ABERDEEN CITY COUNCIL

COMMITTEE Audit, Risk and Scrutiny Committee

DATE 24 November 2016

DIRECTOR N/A

TITLE OF REPORT Internal Audit Progress

REPORT NUMBER N/A

CHECKLIST COMPLETED Yes

1. PURPOSE OF REPORT

1.1 This report advises the Committee of Internal Audit's progress against the approved 2015/16 and 2016/17 Internal Audit plans.

2. RECOMMENDATIONS

2.1 The Committee is requested to review, discuss and comment on the issues raised within this report and the attached appendices.

3. FINANCIAL IMPLICATIONS

3.1 There are no financial implications arising as a result of this report.

4. INTERNAL AUDIT PROGRESS

4.1 The Internal Audit plan for 2015/16 was approved by this Committee on 26 February 2015. The plan included an indicative Committee date for each audit and progress against the plan has been reported to each subsequent meeting of the Committee. Appendix A to this report shows progress with the remaining outstanding audits contained in the plan and a summary is shown in the following table. Updates shown in the attached appendix that are in italics are those that have been reported to Committee previously.

Planned		As at 11	November 2	016		%age
Audit Status	by	by Original Target Committee Date				
	29.09.15	26.11.15	25.02.16	28.04.16	Total	
Complete	7	7	7	3	24	75.0
Draft Report Issued	0	0	0	0	2	0.0
Work in Progress	0	0	0	0	0	0.0
(*) Cancelled	1	1	3	3	8	25.0
Total	8	8	10	6	32	100.0

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- (*) As agreed at the Audit, Risk and Scrutiny Committee on 9 March and 28 April 2016, these audit were either moved to the 2016/17 plan or cancelled.
- 4.2 The Internal Audit plan for 2016/17 was approved by this Committee on 9 March 2016. The plan included an indicative Committee date by when it was planned to report each audit.
- 4.3 Appendix B to this report shows progress with the audits contained in the plan and a summary is shown in the following table:

Planned		As at 11 November 2016					
Audit Status		by Origi	nal Targe	t Committ	ee Date		
	Jun 16	Sep 16	Nov 16	Feb 17	Jun 17	Total	
Complete	5	4	2	0	0	11	40.7
Draft Report	0	0	2	0	0	2	7.4
Issued							
Work in	0	1	1	3	0	5	18.5
Progress							
To Start	0	0	0	4	5	9	33.4
Total	5	5	5	7	5	27	100.0

5. REPORT AUTHOR DETAILS

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APPENDIX A

PROGRESS WITH 2015/16 INTERNAL AUDIT PLAN REVIEWS NOT PREVIOUSLY REPORTED TO COMMITTEE

Note - where updates have been seen by Committee previously these are shown in italics

SUBJECT / SCOPE	OBJECTIVE	Progress as at	Red	Comment where
		11 November 2016	Amber	applicable
			Green	

CORPORATE GOVERNANCE

Finance

Bank Reconciliations	Review procedures to ensure that accurate, timely reconciliations are produced using a robust methodology.	Draft report due to be issued Draft report issued	08.04.16 18.04.16	Amber	Delays in Internal Audit caused by Auditor leaving the Council and clearing other Internal Audit reports.
		Management response due Management response received	09.05.16 11.05.16	Amber	Internal Audit is currently awaiting a
		Meeting held to discuss Further information provided by Finance	18.08.16 25.08.16	Red	meeting with the Service to discuss processes and the draft report.
		Final draft report issued Management response received	13.10.16 07.11.16	Amber	Internal Audit progressing other work
		Final report issued	07.11.16	Green	
		Original target Committee date Anticipated submission to Committee Actual submission to Committee	25.02.16 24.11.16 24.11.16	Amber	

SUBJECT / SCOPE	OBJECTIVE	Progress as at	Red	Comment where
		11 November 2016	Amber	applicable
			Green	

CORPORATE GOVERNANCE

Finance

Budget Monitoring	Review procedures used for	Draft report issued	30.08.16	Amber	See below:
	monitoring the Council's revenue	Management response due	20.09.16		
	budget.	Management response received	05.10.16	Amber	
		Final draft report issued	19.10.16	Green	
		Management response	07.11.16		
		Final report issued	08.11.16	Green	
		Original target Committee date	28.04.16	Amber	
		Anticipated submission to Committee	27.09.16		
		Revised to	24.11.16		
		Actual submission to Committee	24.11.16		

Finance requested that this audit be delayed in recognition that Finance staff are required to prioritise year end work in order that timescales in relation to the 2015/16 Annual Accounts are achieved. Although work has commenced, the resultant report will be delayed. Provision of information requested from Finance to allow completion of testing was delayed. As a result, completion of the draft report for discussion was delayed.

SUBJECT / SCOPE	OBJECTIVE	Progress as at 11 November 2016	Red Amber	Comment where applicable
			Green	

ADULT SOCIAL WORK / INTEGRATION JOINT BOARD

Self Directed Support	Consider whether adequate control is exercised over direct payments made in advance to clients.	Draft report due to be issued Draft report issued	04.03.16 23.03.16	Amber	Audit delayed at request of Service due to external inspection
		Management response due	13.04.16	Green	
		Management response received	13.04.16		
		Updated draft report issued	14.04.16	Green	Agreed with Service,
					however, due to the current workload
		Specific comments from Finance	17.08.16	Red	within Finance and
		received	and		specific project work
			25.08.16		the Head of Finance
					has been unable to
					review and sign off
					the report
		Updated draft report issued	02.09.16	Green	
		Agreed with Finance	06.09.16	Green	
		Agreed with Service	10.10.16	Amber	
		Agreed with IJB CFO	21.10.16	Amber	
		Final report issued	24.10.16	Green	
		Original target Committee date	25.02.16		
		Anticipated submission to Committee	27.09.16	Amber	
		Revised to	24.11.16		
		Actual submission to Committee	24.11.16		

APPENDIX B

PROGRESS WITH 2016/17 INTERNAL AUDIT PLAN REVIEWS NOT PREVIOUSLY REPORTED TO COMMITTEE

SUBJECT / SCOPE	OBJECTIVE	Progress as at 11 November 2016		Red Amber Green	Comment where applicable
CROSS SERVICE					
Council Owned Land and Property	Review systems / procedures in place across the whole Council estate for ensuring that the Council	Draft report due to be issued	16.12.16	Green	
	has surety over the land and buildings it owns including title.	Original target Committee date	23.02.17	Green	
ALEOs	Consider how Services manage their ALEOs including payments and performance.	Original target Committee date	23.02.17	Green	Not yet commenced
Compliance with Procurement related	To review payments made via the Creditors System to ensure that a	Draft report due to be issued	23.12.16	Green	
Legislation and Financial Regulations.	sample of payments in excess of £5,000 have been made in	Original target Committee date Changed to	27.09.16 23.02.17	Green	
	compliance with Legislation and Financial Regulations and that, where appropriate, Value for Money has been achieved by challenging management regarding the purchase. This review will also focus on orders placed close to year end deadlines to ensure that they represent essential spend.	The 2015/16 review of this area was of that it would be beneficial to delay this 2017.			

SUBJECT / SCOPE	OBJECTIVE	Progress as at 11 November 2016		Red Amber Green	Comment where applicable
CROSS SERVICE (d	continued)				
Timesheets and Allowance claim forms	Consider whether terms and conditions are being complied with and that timesheets submitted for payment are accurate. Where	Draft report due to be issued	16.12.16	Green	
	appropriate, confirm claims to Service documentation and challenge management regarding overtime / additional hours worked.	Original target Committee date	23.02.17	Green	
Following the Dublic	Davis and a second in all and to	Duest are and done to be increased	40.05.40		Allocated and the
Following the Public Pound	Review arrangements in place to ensure that public funds are awarded against set criteria which complies with the principles of following the	Draft report due to be issued Draft report issued	18.05.16 23.06.16	Amber	Allocated auditor, having commenced audit, absent due to illness.
	public pound requirements.	Management response due Reminder sent Management response received	21.07.16 15.08.16 25.08.16	Amber	Delayed due to annual leave in Finance
		Updated draft report issued Met with Finance	31.08.16 23.09.16	<i>Green</i> Amber	
		Final response received Final draft issued	26.10.16 27.10.16	Green	
		Response from management	03.11.16	010011	
		Final report issued	04.11.16	Green	
		Original target Committee date Anticipated submission to Committee Revised to Actual submission to Committee	27.06.16 27.09.16 24.11.16 24.11.16	Amber	

SUBJECT / SCOPE	OBJECTIVE	Progress as at 11 November 2016		Red Amber Green	Comment where applicable
CORPORATE GOVE	RNANCE				
Budget Setting Process	Review procedures used in setting the Council's budget.	Draft report due to be issued Draft report issued	03.10.16 N/A	Green	Delayed pending resolution of budget
		Original target Committee date Revised date	24.11.16 23.02.17	Green	monitoring audit
Treasury Management	Consider whether the Council's Treasury Management Policy	Draft report due to be issued	20.12.16	Green	
	complies with the CIPFA Code of Practice and if the Policy is complied with.	Original target Committee date	23.02.17	Green	
Business Rates	Consider whether billing and collection arrangements are robust	Draft report due to be issued Draft report issued	29.09.16 28.09.16	Green	
	and adequately applied.	Management response due Management response received	21.10.16 10.10.16	Green	
		Final report issued Original target Committee date Actual submission to Committee	18.10.16 24.11.16 24.11.16	Green Green	
Cash Receipting System	Consider whether appropriate control is being exercised over the system,	Draft report due to be issued Draft report issued	29.09.16 29.09.16	Green	
	including contingency planning and disaster recovery, and that interfaces	Management response due Management response received	21.10.16 07.11.16	Amber	Further discussion required between
	to and from other systems are accurate and properly controlled.	Final report issued Original target Committee date Actual submission to Committee	N/A 24.11.16	N/A N/A	Finance and C&PS

SUBJECT / SCOPE	OBJECTIVE	Progress as at 11 November 2016		Red Amber Green	Comment where applicable
CORPORATE GOV	ZERNANCE (continued)				
Benefits	Consider whether benefits being paid to claimants are supported by appropriate documentary evidence, that the calculation of benefit is accurate, and that it has been properly recorded for subsidy purposes. To use Audit Scotland documentation to allow specific reliance to be placed on work done.	Original target Committee date	22.06.17	Green	Not yet commenced
Disclosure Checks	Consider whether arrangements in place to ensure that appropriate employees / volunteers have been checked are adequate. Specific testing will be targeted at staffing groups working with particularly sensitive groups.	Original target Committee date	22.06.17	Green	Not yet commenced
Agency Staff	Ensure that agency staff are being appointed through appropriate channels and that arrangements for their induction are robust. Partial follow up to a previous audit and extended to include roads specifically.	Draft report due to be issued Draft report issued Management response due Management response received Updated draft issued Management response received Final report issued	23.09.16 23.09.16 21.10.16 20.10.16 25.10.16 N/A	Green Green Amber N/A	Management has requested further time to respond to the draft report to enable further consideration of the issues raised.
		Original target Committee date Anticipated submission to Committee	24.11.16 23.02.17	Amber	

SUBJECT / SCOPE	OBJECTIVE	Progress as at 11 November 2016		Red Amber Green	Comment where applicable	
EDUCATION AND C	HILDREN'S SERVICES					
Commissioning of Children's Social Work Services	Consider whether arrangements in place are adequate.	Original target Committee date	22.06.17	Green	Not yet commenced	
Primary School Visits	Consider whether income and expenditure, payroll records, inventories, and computer security are adequately controlled and completed.	Original target Committee date	23.02.17	Green	Not yet commenced	
Fostering and Adoption Allowances	Consider whether adequate procedures are in place to control calculation, award and payment of allowances, and that correct rates are applied and any overpayments are recovered timeously.	Original target Committee date	22.06.17	Green	Not yet commenced	
COMMUNITIES, HOUSING AND INFRASTRUCTURE						
Vehicle and Driver records	Ensure that the procedures put in place to address concerns raised by the Traffic Commissioner have been implemented and are operating in a satisfactory manner. To include random, unannounced visits to check vehicles.	Original target Committee Date	23.02.17	Green	Not yet commenced	

SUBJECT / SCOPE	OBJECTIVE	Progress as at 11 November 2016		Red Amber Green	Comment where applicable
COMMUNITIES, HOU	ISING AND INFRASTRUCTURE	(continued)			
Internal Transport Tendering Procedures	Consider whether robust tendering procedures are in place and are operating satisfactorily.	Original target Committee Date	22.06.17	Green	Not yet commenced
ADULT SOCIAL WOR	RK				
Purchasing and Creditors	Consider whether robust documented procedures are in place and are satisfactorily complied with throughout the service. Consider	Draft report due to be issued Draft report issued	18.05.16 02.06.16	Amber	Delays in Internal Audit through prioritising other work.
	whether Value for Money is being achieved.	Management response due Management response received	30.06.16 05.08.16	Red	Delayed pending receipt of
		Updated draft issued C&PS advice received Final response received	10.08.16 18.10.16 08.11.16	Amber	procurement legal advice
		Final report issued	08.11.16	Green	
		Original target Committee date Anticipated submission to Committee Revised to Actual submission to Committee	27.06.16 27.09.16 24.11.16 24.11.16	Amber	
Carefirst	Consider whether appropriate control is being exercised over the system,	Draft report due to be issued Draft report issued	26.08.16 24.08.16	Green	
	including contingency planning and disaster recovery, and its data input, and that interfaces to and from other	Management response due Management response received Meeting arranged to discuss	21.09.16 15.09.16 20.10.16	Green	
	systems are accurate and properly controlled.	Updated draft issued Management response received	25.10.16 25.10.16 08.11.16	Green	-
		Final report issued Original target Committee Date	08.11.16 24.11.16	Green Green	
		Actual submission to Committee	24.11.16		

SUBJECT / SCOPE	OBJECTIVE	Progress as at	Red	Comment where
		11 November 2016	Amber	applicable
			Green	

INTEGRATION JOINT BOARD

The following audits are now included in the Internal Audit plan for the Aberdeen City IJB and will be reported to the IJB Audit and Performance Systems Committee before being reported to the Audit, Risk and Scrutiny Committee for information.

Health and Social Care Partnership	Post Integration review of Health and Social Care Intervention as required by Integration Resource Advisory Group (IRAG) Guidance.	Original target Committee Date	23.02.17	Green	Not yet commenced
Health and Social Care Partnership	Internal Audit provision for Health and Social Care Partnership to include consultancy on arrangements being introduced covering risk management, staff and information governance, and provision of assurance to stakeholders.	As required		N/A	N/A