

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: Internal Audit Annual Assurance Report 2017/18
Meeting: Central Scotland Valuation Joint Board
Date: 29 June 2018
Author: Internal Audit Manager

1. Introduction

- 1.1 This paper reports on Internal Audit work undertaken during 2017/18, and provides an assurance on arrangements for risk management, governance, and control based on that work.

2. Overall Opinion

- 2.1 Internal Audit use a set of assurance categories as the basis for providing an opinion on the adequacy of arrangements for risk management, governance, and control. A summary of these is at Appendix 1.
- 2.2 Based on work undertaken, Internal Audit is able to provide Substantial Assurance on the adequacy of the Board's arrangements for risk management, governance, and control for the year to 31 March 2018.
- 2.3 In providing that opinion, Internal Audit has taken account of the findings arising from reviews of:
- Register of Electors;
 - IT Control Environment; and
 - Input to the Annual Governance Statement of Assurance Questionnaire process.

3. Operational Activity Considered in Providing Overall Assurance

- 3.1 Annual Internal Audit work is based on discussion with the Assessor and review of relevant documentation. As outlined at paragraph 2.3, we undertook three pieces of Internal Audit work during 2017/18.
- 3.2 Our work on the Register of Electors focussed on: the roles and responsibilities of staff accountable and responsible for maintaining the Register; policies, procedures, and guidance; and testing of a sample of entries.

- 3.3 We were able to provide Substantial Assurance. Staff were clear about their roles and responsibilities, a training needs matrix is in place, and policies and procedures are generally sound. Our testing also demonstrated that appropriate documentation was maintained to support Register of Electors entries. We did make a number of recommendations aimed at further enhancing the framework of control, all of which were agreed with the electoral Registration Officer.
- 3.4 In relation to work on the IT Control Environment, we reviewed: IT / cyber security roles, responsibilities, policies, and procedures; arrangements for identifying, evaluating, and mitigating threats to key IT systems; and physical and environmental controls.
- 3.5 We were able to provide Substantial Assurance in this area. Network security and anti-virus measures are in place, data is backed up on a daily basis, and staff were clear about their roles and responsibilities. The Cabinet Office awarded a Public Services Network (PSN) compliance certificate in November 2017.
- 3.6 We also worked with the Assessor to consider and complete the Annual Governance Statement of Assurance checklist. The purpose of this work was to undertake a high level assessment of the Boards arrangements in areas such as: leadership, stakeholder relationships, risk management, internal control, planning and performance, and information management.
- 3.7 Completion of the checklist is an iterative, annual, process, and provides assurance that key governance arrangements and documents are in place, up to date, and subject to ongoing review.

4. Internal Audit Compliance with Public Sector Internal Audit Standards

- 4.1 Internal Audit seeks to undertake all work in conformance with the Public Sector Internal Audit Standards (the Standards). The Standards, which have applied since 2013 (and were updated in 2017), have four objectives. These are:
- To define the nature of Internal Auditing, within the UK public sector;
 - To set basic principles for carrying out Internal Audit in the UK public sector;
 - To establish a framework for providing Internal audit services, which add value to the organisation, leading to improved organisational processes and operations; and
 - To establish the basis for the evaluation of Internal Audit performance and to drive improvement planning.

- 4.2 The Standards require the Internal Audit Manager to establish a Quality Assurance and Improvement Programme (QAIP) to allow evaluation of compliance with the Standards. This comprises an annual self assessment and a five yearly external assessment.
- 4.3 Internal Audit is provided by Falkirk Council's Internal Audit team, via a Joint Working Agreement with Clackmannanshire Council.
- 4.4 Falkirk Council's Internal Audit Manager undertook a detailed self assessment against the Standards in early 2018. This concluded that the section was broadly compliant. The Scottish Prison Service's (SPS) Head of Audit and Assurance has now completed an independent validation of this annual self assessment, and has also concluded that the Internal Audit section is broadly compliant with the Standards.

5. RECOMMENDATIONS

5.1 The Board is asked to:

- 5.1.1 note that Internal Audit is able to provide Substantial Assurance in respect of the Board's arrangements for risk management, governance, and control for the year to 31 March 2018.**

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Internal Audit Manager

Date: 08 June 2018

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Appendices:

Appendix 1 –Internal Audit Assurance Categories

List of Background Papers:

No papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973.

INTERNAL AUDIT ASSURANCE CATEGORIES

Level of Assurance	Definition
Substantial assurance	Largely satisfactory risk, control, and governance systems are in place. There may be some scope for improvement as current arrangements may 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.