

AUDIT	COMMENTARY
Corporate Governance	
Corporate Governance - annual evaluation and statement 2015/16	Interim review of the Local Code of Corporate Governance and progress on improvement action plans. Annual evaluation against Local Code of Corporate Governance covering the corporate whole and individual Service Directorates.
Risk Management	Progress on the implementation of corporate risk management improvement actions including policy, strategy, training and toolkits.
Information Governance	Review of the Information Governance framework including roles and responsibilities, policy development and implementation.
Performance Management	Provide independent validation of performance indicators and benchmarking information to support self-assessment and continuous improvement of the Council's services.
Workforce Planning	Review of approach to workforce development to provide skills, knowledge and competency requirements for service delivery to meet the Council's objectives.
Corporate Transformation	Review of governance and accountability arrangements for the Corporate Transformation programme including programme and project management. Review of processes for benefit (financial and other) identification, tracking and realisation.
Health and Social Care Integration	Review governance arrangements being developed to meet new statutory obligations which are designed to promote closer integration and partnership working to meet the needs of the community.
Cultural Services	Review governance arrangements being developed as part of proposals for transferring Cultural Services to a Trust.

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Financial Governance	
Financial policies and procedures	Assess progress with review and update of Financial Regulations and associated procedures and guidelines including revenue and capital budgetary control codes of practice.
Income Charging, Billing & Collection	Review of income management controls in place throughout the Council to set fees and charges for services, raise invoices promptly, and collect debts efficiently resulting in debtors' balances that are complete, accurate and recoverable.
VAT	Review of the VAT treatment of supplies and services made by the Council to customers.
Revenues (Council Tax, NDR)	Assess completeness and accuracy of Revenues (Council Tax and Non Domestic Rates) income, including application of relevant reductions, discounts, reliefs and exemptions.
Grants	Review of authorisation and monitoring procedures including criteria to evaluate grant applications and monitoring compliance with conditions of grant. Assess process against following the public pound code of practice.
Contract Management	Assess controls in place over contract monitoring arrangements with third parties including sports trusts, and arms-length external organisations.
Creditors Payments	Review of payments processes at Service level including authorisation and non-Proactis source systems such as Servitor, Framework-I and Template payments.
Salaries (incl expenses)	Review of controls at Service level.

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IT Governance	
Security controls	Assess the adequacy of the physical access and environmental controls to the Council's ICT equipment, software and data to prevent unauthorised access and damage including third party access agreements.
Public Secure Network (PSN) Compliance	Examine the Council's compliance with the requirements of the Public Secure Network (PSN) and progress with implementation of actions required to achieve full compliance.
Disaster Recovery	Review of ICT disaster recovery strategies and plans to ensure they are aligned with business continuity requirements, are fit for purpose (i.e. no critical single points of failure) and tested appropriately.
ICT Operational Processes	A review of the change / incident / problem management operational controls to ensure they are designed appropriately and that all parties are adhering and complying with them. Specifically with change management, the review will consider business as usual change vs a corporate transformation project.

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Internal Controls	
Homelessness	Review of controls in place to ensure efficient and effective use of social and private sector housing and B&B accommodation to ensure achievement of obligations for the homeless, specifically Rent Accounting processes and procedures, including collection and recovery of rents, training and guidance notes.
Primary Schools	Review of internal financial controls and business administrative procedures in place to ensure the efficient and effective use of resources in the establishments.
Waste & Recycling	Review of operational and financial controls in place for the effective delivery of waste and recycling services.
Capital Projects	Review of management systems in place to ensure that capital projects are being managed efficiently and effectively from inception to completion including post project evaluation, and capacity is reviewed and monitored to utilise available funding as planned (sample of specific projects per year). Capital planning basis on priorities and outcomes set by the Council.

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Asset Management	
Asset Registers	Review of processes and controls management have implemented to ensure complete and accurate records of all Property, Fleet, and IT assets that underpin Asset Management Plans to deliver Council's strategies, plans and priorities.

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Legislative & Other Compliance	
Kelso THI	Review as part of end of programme compliance and evaluation requirements of the two external funders (the Heritage Lottery Fund and Historic Scotland) including audit requirements.
LEADER	Annual review of LEADER programme required by the Service Level Agreement (SLA) between Scottish Ministers (Managing Authority and the Paying Agency (RPID)) and Scottish Borders Council (Lead Partner for Scottish Borders Local Action Group (LAG)) to assess compliance by SBC with the terms of the SLA.
European Fisheries Fund	Annual audit under the terms of the SLA and legislative compliance including an assessment of compliance with the requirements of the SLA and the relevant EC Regulations.
Carbon Reduction	Annual audit as part of the requirement under the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) prior to the Council's annual submission to Department of Energy and Climate Change (DECC).

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Consultancy	
Reviews	Provision of internal audit advice, facilitation and consultancy support to management at an early stage in new developments and within change and transformation programmes and projects.
Specific Requests	Highlight opportunities to reduce costs through greater economy and efficiency within systems and activities as part of strategic and service reviews.
Project Boards / Teams e.g. - Information Governance - Welfare Reform - Serious Organised Crime	Provision of internal audit advice and support to management within change and transformation programmes and projects.

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Other	
Contingency	Investigations and other reactive work to ensure high risk issues and concerns identified by Management during the year are appropriately addressed.
Follow-Up	Recommendations are followed-up to ensure management implementation to improve the internal control and governance arrangements.
National Fraud Initiative	Submission of data sets and case management of data matches arising from NFI exercise.
Counter Fraud, Theft, Corruption & Crime	Progress on the implementation of corporate counter fraud improvement actions. Review of fraud prevention controls and detection processes put in place by management. Proactive data matching exercises, spot checks and visits. Independent validation of self-assessment of Local Authority Readiness Serious Organised Crime and Corruption Risk 2015/16 Checklist and progress with implementation of associated Improvement Plan
SB Cares	To be determined and agreed with SB Cares Board and Management.
Scottish Borders Pension Fund	To be determined and agreed with Pension Fund Committee and Management.