No full ERIA is required.

Sustainability impact

8.1 None.

Consultation and engagement

9.1 None.

Background reading/external references

None.

Richard Bailes

Chief Internal Audit and Risk Officer

Links

Coalition pledges	PO30 - Continue to maintain a sound financial position including long-term financial planning
Council outcomes	CO25 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	
Appendices	Appendix 1 – Summary of Internal Audit report findings issued for period of 1 October 2014 – 31 December 2014.

Appendix 1

Summary of Internal Audit Findings for period 1 October 2014 to 31 December 2014

Title of Review	High Risk Findings	Medium Risk Findings	Low risk Findings
Business Objects Management Information – HSC 1401 (Health & Social Care)	0	3	2
Lothian Pensions Fund – Pensions Administration – LPF 1401 (Corporate Governance)	0	2	0
Cycling Budget – SFC 1402 (Services for Communities)	0	2	2
Visibility of Major Project Savings – CG1403 (Corporate Governance)	0	2	1
Asset Management Programme: Review of Children and Families Work Quarter 2 2014 – SFC 1407 (Services for Communities)	0	1	2
Community Recycling Centres – SFC 1403 (Services for Communities)	0	1	4
Lothian Pensions Fund – Scheme of Delegation – LPF1402 (Corporate Governance)	0	1	0

Summary of Internal Audit Findings for period 1 October 2014 to 31 December 2014 – continued

Title of Review	High Risk Findings	Medium Risk Findings	Low risk Findings
Efficiency & Transformational Savings - Stage 2 – CF1304 (Children & Families)	0	1	0
Bus Station Income & Cash Collection – SFC 1409 (Services for Communities)	0	0	4