

Accounts Commission Report
Safeguarding public money: are you getting it right?
Extracts from Checklists with council responses

(a) Internal Control and Risk Management

QUESTION	YES/NO/ PARTLY	RESPONSE
Do internal controls link with key corporate and service risks?	Yes	Where a risk is identified, appropriate mitigation factors are also identified to reduce/eliminate any potential adverse impacts.
Do internal controls apply to both financial and non financial risks?	Yes	Risks are considered under eight categories; political, financial, HR and staffing, regulatory, reputational, environmental, operational continuity and performance, and ICT risks.
Has the council identified the weakest internal controls?	No /???	Council governance arrangements in the round are designed to secure best value which by implication requires sound systems of internal control. There is no list of weakest internal controls that may exist at any point in time; where weak controls are identified, these are addressed.
Are officers improving weak internal controls and minimising the risks they pose?	Yes	The review of risk registers and audit processes complement the work officers do to monitor controls as part of their day to day responsibilities.
Does internal audit evaluate controls' effectiveness and report to the audit committee?	Yes	Ineffective controls result in audit recommendations and information on both is included in reports to committee.

Does the audit committee take appropriate action?	Yes	The audit committee considers the audit reports and the management responses to any recommendations arising from the audit work and is generally supportive of the audit process.
Does the council publicly review its system of internal control annually?	Yes	This is considered in terms of drawing together information for inclusion in the council's governance statement.
Is risk management actively led, supported and promoted by councillors and senior officers	Yes	The council's risk management policy and strategy process has been approved
Does the council have a up to date, corporate level risk management strategy	Yes	Last reviewed in May 2015, this document remains fit for purpose but may merit updating in early course
Does the corporate risk management strategy address the council's risk appetite	No	Risk appetite is subjective but is gaining more prominence as financial constraints mean that securing agreed outcomes may require increased risk taking
Does the council have up to date corporate level and service related risk registers	Partly	Corporate risk register is regularly updated; services risk registers are only reviewed annually and their format varies from service to services
Is risk management embedded in business practices at both corporate and service levels?	Yes	It is one aspect of the council's governance arrangements and applies corporately and to services
Does systematic evaluation and prioritisation of risks and opportunities lead to timely action?	Yes	All risks have linked risk mitigation measures which are taken forward in a proportionate manner subject to priorities and capacity.
Are key risks and action to mitigate them monitored and reported throughout the year?	Yes	Monitoring of risk is an ongoing management function; reporting is six monthly
Do officers' reports to Committees cover both financial and non-financial risks?	Yes	The discipline of considering risk in all committee reports has given it a prominence throughout the organisation.
Is there sufficient timely training and on-going support for councillors and relevant officers?	Partly	Some training has been made available; more is planned through the council's insurers.

(b) Audit Committee

QUESTION	YES/NO/ PARTLY	RESPONSE
Do audit committee councillors have a clear remit that addresses the latest guidance by the Chartered Institute of Public Finance and Accountancy (CIPFA)?	Yes	The roll of the committee is defined in the scheme of administration. A copy of the CIPFA guidance is available at https://moray.cmis.uk.com/moray/CouncilandGovernance/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/324/Committee/8/Default.aspx
Does the chair of the committee manage committee meetings effectively?	Yes	
Does the chair routinely liaise with the Head of internal audit before committee meetings	Yes	Pre-meetings held to discuss the agenda.
Do the committee's councillors attend routinely, prepare well and challenge officers appropriately	Yes	
Does the committee approve internal audit's annual work plan and reports?	Yes	
Can internal audit report to senior officers and the audit committee without fear or favour?	Yes	
Do officers provide committee members with timely well written and useful reports?	Yes	Adjudged to be so through the recent external inspection of internal audit
Do internal audit reports set out comprehensively and clearly what needs to improve and how?	Yes	Action plans committing services to improvements are prepared where appropriate
Does the committee endorse and track improvements proposed by internal auditing?	Partly	Committee endorse improvements internal audit tracks implementation of audit recommendations
Has the committee identified the top five risks to the council?	No	This is with Policy and Resources Committee currently but could be considered
Is there sufficient timely training and ongoing support for officer and councillors, including you?	Yes	Two briefings have been held one following the election, the other following the change of the council's administration.