

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	30 April 2019
REPORT TITLE	Internal Audit Progress
REPORT NUMBER	IA/19/005
DIRECTOR	N/A
REPORT AUTHOR	David Hughes
TERMS OF REFERENCE	2.2 and 2.4

1. PURPOSE OF REPORT

- 1.1 This report advises the Committee of Internal Audit's progress against the approved 2018/19 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 appendix.

3. BACKGROUND / MAIN ISSUES

- 3.1 The Internal Audit plan for 2018/19 was approved by the Audit, Risk and Scrutiny Committee on 22 February 2018. The plan included an indicative 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.
- 3.2 Appendix A to this report shows progress with the audits contained in the 2018/19 plan. A summary is shown in the following table.

2018/19 Planned Audit Status	As at 17 April 2019 by Original Target Committee Date						%age
	Jun 18	Sep 18	Dec 18	Feb 19	Apr 19	Total	
Complete	1	8	4	5	1	19	76.0
Draft Report Issued	0	1	1	0	1	3	12.0
Work in Progress	0	0	0	0	1	1	4.0
(*) Moved to future year	0	0	0	1	1	2	8.0
To Start	0	0	0	0	0	0	0.0
Total	1	9	5	6	4	25	100.0

(*) As agreed by the Audit, Risk and Scrutiny Committee on 14 February 2019

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Where planned progress is not maintained, there is a risk that sufficient work will not have been completed by the end of the financial year for Internal Audit to complete its annual opinion on the Council's control environment.

7. OUTCOMES

7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Model.

7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An assessment is not required because the reason for this report is to report Internal Audit's progress to Committee. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Data Protection Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. APPENDICES

9.1 Appendix A – Progress with 2018/19 Internal Audit Plan.

10. REPORT AUTHOR DETAILS

David Hughes, Chief Internal Auditor
David.Hughes@aberdeenshire.gov.uk
(01467) 537861

APPENDIX A

PROGRESS WITH 2018/19 INTERNAL AUDIT PLAN

(Note – text in italics represents updates provided to Committee previously)

SUBJECT / SCOPE	OBJECTIVE	Progress as at 17 April 2019	Red Amber Green	Comment where applicable
-----------------	-----------	---------------------------------	-----------------------	-----------------------------

Originally Planned for September 2018 Committee

Health and Social Care Partnership Charging Policy	To provide assurance that there is a clear charging policy in place and that it is being complied with.	Draft report due to be issued	21.12.18	Amber	<i>Delayed at request of Service - developing a new strategy</i>
		Draft report issued	11.03.19		
		Management response due Reminder sent Management response received	25.03.19 09.04.19 TBC	Amber	No response to draft report at time of finalising this Committee report.
		Original target Committee date <i>Revised Committee Date</i> Revised Committee Date	25.09.18 <i>30.04.19</i> 26.06.19	Amber	

SUBJECT / SCOPE	OBJECTIVE	Progress as at 17 April 2019	Red Amber Green	Comment where applicable
-----------------	-----------	---------------------------------	-----------------------	-----------------------------

Originally Planned for December 2018 Committee

Compliance with Procurement Legislation and Council Regulations	To provide assurance that the Council has appropriate arrangements in place that are being complied with, to ensure compliance with procurement legislation and internal regulations.	Draft report due to be issued	22.02.19	Amber	<i>Delayed due to delays with other audits and additional follow up work on recommendations.</i>
		Draft report issued	20.02.19		
		Management response due	06.03.19	Red	
		Reminders sent:	19.03.19 04.04.19		
		Management response received	11.04.19	Green	
		Final draft issued to management Management confirmation received	11.04.19 11.04.19		
Final Report Issued	12.04.19	Green			
Original target Committee date	04.12.18	Amber			
Revised Committee Date	30.04.19				
Actual Submission to Committee	30.04.19				

SUBJECT / SCOPE	OBJECTIVE	Progress as at 17 April 2019	Red Amber Green	Comment where applicable
-----------------	-----------	---------------------------------	-----------------------	-----------------------------

Originally Planned for December 2018 Committee (continued)

Data security in a cloud-based environment	To provide assurance over the Council's arrangements to ensure data security where business is transacted through the Cloud.	Draft report due to be issued Draft report issued	28.02.19 20.03.19	Amber	<i>There were delays in information being provided by the Service as requested by Internal Audit. Subsequently, the Auditor undertaking this audit left Internal Audit.</i>
		Management response due Management response received	03.04.19 01.04.19	Green	Discussions are on-going regarding the draft report.
		Original target Committee date <i>Revised Committee Date</i> Revised Committee Date	04.12.18 <i>30.04.19</i> 26.06.19	Amber	

SUBJECT / SCOPE	OBJECTIVE	Progress as at 17 April 2019	Red Amber Green	Comment where applicable
-----------------	-----------	---------------------------------	-----------------------	-----------------------------

Originally Planned for February 2019 Committee

Pupil Equity Fund	To provide assurance that schools are spending in accordance with their plans, and that these were developed as required, to close the poverty related attainment gap.	Draft report due to be issued	15.02.19	Amber	<i>Delays with other audits and availability of Internal Audit staff.</i>
		Draft report issued	27.02.19		
		Management response due	13.03.19	Green	
		Management response received	08.03.19		
		Final draft issued to management	12.03.19	Red	
Management confirmation received	17.04.19				
Final Report Issued	17.04.19	Green			
Original target Committee date	14.02.19	Amber			
Revised Committee Date	30.04.19				
Actual Submission to Committee	30.04.19				

Originally Planned for April 2019 Committee

Music Centre	To provide assurance that procedures have been improved following completion of work undertaken by Corporate Investigation Team - review of income, expenditure (procurement and payroll), and inventory	Draft report due to be issued	05.03.19	Amber	Delays in completing PEF audit.
		Revised due date	29.03.19		
		Draft report issued	04.04.19		
Management response due	02.05.19	N/A			
Management response received	Not yet due				
Original target Committee date	30.04.19	Amber			
Revised Committee date	26.06.19				

SUBJECT / SCOPE	OBJECTIVE	Progress as at 17 April 2019	Red Amber Green	Comment where applicable
-----------------	-----------	---------------------------------	-----------------------	-----------------------------

Originally Planned for April 2019 Committee (continued)

Management of high-risk contracts	To focus on recent identified issues: - 3 rd Don Crossing - Photovoltaic Panels To include data / intelligence used for monitoring and escalation of risk.	Draft report due to be issued	TBC		Work has commenced on this review but there were delays in identifying the appropriate officers to discuss it with.
		Original target Committee date Revised Committee date	30.04.19 26.06.19	Amber	

Criminal Justice Service	To provide assurance that adequate control is exercised over income and expenditure, that system data is accurate and adequately supported, and that reporting arrangements between the Council and IJB are appropriate.	Draft report due to be issued	28.02.19	Amber	
		Draft report issued	19.03.19		
		Management response due	02.04.19	Green	
		Management response received	28.03.19		
		Final draft issued to management	02.04.19	Amber	
		Reminder sent	09.04.19		
		Management confirmation received	12.04.19		
		Final Report Issued	12.04.19	Green	
		Original target Committee date	30.04.19	Green	
		Actual submission to Committee	30.04.19		

SUBJECT / SCOPE	OBJECTIVE	Progress as at 17 April 2019	Red Amber Green	Comment where applicable
-----------------	-----------	---------------------------------	-----------------------	-----------------------------

No Planned Reporting to Committee

<p>Interreg Projects where Aberdeen City Council is involved as a Lead Partner and / or Project Partner</p>	<p>To certify required grant claims in accordance with Programme requirements.</p> <p><i>There will be no specific reporting to management or the Audit, Risk and Scrutiny Committee in relation to these grant claims unless a significant issue is identified.</i></p>	<p><u>June 2018:</u> <i>BEGIN Project ACC Partner Claim for period 2 certified.</i> <i>HyTrEc2 Project ACC Partner Claim for period 2 certified</i> <i>HyTrEc2 Overall Project Claim for period 2 certified</i></p> <p><u>August 2018:</u> <i>HeatNet Project ACC Partner Claim for period 3 certified</i></p> <p><u>November 2018:</u> <i>BEGIN Project ACC Partner Claim for period 3 certified</i></p> <p><u>December 2018:</u> <i>HyTrEc2 Project ACC Partner Claim for period 3 certified</i> <i>HyTrEc2 Overall Project Claim for period 3 certified</i></p> <p><u>February 2019:</u> <i>HeatNet Project ACC Partner Claim for period 4 certified</i></p> <p><u>March 2019:</u> <i>SCORE Project ACC Partner Claim for period 2 certified</i></p> <p><u>April 2019:</u> <i>ACE Retrofitting Project ACC Partner Claim for period 4 certified</i></p>		
---	--	--	--	--