



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 16 JUNE 2021

SUBJECT: WORK OF THE INTERNAL AUDIT SECTION – UPDATE

BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)

1. REASON FOR REPORT

- 1.1 The report provides Committee with an update on the work of the Internal Audit Section.
- 1.2 This report is submitted to Committee in terms of Section III I (2) and (7) of the Council's Scheme of Administration relating to consideration of reports from the council's Internal Auditor and monitoring delivery of the audit service carried out by internal audit.

2. RECOMMENDATION

- 2.1 It is recommended that Committee consider the contents of this report; seek clarification on any points noted and otherwise note the report.**

3. BACKGROUND

- 3.1 Public Sector Internal Audit Standards require the internal audit manager to prepare and present reports to committee on internal audit's activity, performance relative to its audit plan and on any other relevant matters.
- 3.2 Committee has previously been advised that the circumstances of the pandemic resulted in internal audit work becoming more reactive than planned, still in part giving attention to main financial systems and also considering the implications of the pandemic and the responses to it where there have been implications regarding controls over the use of public monies.
- 3.3 At the meeting of this committee on 24 February 2021 (paragraph 5 of the minute refers) a plan of activity for the remainder of the financial year 2020/21 was considered. An update of progress on the projects scheduled at that time is provided as **Appendix 1**.
- 3.4 Also, in respect of the main financial systems work covering payments and payroll respectively, summaries of key findings have been prepared and are provided as **Appendices 2 & 3**.

4. SUMMARY OF IMPLICATIONS

- (a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**
Internal audit work supports good governance and the delivery of efficient services.
- (b) Policy and Legal**
No implications directly arising from this report.
- (c) Financial Implications**
No implications directly arising from this report.
- (d) Risk Implications**
The independent review of selected systems and procedures mitigates the risk associated with inadequate or ineffective control procedures.
- (e) Staffing Implications**
No implications directly arising from this report.
- (f) Property**
No implications directly arising from this report.
- (g) Equalities/Socio Economic Impact**
No implications directly arising from this report
- (h) Consultations**
There have been no direct consultations during the preparation of this report.

5. CONCLUSION

- 5.1 Internal audit continues to work under the limitations of the pandemic and it has remained challenging to progress audits in some areas because of capacity issues within internal audit or in the services under review. This report provides committee with an update on internal audit work completed in the latest review period and any outstanding issues will continue to be followed up as time and resources permit.**

Author of Report: Atholl Scott

Background Papers: Internal Audit files

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