



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 19 JUNE 2019

**SUBJECT: REPORT ON THE WORK OF THE INTERNAL AUDIT SECTION IN
THE PERIOD FROM 1 JANUARY 2019 TO 31 MARCH 2019**

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 The report advises Committee on the work of the Internal Audit Section for the period from 1 January 2019 to 31 March 2019.
- 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 **That Committee consider the contents of this report; seeks clarification on any points noted and otherwise notes the report.**

3. REPORT

- 3.1 The final quarter of the year saw completion of internal audit's external quality assessment (the results of which were reported to the meeting of this Committee on 24 April 2019 (Paragraph 7 of the draft Minute refers)) and the projects detailed below from within the approved annual plan for 2018/19 were taken forward. All planned main financial systems has been completed and all departmental systems work was progressed, although a number of departmental projects while at an advanced stage have still to be formally cleared with management. These will be concluded during the summer alongside current year projects currently on-going.
- 3.2 Main Financial Systems - Payroll Access Controls
 - 3.2.1 The payroll system processes large volumes of personal and confidential data and consequently it is important that system access is restricted to those who need it for the purposes of their work and for suitable management information to be available to enable monitoring of user access. The audit found there were opportunities to strengthen controls by restricting generic access to groups of staff providing technical support and ensuring the record of authorised users is kept up to date on the occasion of any changes to user

responsibilities. The Executive Summary and audit action plan showing recommendations made and management responses are provided as **Appendix 1**.

3.3 Main Financial Systems - Capital Plan - Bridge Refurbishments

3.3.1 This audit was originally scheduled as a review of the refurbishment of Craigellachie Bridge but this project was largely deferred into 2019/20. Committee agreed to the substitution of this audit, and two other bridge strengthening contracts in the Forres area were examined. These reviews took in all aspects of the contract from the basis for selection/justification for the works, through the procurement and tendering stage, progressing the works and supervision thereof, and payment through to completion.

3.3.2 The audit testing found that suitable systems of control were in place and there were no recommendations to make. The Executive Summary for the project is provided as **Appendix 2**.

3.4 Departmental Systems - Social Care - Contributions Policy

3.4.1 A Contributions Policy applies where self directed care packages are awarded or where non-residential care services are accessed by adults who are assessed as having the means to make a contribution towards the cost of their agreed care package. The audit sought to confirm that the policy was being applied as intended and that suitable controls were in place to ensure completeness and accuracy of the records held in support of contributions recovered.

3.4.2 The audit noted a review of the policy was overdue and that such a review would be pertinent given national changes to rules relating to free personal care, that there needed to be improved reconciliation between the various systems in use to ensure completeness in the assessment and payments systems; and that there would be merit in streamlining the payment process by making direct deductions of any contributions due from any social care payments awarded. The Executive Summary and audit action plan showing recommendations made and management responses are provided as **Appendix 3**.

3.5 Departmental Systems - Roads Service - Winter Maintenance

3.5.1 Winter maintenance is a statutory duty and council policy has been comprehensively developed over time taking into account of guidance from both the Well Maintained Highways Code of Practice, and the Society of Chief Officers of Transportation in Scotland (SCOTS). The statutory duty is to take 'such steps as (the council) considers reasonable' and the service updates and publishes its winter maintenance plans annually.

3.5.2 The audit considered the council's approach to be robust accepting there will always be challenges in period of extreme weather, with points raised broadly based around asset management considerations relative to improved protection for salt stocks held at rural depots and enhancements to the GPS system used in vehicles. The Executive Summary and audit action plan showing recommendations made and management responses are provided as **Appendix 4**.

3.6 Departmental Systems - Transportation - Dial-A-Bus

- 3.6.1 The dial-a-bus Service provide accessible door-to-door transport for residents who cannot utilise scheduled bus services due to access reasons or lack of service in the locality. This service is demand led and mainly utilises available vehicle and driver resources in the time period falling between school bus and social care transport commitments.
- 3.6.2 The audit looked at how the systems operated in practice including booking procedures, service usage and collection and accounting for income received. The system was found to be robust and there were no recommendations arising from the audit work completed. The Executive Summary for the project is provided as **Appendix 5**.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcome Improvement Plan (LOIP))

Internal audit work supports good governance and the delivery of efficient services.

(b) Policy and Legal

No implications.

(c) Financial Implications

No implications directly arising from this report.

(d) Risk Implications

The independent review of selected systems and procedures mitigates the risks associated with inadequate or ineffective control procedures.

(e) Staffing Implications

No implications.

(f) Property

No implications.

(g) Equalities/ Socio Economic Impacts

No implications.

(h) Consultations

There have been no direct consultations during the preparation of this report.

5. CONCLUSION

5.1 This report provides Committee with a summary of findings arising from the audit projects completed during the review period.

Author of Report:	Atholl Scott
Background Papers:	Internal audit files
Ref:	AS/asc/190619