

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	23 February 2017
DIRECTOR	N/A
TITLE OF REPORT	Internal Audit Progress
REPORT NUMBER	IA/17/001
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

- 1.1 This report advises the Committee of Internal Audit's progress against the approved 2016/17 Internal Audit plan.

2. RECOMMENDATIONS

- 2.1 The Committee is requested to approve the transfer of the Internal Transport Tendering Procedures audit to the 2017/18 Internal Audit plan, and the Commissioning of Children's Social Work Services and Fostering and Adoption Allowances audits to the 2018/19 Internal Audit plan, and
- 2.2 To otherwise 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 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 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 Audit Status	As at 10 February 2017 by Original Target Committee Date						%age
	Jun 16	Sep 16	Nov 16	Feb 17	Jun 17	Total	
Complete	5	5	4	4	0	18	69.2
Draft Report Issued	0	0	1	0	0	1	3.9
Work in Progress	0	0	0	2	1	3	11.5
Moved to 2017/18 or 2018/19	0	0	0	0	3	3	11.5
To Start	0	0	0	0	1	1	3.9
Total	5	5	5	6	5	26	100.0

- 4.2 In view of staffing issues in Public Infrastructure and Environment, it is proposed that the planned audit of Internal Transport Tendering Procedures is delayed until 2017/18. In view of this, the Committee is being requested to approve the transfer of this audit to the 2017/18 Internal Audit Plan.
- 4.3 Education and Children's Services has requested that the Commissioning of Children's Social Work Services and Fostering and Adoption Allowances audits in the current year's plan be deferred to 2018/19. The reasons for this are detailed in the attached appendix and the Committee is being requested to approve the transfer of these audits to the 2018/19 Internal Audit Plan.

5. REPORT AUTHOR DETAILS

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APPENDIX A

PROGRESS WITH 2016/17 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 10 February 2017	Red Amber Green	Comment where applicable
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CROSS SERVICE

Council Owned Land and Property	Review systems / procedures in place across the whole Council estate for ensuring that the Council has surety over the land and buildings it owns including title.	Draft report due to be issued	16.12.16	Green	
		Draft report issued	16.12.16		
		Management response due	16.01.17	Amber	
		Management response received	26.01.17		
		Final draft issued to Service	31.01.17	Green	
		Final draft agreed	02.02.17		
		Final report issued	03.02.17	Green	
		Original target Committee date	23.02.17	Green	
		Actual submission to Committee	23.02.17		
ALEOs	Consider how Services manage their ALEOs including payments and performance.	Draft report due to be issued	10.01.17	Red	Services have not provided information requested during the audit process. This is being followed up on a regular basis by the Auditor.
		Draft report issued			
		Original target Committee date	23.02.17	Red	
		Anticipated submission to Committee	22.06.17		

SUBJECT / SCOPE	OBJECTIVE	Progress as at 10 February 2017	Red Amber Green	Comment where applicable
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CROSS SERVICE (continued)

Compliance with Procurement related Legislation and Financial Regulations.	To review payments made via the Creditors System to ensure that a sample of payments in excess of £5,000 have been made in 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.	Draft report due to be issued	23.12.16	Green	Draft issued although responses were awaited from Services regarding sample tested.
		Draft report issued	16.12.16		
		Management response due	09.01.17	Amber	
		Management response received	01.02.17		
		Final draft issued to Service	07.02.17	Green	
		Final draft agreed	14.02.17	Amber	
<i>Original target Committee date</i>	<i>27.09.16</i>	Green			
<i>Changed to</i>	<i>23.02.17</i>				
Actual submission to Committee	23.02.17		<i>The 2015/16 review of this area was concluded in June 2016 so Internal Audit considered that it would be beneficial to delay this review, with reporting to Committee in February 2017.</i>		

Timesheets and Allowances	Consider whether terms and conditions are being complied with and that timesheets submitted for payment are accurate. Where appropriate, confirm claims to Service documentation and challenge management regarding overtime / additional hours worked.	Draft report due to be issued	16.12.16	Green	
		Draft report issued	15.11.16		
		Management response due	14.12.16	Amber	
		Management response received	09.01.17		
		Final report issued	10.01.17	Green	
Original target Committee date	23.02.17	Green			
Actual submission to Committee	23.02.17				

SUBJECT / SCOPE	OBJECTIVE	Progress as at 10 February 2017	Red Amber Green	Comment where applicable
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CORPORATE GOVERNANCE

Budget Setting Process	Review procedures used in setting the Council's budget.	Draft report due to be issued	03.10.16	Green	<i>Delayed pending resolution of budget monitoring audit</i>
		Draft report issued	13.12.16		
		Management response due	13.01.17	Amber	
		Management response received	24.01.17		
		Final draft issued to Service	30.01.17	Green	
		Final draft agreed	N/A	Amber	
		Final report issued	N/A		
		Original target Committee date	24.11.16	Red	
		Revised date	23.02.17		
Treasury Management	Consider whether the Council's Treasury Management Policy complies with the CIPFA Code of Practice and if the Policy is complied with.	Draft report due to be issued	20.12.16	Green	
		Draft report issued	20.12.16		
		Management response due	20.01.17	Amber	
		Management response received	24.01.17		
		Final draft issued to Service	31.01.17	Green	
		Final draft agreed	02.02.17		
		Final report issued	03.02.17	Green	
		Original target Committee date	23.02.17	Green	
		Actual submission to Committee	23.02.17		
Cash Receipting System	Consider whether appropriate control is being exercised over the system, including contingency planning and disaster recovery, and that interfaces to and from other systems are accurate and properly controlled.	Draft report due to be issued	29.09.16	Green	Further discussion required between Finance and C&PS
		Draft report issued	29.09.16		
		Management response due	21.10.16	Amber	
		Management response received	07.11.16		
		Final report issued	21.11.16	Amber	
		Original target Committee date	24.11.16	Amber	
		Actual submission to Committee	23.02.17		

SUBJECT / SCOPE	OBJECTIVE	Progress as at 10 February 2017	Red Amber Green	Comment where applicable
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CORPORATE GOVERNANCE (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.	Draft report due to be issued	27.02.17	Green	
		Draft report issued	N/A		
		Original target Committee date	22.06.17	Green	
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.	<i>Draft report due to be issued</i>	23.09.16	Green	<i>Management requested further time to respond to the draft report to enable further consideration of the issues raised.</i>
		<i>Draft report issued</i>	23.09.16		
		<i>Management response due</i>	21.10.16	Green	
		<i>Management response received</i>	20.10.16		
		<i>Updated draft issued</i>	25.10.16	Green	
		Partial management response received	22.12.16	Amber	
		Updated draft issued	28.12.16	Green	
		Management response received	30.01.17	Amber	
		Final report issued	N/A	N/A	
		Original target Committee date	24.11.16	Amber	
		Anticipated submission to Committee	23.02.17		

SUBJECT / SCOPE	OBJECTIVE	Progress as at 10 February 2017	Red Amber Green	Comment where applicable
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EDUCATION AND CHILDREN'S SERVICES

Commissioning of Children's Social Work Services	Consider whether arrangements in place are adequate.	Original target Committee date	22.06.17	Amber	See below
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The Service has requested that this audit be deferred for the following reason:

"Following her appointment, the Head of Service for Children's Social Work undertook an urgent review of commissioning and contracting and requested an Internal Audit. The service is working to a tightly managed project plan to meet the recommendations, but the programme will not be completed until December 2017. This includes recommissioning all services as part of a Public Services Partnership in four, tightly managed, phases. The work is on track and a more suitable time for a follow up audit would be 2018."

Primary School Visits	Consider whether income and expenditure, payroll records, inventories, and computer security are adequately controlled and completed.	Draft report due to be issued	09.01.16	Green	
		Draft report issued	22.12.16		
		Management response due	23.01.17	Amber	
		Management response received	03.02.17		
		Final draft issued to Service	03.02.17	Green	
		Final draft agreed	08.02.17		
		Final report issued	08.02.17	Green	
		Original target Committee date	23.02.17	Green	

SUBJECT / SCOPE	OBJECTIVE	Progress as at 10 February 2017	Red Amber Green	Comment where applicable
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EDUCATION AND CHILDREN'S SERVICES (continued)

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	Amber	See below
<p>The Service has requested that this audit be deferred to 2018/19 for the following reason:</p> <p>"The Service is in the midst of making changes to financial processes for payment to all carers."</p>					

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.	Draft report due to be issued Draft report issued	17.02.17 N/A	Green	Delayed due to staffing issues in Public Infrastructure and Environment
		Original target Committee date Anticipated submission to Committee	23.02.17 22.06.17	Amber	
Internal Transport Tendering Procedures	Consider whether robust tendering procedures are in place and are operating satisfactorily.	Original target Committee Date	22.06.17	Amber	It is proposed that this audit be moved to the 2017/18 Internal Audit plan due to staffing issues in Public Infrastructure and Environment

SUBJECT / SCOPE	OBJECTIVE	Progress as at 10 February 2017	Red Amber Green	Comment where applicable
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GENERAL

Contingency - Investigations and additional works.	To undertake investigations and additional works as they arise and to provide a contingency should systems subject to audit not be adequately documented by Services prior to audit.	Additional works being undertaken are detailed in the following tables.			
Third Don Crossing	Review to ascertain where the responsibilities and accountability sat in relation to the Third Don Crossing and whether the appropriate level of scrutiny and records were in place throughout the project.	Draft Committee report issued to Service	16.12.16	Green	
		Report agreed with Service	06.01.17	Green	
		Anticipated submission to Committee Actual submission to Committee	23.02.17 23.02.17	Green	
Photovoltaic Panels	Review of the contractual arrangements in relation to the photovoltaic panels' contract.	Draft Committee report issued to Service	10.01.17	Green	
		Report agreed with Service	15.02.17	Amber	
		Anticipated submission to Committee Actual submission to Committee	23.02.17 23.02.17	Green	
Gas Servicing Contract	Review of the gas servicing contract.	Draft Committee report issued to Service	05.01.17	Green	
		Report agreed with Service	31.01.17	Green	
		Anticipated submission to Committee Actual submission to Committee	23.02.17 23.02.17	Green	

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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.				
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	