

## **Procedure for Audit Scotland National Reports**

### **Report by Elaine Greaves, Internal Audit Manager**

#### **1. Purpose of the Report**

The purpose of this report is to obtain Audit Committee's approval for a proposed Midlothian Council procedure for managing Audit Scotland National Reports.

#### **2. Background**

National reports, published by Audit Scotland, are currently submitted to the Audit Committee throughout the year, for information. They are also referred to the responsible officer within the Council to determine the local impact and to take forward any relevant recommendations in the report.

Grant Thornton, the Council's external auditors, were critical of this process in their 2012-13 Annual Audit Report by stating that the paper (*Local Government Overview Report: Responding to Challenges and Change*) submitted to the June 2013 Audit Committee did not reflect the local impact of the report or any self-assessment against Audit Scotland's findings. They recommended that:

- the Council should ensure that, where relevant, national reports presented to the Audit Committee include a self-assessment against recommendations and plans for improvement.

Management responded by stating that:

- Internal Audit is reviewing the way that national reports are currently presented to the Audit Committee. This review will ensure that an identified lead officer will be responsible for submitting a report to the Audit Committee detailing Midlothian's response to any self assessment / recommendations made in national reports

Internal Audit has therefore drafted a proposed procedure for presenting national reports to the Audit Committee and this is set out in Appendix 1.

#### **3. Report Implications**

##### **3.1 Resource**

There are no direct resource implications in this report.

##### **3.2 Risk**

There is a risk that self-assessments against recommendations and plans for improvement contained within national reports are not undertaken by Midlothian Council or are undertaken but not communicated effectively to Elected Members.

### **3.3 Single Midlothian Plan**

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 with the Single Midlothian Plan.

### **3.5 Impact on Performance and Outcomes**

Adoption of this procedure will ensure that, where relevant, national reports presented to the Audit Committee include a self-assessment against recommendations and plans for improvement.

### **3.6 Adopting a Preventative Approach**

Adoption of this procedure will prevent future criticism from the Council's external auditors.

### **3.7 Involving Communities and Other Stakeholders**

The draft procedure has been referred to the Corporate Management team for discussion.

### **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:

- Review and approve the procedure for Audit Scotland National Reports.

**Date:** 16 April 2014  
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#### Appendices

Appendix 1 - Procedure for Audit Scotland National Reports