

Updated Audit Report Template

Report by Graham Herbert, Audit Manager

1 Purpose of Report

The purpose of this report is to present and seek approval for a revised internal audit report template.

2 Background

The current internal audit report format has been used since 2012. Since this date new Public Sector Internal Audit Standards (PSIAS) have been issued which includes guidance on reporting standards.

The Internal Audit Manager has therefore reviewed the existing report format against these standards as well as benchmarking against other Councils and other public sector organisations and devised a new reporting format.

The main changes to the Report format are as follows:

- streamlining the executive summary so that the emphasis is now on the audit opinion;
- updating the audit opinion rating definitions and moving away from the colour coding system;
- providing definitions of high, medium and low priorities when applied to recommendations; and
- including the audit Terms of Reference in full as an appendix to the report.

3 Report Implications

3.1 Resource

There are no direct resource implications arising from this report.

3.2 Risk

The new audit report template and revised assurance ratings will provide clearer reporting of the area being audited, and therefore contribute to management and elected members' understanding of the Council's risks and internal controls.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child

- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

3.4 Key Priorities within the Single Midlothian Plan

This report does not relate directly to the key priorities within the Single Midlothian Plan.

3.5 Impact on Performance and Outcomes

The new audit report template and revised assurance ratings will lead to clearer reporting from the Internal Audit team.

3.6 Adopting a Preventative Approach

Periodic review of audit standards and practices helps ensure the team's compliance with the Public Sector Internal Audit Standards and best practice.

3.7 Involving Communities and Other Stakeholders

The revised report template was presented to CMT on 8 October and is to be presented to the Audit Committee on 28 October 2014. Feedback on the new report template will be requested from members of the committee.

3.8 Ensuring Equalities

There are no equalities issues with regard to this report.

3.9 Supporting Sustainable Development

There are no sustainability issues with regard to this report.

3.10 IT Issues

There are no IT issues with regard to this report.

4 Recommendations

The Audit Committee is invited to:

- note the changes made to the audit report template and assurance ratings; and
- provide any feedback to the Audit Manager.

Report Contact:

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Appendices:

1. Updated Audit Report Template

Declaration Box

Instructions: This box must be completed by the author of the report. The box will be copied and saved by the Council Secretariat who will delete it from the report prior to photocopying the agenda.

Title of Report: Updated Audit Report Template

Meeting Presented to: Audit Committee

Author of Report: Graham Herbert

I confirm that I have undertaken the following actions before submitting this report to the Council Secretariat (Check boxes to confirm):-

- All resource implications have been addressed. Any financial and HR implications have been approved by the Head of Finance and Human Resources.*
- All risk implications have been addressed.*
- All other report implications have been addressed.*
- My Director has endorsed the report for submission to the Council Secretariat.*

For Cabinet reports, please advise the Council Secretariat if the report has an education interest. This will allow the report to be located on the Cabinet agenda among the items in which the Religious Representatives are entitled to participate.

Likewise, please advise the Council Secretariat if any report for Midlothian Council has an education interest. The Religious Representatives are currently entitled to attend meetings of the Council in a non-voting observer capacity, but with the right to speak (but not vote) on any education matter under consideration, subject always to observing the authority of the Chair.