

AC22. Internal Audit Progress Report

The committee considered a report by the Internal Audit Manager setting out progress in completing the 2017/18 Internal Audit Plan.

The plan had included 21 assignments. A further two audits had been added since the plan was agreed by the Audit Committee. These were:-

- Carbon Reduction Commitment Energy Efficiency Scheme; and
- LEADER funding.

At October 2017, 6 draft/final reports had been issued, 10 audits had begun and 7 audits had yet to begin. This was broadly comparable with progress in the previous year.

Following a question on the additional audits, the Director of Development Services explained that the purpose of the Carbon Reduction Commitment Energy Efficiency Scheme audit was to ensure that the Council was properly measuring and reporting carbon emissions, and accounting for these appropriately. The committee discussed the success of Development Services in securing external, particularly EU, funding. In regard to EU funding, the Director stated that the implications of BREXIT were not known and it would be a matter for Government to determine how funding currently directed to the EU would be distributed post BREXIT.

Following a question on the impact of the joint working arrangements with Clackmannanshire Council on Internal Audit's ability to meet its key targets and complete the Audit Plan, the Internal Audit Manager explained that the work plans for each authority were separate and as such he did not anticipate that the Clackmannanshire Council work would impact on the team's performance. In regard to the plan and the time allocated to each individual audit, he encouraged a degree of flexibility to ensure that the assurance provided to committee is balanced and fully evidenced.

The committee then asked about specific audits. Following questions, the Internal Audit Manager set out the purpose of the audit of Cyber Security and explained why this audit had not started. He highlighted that the Scottish Government had recently published its Cyber Security Strategy, and that Local Authorities are expected to work towards attaining Cyber Essentials accreditation by October 2018. The Internal Audit review would, therefore, be deferred to avoid any duplication.

Following a question in regard to a planned audit of Welfare Reform, which had not started, the Internal Audit Manager explained that the review would begin at the most appropriate time and this could potentially be in 2018/19. There was however flexibility to adapt the timescales as risks emerge and evolve, for example the roll out of Universal Credit.

The Internal Audit Manager explained, in response to a question in regard to the review of Social Care and Education Transport that work was required to ensure all drivers were subject to the appropriate PVG checks.

Decision

The Committee noted progress being made with completing the 2017/18 Internal Audit Plan.