

**REPORT TO:** Audit and Governance Committee

**MEETING DATE:** 20 February 2018

**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 Direct Payments – Children's Wellbeing; Preston Lodge High School; Capital Projects (Payment Certificates) and Contracts.

**3 BACKGROUND**

- 3.1 Internal Audit follows up recommendations made in previously issued audit reports to ensure that they have been implemented as agreed by Management. Detailed spreadsheets are maintained to monitor progress being made and this report provides a summary of the current status for four audits that were reported in 2016/17. Our findings are detailed below.

**Direct Payments – Children's Wellbeing**

- 3.2 Internal Audit's report on Direct Payments – Children's Wellbeing was issued in September 2016. Our follow-up review has highlighted that of the eleven recommendations made, nine have been implemented and two are outstanding (see attached). For the outstanding recommendations, we are informed by management that progress is being made with a view to full implementation by April 2018.

### **Preston Lodge High School**

- 3.3 Internal Audit's report on Preston Lodge High School was issued in January 2017. Our follow-up review has highlighted that of the ten recommendations made, eight have been implemented and two partly implemented (see attached). For these two recommendations, we note that in one case standard documentation has been developed for the recording and monitoring of school trip income and expenditure and the school is in the process of rolling this out and in the second case, the school is considering the options available for operating the PL2000 club.

### **Capital Projects (Payment Certificates)**

- 3.4 Internal Audit's report on Capital Projects (Payment Certificates) was issued in June 2017. Our follow-up review has highlighted that all three recommendations made have been implemented.

### **Contracts**

- 3.3 Internal Audit's report on Contracts was issued in January 2017. Our follow-up review has highlighted that the two recommendations made have been implemented.

## **4 POLICY IMPLICATIONS**

- 4.1 None.

## **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

## **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 February 2018



**EAST LOTHIAN COUNCIL – INTERNAL AUDIT  
DIRECT PAYMENTS – CHILDREN’S WELLBEING**

**OUTSTANDING RECOMMENDATIONS**

<b>PARA REF</b>	<b>RECOMMENDATION</b>	<b>GRADE</b>	<b>RESPONSIBLE OFFICER</b>	<b>AGREED ACTION</b>	<b>AGREED DATE OF COMPLETION</b>	<b>REVISED DATE OF COMPLETION</b>
3.1.1	Management should ensure that the draft procedures currently being reviewed are finalised and issued to staff with operational responsibility for the administration, management and monitoring of Direct Payments.	Medium	Self Directed Support Officer	Procedures for Direct Payments are being reviewed and amended to include Children’s Services. When completed these procedures will be issued to staff with operational responsibility for the administration, management and monitoring of Direct Payments.	November 2016	April 2018
3.8.1	Management should ensure that regular reconciliations are undertaken between payments processed on Frameworki and the amounts posted to the General Ledger.	Medium	Group Service Manager, Long-term Care and Support / Team Leader - Disability	We are consulting with the Creditors Section to achieve this recommendation.	August 2016	April 2018

**EAST LOTHIAN COUNCIL – INTERNAL AUDIT  
PRESTON LODGE HIGH SCHOOL**

**OUTSTANDING RECOMMENDATIONS**

<b>PARA REF</b>	<b>RECOMMENDATION</b>	<b>GRADE</b>	<b>RESPONSIBLE OFFICER</b>	<b>AGREED ACTION</b>	<b>AGREED DATE OF COMPLETION</b>	<b>REVISED DATE OF COMPLETION</b>
3.4.2	<u>Partly Implemented</u> Management should review the existing procedures in place for the recording and monitoring of school trip income and expenditure.	Medium	Head Teacher / School Business Manager	Agreed	May 2017	March 2018
3.10.1	<u>Partly Implemented</u> Management should ensure that the two separate bank accounts held for fund raising activities are operated under the auspices of the Parent Council.	Medium	Head Teacher / School Business Manager	Agreed	June 2017	April 2018