

Report

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Report to:	Risk and Audit Scrutiny Forum
Date of Meeting:	8 November 2016
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Internal Audit Activity as at 21 October 2016
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Update the Risk and Audit Scrutiny Forum on progress by, and performance of, the Internal Audit service in the period to 21 October 2016

2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation(s):-

- (1) that progress and performance is noted

3. Background

3.1. Findings from internal audit assignments are reported to the Forum throughout the year. The last progress report to the Forum was in September 2016. This reported on work completed in the period 6 August to 5 September 2016. This report covers all work completed in the period to 6 September to 21 October 2016. Performance information is also included.

4. Performance

4.1. As at 21 October 2016, 69% of the 2016/2017 Audit Plan has been started. The other key performance indicators reflecting quality, on time and within budget for the period to 30 September 2016 are summarised in Appendix One together with explanations. 98% of draft reports have been delivered on time and 69% within budget against targets of 80% respectively. Quality continues to be monitored through internal quality control procedures.

4.2. Client contributions to the delivery of the audit plan take the form of responding to draft reports, agreeing to closing meetings and signing reports quickly once agreed. 65% of audit assignments were concluded to a signed action plan within four weeks of the issue of a draft report against a target set of 80%.

5. Findings

5.1. Appendix Two lists all assignments completed in the period 6 September to 21 October 2016.

5.2. Forum members are asked to note performance and findings.

6. Progress against Strategy

- 6.1. The Public Sector Internal Audit Standards (PSIAS) requires progress against the audit strategy to be monitored and reported to the Forum as part of regular monitoring reports that are presented at each meeting.
- 6.2. Delivery of the strategy will be evidenced by completion of the 2016/2017 Plan and this will be monitored through the performance indicators regularly reported to the Forum. Any subsequent changes to the Plan will be presented to the Forum which will include an assessment as to the impact such changes would have on the delivery of the overall audit strategy.

7. Employee Implications

- 7.1. There are no employee issues.

8. Financial Implications

- 8.1. At present a breakeven position is forecast to the end of the financial year for the Internal Audit section.

9. Other Implications

- 9.1. The main risks to the delivery of the Audit Plan are vacancies and team up-skilling requirements, unforeseen service demands and delays with client sign-off. These are mainly mitigated by coaching and training, regular meetings and escalation processes as well as inclusion of contingency time within the annual plan.
- 9.2. There are no implications for sustainability in terms of the information contained in this report.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. There is no requirement to equality assess the contents of this report.
- 10.2. Heads of Service are consulted on each and every audit assignment.

Paul Manning

Executive Director (Finance and Corporate Resources)

21 October 2016

Link(s) to Council Values/Objectives

- ♦ Objective – Governance and Accountability

Previous References

- ♦ Internal Audit Plan 2016/2017 15 March 2016
- ♦ Progress report to RASF 31 May 2016
- ♦ Progress report to RASF 30 August 2016
- ♦ Progress report to RASF 20 September 2016

List of Background Papers

- ♦ Figtree extracts of Action Plans

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Key audit performance indicators as at 30 September 2016

Appendix One

Indicator	Numbers	Percentage	Target	Comment
Assignments delivered within budget	35/51	69%	80%	Some assignments only marginally outwith budget and relate to close down of old year assignments. Anticipate that target will be met by the end of the financial year.
Draft reports delivered within 6 weeks of file review	50/51	98%	80%	
2016/2017 Audit Plan completed to draft by 30 April 2017	7/86	8%	100%	69% of the 2016/2017 Audit Plan has been started.
Internal Audit recommendations delivered on time	47/51	92%	90%	
Client to agree findings and actions within 4 weeks of draft issue	24/37	65%	80%	All relate to closedown of old year assignments. Anticipate that target will be met by the end of the financial year.

Job no.	Assignment name	Draft Issue	Final Issue	Assurance Info
Prior Years				
I678084	Council Tax fraud	04/08/2016	04/08/2016	Employee dismissed
I256058	Scaffolding Scrutiny Group 2016/2017	06/10/2016	06/10/2016	Participation in Council-wide contract scrutiny groups throughout the year and provision of assurance surrounding the robustness of the process at each stage.