

FALKIRK COUNCIL

Subject: INTERNAL AUDIT PROGRESS REPORT
Meeting: AUDIT COMMITTEE
Date: 21 September 2015
Author: INTERNAL AUDIT MANAGER

1. INTRODUCTION

- 1.1 The purpose of this paper is to update Members on progress with completing the agreed 2015/16 Internal Audit Plan (the Plan), as presented to Audit Committee on 20 April 2015.
- 1.2 The paper also provides an update on the section’s performance; Internal Audit Recommendations Outstanding; and the work of the Scottish Local Authorities Chief Internal Auditors’ Group.

2. AUDIT PROGRESS

- 2.1 Progress with completing planned 2015/16 Internal Audit work is summarised in the table below:

Assignment Status	Number	%
Complete	6	29%
In Progress	6	29%
Not Started	9	42%
Total	21	100%

- 2.2 In terms of assignments complete this is comparable with previous years. The team’s focus in the early part of the year has been on reviews of key financial controls, and I am pleased that work on Pensions Administration and Pension Fund Governance, Investment (non-Pension Fund), and Integra Supplier Data Management and Payments has been finalised and reported.
- 2.3 To date, there have been no significant changes to the Plan agreed by Committee in April.
- 2.4 A summary of current assignment status is set out at **Appendix 1** along with the assurance level provided (see **Appendix 2** for definitions). Key findings arising from completed assignments are set out at **Appendix 3**.

3. INTERNAL AUDIT PERFORMANCE

- 3.1 Performance against our established 5 Key Performance Indicators is as set out in the table overleaf:

Key Performance Indicator	2015/16 - to date	2014/15 (at same time last year)	2014/15 (whole year)
Complete 85% of main audit programme	29%	26%	100%
Have 90% of recommendations accepted	100%	100%	99%
Spend 75% of time on direct audit work	77%	75%	78%
Issue 75% of draft reports within 3 weeks of completion of fieldwork	100%	100%	96%
Complete (to issue of final report) 75% of main audits within budget	100%	100%	87%

3.2 At present, we are on track to meet or exceed each of the 5 Indicators, and performance is comparable with the same time last year.

4. REPORTING OF RECOMMENDATIONS OUTSTANDING

4.1 Reporting on Internal Audit recommendations outstanding focusses on:

- recommendations where the Agreed Action Date has lapsed; and
- where no revised (and reasonable) Action Date has been agreed with managers; and
- where there is a clear and material link to one of the Council's seven agreed risk categories.

4.2 Based on this categorisation, a total of 13 recommendations remain outstanding. These relate to reviews of:

- Social Work Information System (1 Rec);
- Social Work Budgetary and Financial Control (1 Rec);
- Social Work Intermediary Accounts (2 Recs);
- JLES Ordering and Purchasing Arrangements (2 Recs);
- Social Work Deferred Payments Arrangements (5 Recs); and
- Site Key Control Testing: St Bernadette's Primary School (2 Recs).

4.3 Details relating to each of these recommendations are set out at **Appendix 4**.

4.4 All Internal Audit recommendations are now captured within, and monitored via, the Covalent performance management system. This allows Managers to take ownership of recommendations falling within their area of responsibility, and to update progress on a real-time basis. This revised approach is also intended to reduced the time required to monitor and follow up on recommendations, both within Internal Audit and Services.

5. SLACIAG ANNUAL REPORT

- 5.1 Falkirk Council continues to be a member of the Scottish Local Authorities Chief Internal Auditors' Group (and of it's Computer Audit Sub-Group). Over the course of the year, participation in these Groups has been helpful and value adding, particularly as it allows peer discussion on areas of emerging and significant risk such as Health and Social Care Integration and information / data security.
- 5.2 On an annual basis the Chair of the Group prepares a report summarising activity over the previous 12 months. For information, I have attached, at **Appendix 5**, a copy of the Annual Report for 2015/16, and I hope this gives Members some insight into the role and value of the Group.

6. RECOMMENDATIONS

6.1 Members are invited to note:

- 6.1.1 progress with completing planned 2015/16 Internal Audit work;**
- 6.1.2 Internal Audit performance, as reported at paragraph 3.1;**
- 6.1.3 the position in relation to Recommendations Outstanding; and**
- 6.1.4 the contents of the 2015/16 SLACIAG Annual Report.**

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Internal Audit Manager

Date: 11 September 2015

INTERNAL AUDIT PLAN 2015/16 – PROGRESS AT 11 SEPTEMBER 2015

No.	Service/Status	Assignment	Level of Assurance
<i>Assignments Complete</i>			
1.	Corporate and Housing	Pensions Administration and Pension Fund Governance	Substantial
2.	Corporate and Housing	Investment (non-Pension Fund)	Substantial
3.	Corporate and Housing	Integra Supplier Data Management and Payments	Substantial
4.	All Services	Corporate Purchasing and Contract Monitoring (Interim Report)	Substantial
5.	All Services	Continuous Auditing	Not Applicable
6.	Development	Employment and Training Unit	Substantial
<i>Assignments In Progress</i>			
7.	Social Work – Adult Services	Health and Social Care Integration	TBC
8.	Children’s	Reducing Bureaucracy in Schools	TBC
9.	Children’s	SEEMIS Security and Management	TBC
10.	All Services	National Fraud Initiative	TBC
11.	Corporate and Housing	Corporate Fraud	TBC
12.	Corporate and Housing	Members’ Training, Allowances, and Expenses	TBC
<i>Assignments Not Started</i>			
13.	Corporate and Housing	Corporate Risk Management Arrangements	TBC
14.	All Services	Data and Information Security – Governance and Practice	TBC
15.	Corporate and Housing	Revenues IT Systems Security and Management	TBC
16.	Corporate and Housing	Mobile Device Security	TBC
17.	Corporate and Housing	LEADER Funding	TBC
18.	All Services	Financial Regulations – Review and Update	TBC
19.	West Lothian Council	Reciprocal Review	TBC
20.	Internal Audit	External Quality Assessment by South Ayrshire Council	TBC
21.	Falkirk Community Trust	Key Financial Controls, Cash Counts, and Follow Up of Previous Recommendations	TBC

DEFINITION OF INTERNAL AUDIT ASSURANCE CATEGORIES

Level of Assurance	Definition
Substantial assurance	Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives or leave them vulnerable to error or abuse.
Limited assurance	Risk, control, and governance systems have some satisfactory aspects. There are, however, some significant weaknesses likely to undermine the achievement of objectives and leave them vulnerable to an unacceptable risk of error or abuse.
No assurance	The systems for risk, control, and governance are ineffectively designed and operated. Objectives are not being achieved and the risk of serious error or abuse is unacceptable. Significant improvements are required.

ASSIGNMENTS COMPLETE – SUMMARY OF KEY FINDINGS 2015/16

No	Assignment Area and Service	Assurance and Key Findings
1.	Pensions Administration and Pension Fund Governance Corporate and Housing	<p>Substantial Assurance This review focussed on Pension Fund governance, risk management, arrangements for actuarial valuation; guidance, training, roles, and responsibilities; and the testing of a sample of operational transactions.</p> <p>We found that operational controls around the calculation of new member contributions, for paying / receiving transfer values, and for making payments, were well managed and working effectively. Roles and responsibilities were clear.</p> <p>Fund governance arrangements have recently changed and are bedding in. We did note some scope for improving risk management arrangements, and for establishing a Register of Interests for Pension Committee and Board members. In overall terms, however, we found arrangements to be sound.</p>
2.	Investment (non-Pension Fund) Corporate and Housing	<p>Substantial Assurance We reviewed roles, responsibilities, policies, and practices; key controls around segregation, authorisation, and approval; procurement and contract management arrangements; and management information systems.</p> <p>Sound systems of control were in place, with clear roles and responsibilities and robust policies and procedures. Investment activity is restricted to approved counterparties, with restrictions on the monetary value and maturity of investments. Advice is sought from Treasury Advisers and activity and performance is reported to management and Members.</p>
3.	Integra Supplier Data Management and Payments Corporate and Housing	<p>Substantial Assurance This purpose of this review was to evaluate the controls around management of the Integra supplier database, and the process for making payments.</p> <p>Specifically, we reviewed controls over the on-line input and authorisation of supplier information; the overarching payment processing control framework; arrangements for invoice processing (within Creditors Section); BACS, payable order, and emergency payment processing; fraud control arrangements; and the adequacy of management information.</p> <p>We found that, in general, the framework of control was robust, proportionate, and working well.</p> <p>Staff were clear about their roles and responsibilities, with changes to the supplier database authorised and verified before being processed. There was adequate segregation of duties around the input and authorisation of payment details.</p> <p>We did, however, identify a number of areas where the framework of control could be enhanced. For example, guidance on emergency BACS payments could be improved, and there was some scope for further tightening system access privileges.</p> <p>We recommended that the accuracy of all changes to supplier bank account changes are checked and verified on a daily basis, and there were a number of housekeeping issues around authorisation limits and authorised signatory lists.</p>

No	Assignment Area and Service	Assurance and Key Findings
4.	Corporate Purchasing and Contract Monitoring All Services	<p>Substantial Assurance (Interim Report)</p> <p>On a weekly basis Internal Audit reviews a sample of payments to suppliers who have been paid more than £10,000 in the preceding week, to assess compliance with Financial Regulations and Contract Standing Orders.</p> <p>All sampled payments are checked to ensure that a contracted supplier has been used. Where this is not the case, Internal Audit contact the ‘authorising officer’ to confirm whether the appropriate quotation / tendering exercise was undertaken.</p> <p>To date, we have found there to be compliance with Financial Regulations and Contract Standing Orders when procuring goods and services.</p>
5.	Continuous Auditing All Services	<p>Substantial Assurance</p> <p>Work has focussed on Creditors duplicate payments. To date 5 duplicate payments, totalling £4,500 have been identified, with action ongoing to recover these amounts (either by credit note or refund).</p>
6.	Employment and Training Unit Development Services	<p>Substantial Assurance</p> <p>We reviewed the roles and responsibilities of those involved in the provision of training, placement, advice, and aftercare services, and policies and procedures to support this work. We also considered the sourcing of training provision, financial control arrangements, and the accuracy and timeliness of management information.</p> <p>We found that staff were clear on their operational roles and responsibilities, and were aware that the capacity of the Unit to deliver is based on the resources available, including budget, external funding, and staffing levels.</p> <p>Resources are closely monitored (including maintaining management information) to ensure the Unit operates effectively, however, staff spend a significant proportion of time involved in labour intensive, administrative processes. There is scope, therefore, to review processes in place in order to streamline delivery arrangements. This should include changes to the wages process and financial control arrangements.</p>

INTERNAL AUDIT – RECOMMENDATIONS OUTSTANDING

No.	Target Imp Date	Service	Audit Name	Assurance Level	Recommendation Details	Responsible Officer	Agreed Management Action	Revised Imp Date	Latest Update Position
1.	30 September 2009	Adult Services	Social Work Information System	Limited	A System Security Statement should be prepared. This should include system architecture documentation. Audit log functionality should be reviewed.	Senior Information / IT Co-Ordinator	A System Security Statement, based on Annex 3 of the Internal Audit report, will be produced for SWIS. Audit log functionality will be reviewed.	31 March 2015	Action Remaining Outstanding: System Security Statement outstanding.
2.	29 July 2011	Adult Services	Social Work - Budgetary and Financial Control Arrangements	Limited	The planned review of Day Care provision should include identifying existing contracts (and the need to re-tender) and gaps where no contract exists.	Service Manager Older People / Service Manager Contracts and Commissioning	The Day Care review has produced an interim report. The report will be presented to the Acting Director of Social Work Services for approval. The recommendations will then be taken forward by the Service Manager.	01 April 2015	Action Remaining Outstanding: Wider review of Daycare provision being undertaken as Business Transformation workstream.
3.	31 October 2013	Adult Services	Social Work Intermediary Accounts	Limited	Criteria should be established to evidence Social Work's decision to apply for appointeeship.	Customer Services Manager / Service Manager – Assessment and Care Management	Procedures relating to criteria for appointeeships to be drafted in agreement with operational support staff and Community Care teams.	31 December 2014	Action Remaining Outstanding: Procedures to be incorporated into revised Community Care Financial Procedures document.
4.	31 October 2013	Adult Services	Social Work Intermediary Accounts	Limited	The issues in relation to Intermediary Account balances should be addressed.	Finance Admin Officer	Steps will be taken to remove redundant funds from 'live' accounts. Negative balances will be reviewed and further guidance sought in relation to these accounts.	30 September 2014	Action Remaining Outstanding: Complete transfer of redundant funds to one centrally managed account.

Appendix 4

No.	Target Imp Date	Service	Audit Name	Assurance Level	Recommendation Details	Responsible Officer	Agreed Management Action	Revised Imp Date	Latest Update Position
5.	30 April 2014	Adult Services	JLES Ordering and Purchasing Arrangements	N/A	Prior to authorising invoices, the JLES Manager should carry out additional checks to confirm that the goods were required and have been received (for example, sample check that goods have been receipted on Measles, and are in the stores).	JLES Manager	JLES are currently transferring over to procurement of products etc via eSeries. This will enable this service to further develop internal processes and document a structured approach of sample checking and documenting results as requested in this report recommendation.	30 April 2014	Action Remaining Outstanding: Complete transfer to procurement of products via eSeries.
6.	30 April 2014	Adult Services	JLES Ordering and Purchasing Arrangements	N/A	Procedural instructions outlining the key steps to be followed when ordering, receipting goods, and certifying invoices should be developed. These should be made available to all relevant staff.	Administrative Assistant	JLES are currently transferring over to procurement of products etc via eSeries. This will enable this service to further develop internal processes and document a structured approach of sample checking and documenting results as requested in this report recommendation.	30 April 2015	Action Remaining Outstanding: Complete transfer to procurement of products via eSeries.
7.	11 June 2014	Adult Services	Social Work Deferred Payment Arrangements	N/A	The reporting and management information requirements relating to Deferred Payments should be clarified.	Team Leader, Community Advice Service	Template to be developed to collate information on Deferred Payments. Information to be submitted to the Community Care Finance Group on a quarterly basis. Group has representation from Finance Services and Community Care management. Quarterly reporting will include summary template of deferred payment position. Template will include information on financial assessments, number of successful DP applications.	11 June 2014	Action Remaining Outstanding: Development of Template as per Agreed Management Action.

Appendix 4

No.	Target Imp Date	Service	Audit Name	Assurance Level	Recommendation Details	Responsible Officer	Agreed Management Action	Revised Imp Date	Latest Update Position
8.	30 June 2014	Adult Services	Social Work Deferred Payment Arrangements	N/A	Social Work and Finance should agree how the current Deferred Payment debt should be dealt with.	Chair, Charging Review Panel	Convene meeting with Chair of Sundry Debtors Panel, Chair of Charging Review Panel, Team Leader Community Advice Service, and Legal Services representation on both panels to agree and confirm interface between panels and action in relation to Deferred Payment debt.	31 December 2014	Action Remaining Outstanding: Social Work Bad Debt Recovery Policy to be developed.
9.	31 July 2014	Adult Services	Social Work Deferred Payment Arrangements	N/A	Social Work Management should ensure that the issues identified relating to the role of the Community Advice Service and Senior Clerical Assistants are addressed.	Senior Finance Officer	Senior Finance Clericals to meet to develop and agree procedure. Procedure will be agreed, written and distributed to all Senior Finance Clericals working within the Community Care Teams.	31 July 2014	Action Remaining Outstanding: Procedure to be agreed and rolled out.
10.	31 July 2014	Adult Services	Social Work Deferred Payment Arrangements	N/A	The final Deferred Payment calculation of total debt due should be approved by management prior to an invoice being raised.	Senior Finance Office / Accountancy Assistant	Currently Senior Finance Clerical on the death of the service user confirms all out-standing debt and sends memo to Finance who raise invoice. Copy of memo is sent to paralegal in relation to discharge of the Charging Order. A reference sheet will be developed to confirm that all relevant Services have been contacted to ensure all outstanding amounts due are included. Reference sheet and memo will be sent to Finance to raise the final invoice.	31 July 2014	Action Remaining Outstanding: Development of reference sheet as per Agreed Management Action.

No.	Target Imp Date	Service	Audit Name	Assurance Level	Recommendation Details	Responsible Officer	Agreed Management Action	Revised Imp Date	Latest Update Position
11.	31 October 2014	Adult Services	Social Work Deferred Payment Arrangements	N/A	A Deferred Payment Policy should be developed by Social Work. The Policy should clarify the areas identified in the report.	Service Manager / Team Leader Community Advice Service	A short life working group will be set up to develop the Deferred Payment Policy. The group will have representation from Finance Services, Senior Finance Clerical, Sundry Debtors Review Group, and Community Advice Service (Financial Assessment Team). Group will be chaired by Team leader, Community Advice Service.	31 October 2014	Action Remaining Outstanding: Development of Deferred Payment Policy.
12.	30 June 2015	Children's Services	Site Key Control Testing – St Bernadette's Primary School	Substantial	The issues relating to fire and intruder alarms and procedures should be addressed. (security systems log; inaccessible emergency lighting junction boxes; no notices displaying Fire Marshall and Evacuation Officer information).	Head Teacher / H&S Co-Ordinator / School Estates Co-Ordinator / Janitor	The school will take advice from the Health and Safety Co-Ordinator about setting up a log. Access will be provided to emergency lighting junction boxes so that they can be regularly tested. Notices identifying Fire Marshalls and Evacuation Officers will be added to the current plans and procedures.	N/A	Action Remaining Outstanding: Awaiting access to emergency lighting junction boxes so that these can be tested.
13.	30 June 2015	Children's Services	Site Key Control Testing – St Bernadette's Primary School	Substantial	The issues relating to income collection, handling, and administration should be addressed. (no spare capacity in safe; no logging of safe 'ins and outs'; no receipts issued for income received).	Head Teacher / Clerical Assistant / Resource Officer	The school will consider the options for the safe storage of all monies. A safe 'ins and outs' log will be introduced. Advice will be sought from the Resource Officer regarding the issuing of receipts.	N/A	Action Remaining Outstanding: The size of the safe (and required capacity) has still to be addressed.



ANNUAL REPORT FROM THE CHAIR – 2014/2015

1. INTRODUCTION

- 1.1 Membership of the Scottish Local Authorities Chief Internal Auditors' Group (SLACIAG) is made up of the Heads of Internal Audit from each Scottish Local Authority and Strathclyde Partnership for Transport. The Group is a Special Interest Group of CIPFA Scotland, with operational arrangements, vision, and objectives set out in a formal Constitution.
- 1.2 The Group's vision is to be the voice of Internal Audit across Scottish Local Authorities and a driving force for best practice in respect of Local Authority Internal Audit, governance, and operations. In support of that vision the Group has four key objectives:
- to raise our profile with key stakeholders and to be recognised as the logical, respected, and essential source of opinion on governance, risk, and control within Scottish Local Government;
 - to identify areas of Internal Audit work where a pan-Scotland or inter-Authority approach will bring benefits to our people, clients, and stakeholders; and
 - to consider the development and training needs of our people.
- 1.3 The purpose of this Annual Report is to provide an update on the Group's activities and achievements over the course of 2014/15.

2. SLACIAG ACTIVITY AND ACHIEVEMENTS DURING 2014/15

- 2.1 SLACIAG met four times during 2014/15:
- 20 June 2014 – hosted by Perth and Kinross Council;
 - 12 September 2014 – hosted by Fife Council;
 - 28 November 2014 – hosted by Glasgow City Council; and
 - 20 March 2015 – hosted by East Ayrshire Council.
- 2.2 All of the meetings were very well attended, re-affirming the value of the Group to members. This is particularly pleasing at a time of such significant change across Local Government generally, and Internal Audit in particular.
- 2.3 This is perhaps best illustrated by the variety of issues considered by the Group over the course of the year, and the calibre of speakers who attended and presented.
- 2.4 For example, our year kicked off in March with a highly insightful and thought provoking presentation from Colin Mair, Chief Executive of the Improvement Service. Colin helped set the context for the year by talking about the need for considered transformational change across Local Government, and Internal Audit's role in helping to facilitate that change. This became a recurring theme throughout the year, with the majority of Chief Internal Auditors having some role to play in their Council's change management and improvement programmes.
- 2.5 Practical examples of significant transformation came from George Black, then Chief Executive of Glasgow City Council, who spoke at our November meeting about his Authority's transformation journey, and from the various speakers over the course of the year who have helped the Group get to grips with the risks associated with Health and Social Care Integration.
- 2.6 For example, Claire Sweeney and Neil Cameron of Audit Scotland attended in November 2014 to talk about the evolving regulations and guidance, as well as some of the issues to be considered by Internal Audit both pre and post integration. This was built on at our March 2015 meeting when Laura Friel, Chief Executive of North Ayrshire Council, spoke very enthusiastically and positively about the integration work being undertaken, both at a local and a national level.

- 2.7 Another key theme considered by the Group during 2014/15 was the issue of corporate fraud, and the extent to which Internal Audit (particularly where there is shared responsibility across Internal Audit and Corporate fraud teams) can input into prevention and detection.
- 2.8 In fact, our meeting in September was largely given over to this topic. Brian Taylor, Senior Risk Manager at the Scottish Government, provided an update on national developments, and in particular on the various working groups set up to develop strategic and practical approaches to identifying and dealing with fraud. Brian Livingston, Executive Director of Finance and Resources at Fife Council, then spoke about his expectations in relation to Internal Audit's role.
- 2.9 The practicalities of setting up and operating a corporate fraud team were explained by Barry Moncur of East Dunbartonshire Council. Barry also spoke about his approach to identifying and investigating the area of highest fraud risk, using case studies to illustrate some of the positive outcomes he and his team had achieved.
- 2.10 The counter fraud theme carried over into our March 2015 meeting, where Owen Smith of Audit Scotland gave his perspective on the 2014/15 National Fraud Initiative exercise.
- 2.11 2014/15 was also a pivotal year in relation to the development of the SLACIAG approach to External Quality Assessment. The 2013 Public Sector Internal Audit Standards require that Internal Audit sections undergo periodic (at least 5 yearly) external assessment against the Standards. While this service can be purchased from various private sector providers, SLACIAG took the view that a peer review approach would be beneficial to member Authorities, both from a financial and developmental perspective.
- 2.12 A sub-group of volunteer members has undertaken significant work on the development of a peer review approach, and an initial pilot involving a sample of Councils has been successfully completed. Over the course of 2015/16 and subsequent years this approach will be rolled out to all Councils willing to participate, and a timetable for this has been agreed.
- 2.13 Members of SLACIAG have also benefited over the course of the year from a programme of high quality training, organised by Andi Priestman of Inverclyde Council. Topics included:
- IT for Non-IT Auditors;
 - Value for Money Auditing;
 - Fraud Investigation Skills; and
 - Counter Fraud.
- 2.14 All of these were well received and offered very good value.
- 2.15 SLACIAG's commitment to providing training and development opportunities to its members will continue into 2015/16, with the bi-ennial conference, to be held in Dundee on 08 and 09 June 2015, a particular highlight. It is hoped that this will be an interactive event, and that it will drive the themes and topics to be explored further at future SLACIAG meetings.
- 2.16 As usual, the Group held its Annual General Meeting in March. At that meeting the Treasurer provided an update on the Group's finances, which remain buoyant. This will allow rates for attendance at the June conference to be held at a level which offers very good value.

3. COMPUTER AUDIT SUB-GROUP

- 3.1 The main aim of the Computer Audit Sub-Group (CASG), which is a permanent sub-group of SLACIAG, is to provide a forum to share and discuss computer audit practices and developments. This includes raising awareness of new standards, updates to legislation, and new and current topics of interest.
- 3.2 During 2014/15 CASG met three times:
- 24 April 2014 at East Renfrewshire Council;
 - 22 August 2014 at Dundee City Council; and
 - 25 November 2014 at Fife Council.
- 3.3 Meetings have included presentations and discussions on a range of topics with speakers from within and out-with the group. The purpose of these presentations is to keep the group updated and informed on computer audit developments, resources, and techniques.
- 3.4 In the past year, presentation topics have included:
- ICT and Information Management Costs / Areas of Savings;
 - Internet Policy for children in care homes;
 - ICT licensing;
 - ICT Strategy and Governance;
 - ICT and Information Management Audit Universe;
 - The logic behind the Information Commissioner's Office taking regulatory action;
 - Public Sector Network workstreams;
 - ICT Asset Management;
 - Disaster Recovery; and
- 3.5 CASG meetings continue to attract increasing numbers and cater for computer audit knowledge from novice through to professional level. During 2014/15, CASG meetings were attended by auditors from 24 of the Local Authorities as well as auditors from SPT and Scottish Water. Due to the increasing membership and the mixture of skills and experience available from its members the group will consider, in the upcoming year, any areas where ICT related training would be beneficial.

4. SUMMARY

- 4.1 The role of Internal Audit continues to evolve, with Health and Social Care Integration, continued pressure on budgets, and reducing headcount across all Councils amongst the key drivers of change.
- 4.2 The membership of SLACIAG also continues to change, with new members joining and an ever increasing emphasis on the involvement of members of Internal Audit teams as well as Chief Internal Auditors.
- 4.3 That said, the commitment of members both to SLACIAG, and the wider profession, remains unchanged, and this is reflected in the excellent attendance at, and contribution to, meetings of the Group over the course of 2014/15.
- 4.4 2015/16 will be another challenging year for Internal Audit in Local Government. I'm firmly of the belief, however, that, individually and collectively, SLACIAG will continue to be at the forefront of developments, and that our voice will continue to be heard as experts in matters of risk management, governance, and control.
- 4.5 Finally, I would like to take this opportunity to thank the Committee and all Group members for their support and contributions during 2014/15.

Jill Stacey (Chief Officer, Audit and Risk, Scottish Borders Council)
Chair of SLACIAG
18 May 2015