

**REPORT TO:** Audit and Governance Committee

**MEETING DATE:** 20 January 2015

**BY:** Depute Chief Executive – Resources & People Services

**SUBJECT:** Internal Audit Follow-up Reports

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## **1 PURPOSE**

- 1.1 To inform the Audit and Governance Committee of the recent follow-up work undertaken by Internal Audit.

## **2 RECOMMENDATION**

- 2.1 That the Audit and Governance Committee note the findings of Internal Audit's follow-up work on Gifts and Hospitality Policy, Payments to Scottish Water and Trading Operations.

## **3 BACKGROUND**

- 3.1 As part of the audit plan for 2014/15 Internal Audit has followed up the recommendations made in previously issued audit reports to ensure that they have been implemented as agreed by Management. Our findings are detailed below.

### **Gifts and Hospitality Policy**

- 3.2 Internal Audit's report on Gifts and Hospitality Policy was issued in September 2013. Our follow-up review has identified that the recommendation made has been fully implemented. The Council recently reviewed its Gifts and Hospitality Policy and the revised Policy was approved by Cabinet on 11 November 2014.

### **Payments to Scottish Water**

- 3.3 Internal Audit's report on Payments to Scottish Water was issued in September 2013. Our follow-up review has identified that the recommendation agreed by Management is currently outstanding. Details

of Management's response and the revised date of completion are attached in Appendix A.

### **Trading Operations**

- 3.4 Internal Audit's report on Trading Operations was issued in May 2014. Our follow-up review has identified that the recommendation made is currently outstanding. Details of Management's response and the revised date of completion are attached in Appendix A.

## **4 POLICY IMPLICATIONS**

- 4.1 None

## **5 EQUALITIES IMPACT ASSESSMENT**

- 5.1 This report is not applicable to the well being of equalities groups and Equality Impact Assessment is not required.

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial - None  
6.2 Personnel - None  
6.3 Other - None

## **7 BACKGROUND PAPERS**

- 7.1 None

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<b>DATE</b>	8 January 2015

## Appendix A

### PAYMENTS TO SCOTTISH WATER

The recommendation currently outstanding is detailed below, together with Management's response.

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	MANAGEMENT RESPONSE	REVISED DATE OF COMPLETION
3.4.3	Management should ensure that appropriate documentation is held to support the adjustments being made in the payment calculations for costs raised.	Medium	Service Manager – Revenues	Service Manager – Revenues to have discussions with Scottish Water.	June 2015

### TRADING OPERATIONS

The recommendation currently outstanding is detailed below, together with Management's response.

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	MANAGEMENT RESPONSE	REVISED DATE OF COMPLETION
1.4	Management should undertake a review of the Council's Significant Trading Operations and ensure compliance with the CIPFA/LASAAC Guidance.	Medium	Head of Council Resources/Service Manager – Business Finance	A review will be completed before the end of the current financial year.	March 2015