
INTERNAL AUDIT WORK TO AUGUST 2020

Report by Chief Officer Audit and Risk

AUDIT AND SCRUTINY COMMITTEE

28 September 2020

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to provide members of the Audit and Scrutiny Committee with details of the recent work carried out by Internal Audit and the recommended audit actions agreed by Management to improve internal controls and governance arrangements.**
- 1.2 The work Internal Audit has carried out in the period from 1 April to 31 August 2020 associated with the delivery of the approved Internal Audit Annual Plan 2020/21 is detailed in this report. Two final Internal Audit reports have been issued, with 0 recommendations made associated with the reports.
- 1.3 An Executive Summary of the final Internal Audit reports issued, including audit objective, findings, good practice, recommendations (where appropriate) and the Chief Officer Audit and Risk's independent and objective opinion on the adequacy of the control environment and governance arrangements within each audit area, is shown in Appendix 1 to this report.
- 1.4 The SBC Internal Audit function conforms to the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017) including the production of this report to communicate the results of the reviews.

2 RECOMMENDATIONS

- 2.1 I recommend that the Audit and Scrutiny Committee:**
- a) Notes the final assurance reports issued in the period from 1 April to 31 August 2020 associated with the delivery of the approved Internal Audit Annual Plan 2020/21; and**
 - b) Notes the Internal Audit Assurance Work in Progress and Internal Audit Consultancy and Other Work carried out in accordance with the approved Internal Audit Charter.**
 - c) Acknowledges the assurance provided on internal controls and governance arrangements in place for the areas covered by this Internal Audit work.**

3 PROGRESS REPORT

- 3.1 The Internal Audit Annual Plan 2020/21 was approved by the Audit and Scrutiny Committee on 9 March 2020. Internal Audit has carried out the following work in the period from 1 April to 31 August 2020 associated with the delivery of the Plan to meet its objective of providing an opinion on the efficacy of the Council’s risk management, internal control and governance.
- 3.2 The SBC Internal Audit function conforms to the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017) including the production of this report to communicate the results of the reviews.

Internal Audit Reports

- 3.3 Internal Audit issued final assurance reports on the following subjects:
- Asset Registers
 - Cyber Essentials
- 3.4 An Executive Summary of the final Internal Audit assurance reports issued, including audit objective, findings, good practice and recommendations (where appropriate), and the Chief Officer Audit and Risk’s independent and objective opinion on the adequacy of the control environment and governance arrangements within each audit area, is shown in Appendix 1.

The definitions for Internal Audit assurance categories are as follows:

Level	Definition
Comprehensive assurance	Sound risk, control, and governance systems are in place. These should be effective in mitigating risks to the achievement of objectives. Some improvements in a few, relatively minor, areas may be required.
Substantial assurance	Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives or leave them vulnerable to error or misuse.
Limited assurance	Risk, control, and governance systems have some satisfactory aspects. There are, however, some significant weaknesses likely to undermine the achievement of objectives and leave them vulnerable to an unacceptable risk of error or misuse.
No assurance	The systems for risk, control, and governance are ineffectively designed and operated. Objectives are not being achieved and the risk of serious error or misuse is unacceptable. Significant improvements are required.

Current Internal Audit Assurance Work in Progress

- 3.5 Internal Audit assurance work in progress to complete the delivery of the Internal Audit Annual Plan 2020/21 consists of the following:

Audit Area	Audit Stage
Performance Management Local Government Benchmarking Framework (LGBF)	Draft report issued
Business Support Grants	Drafting the report
Treasury Management	Testing underway
EU Funded Programmes LEADER and EMFF	Testing underway
Community Equipment Service	Testing underway
Social Work Localities – Administration of allpay cards	Testing underway

Audit Area	Audit Stage
Benefits Assessment - Scottish Welfare Fund	Testing underway
Integrated People, Financial and Business Planning	Testing underway
Foster and Kinship Carer Payments	Audit Assignment prepared

Internal Audit Consultancy and Other Work

- 3.6 Internal Audit staff have been involved in the following for the Council to meet its aims and objectives, and its roles and responsibilities in accordance with the approved Internal Audit Charter:
- a) Provide 'critical friend' internal challenge and quality assurance through engagement in meetings of programmes and projects involving major change (Fit for 2024, Information Governance Group) and attendance at the Contract and Supplier Management Implementation Group, and Social Work Performance Board.
 - b) Learning and development during the research stage of new audit areas for all Internal Audit team members and through joining virtual meetings of SLACIAG Chief Auditors Group meeting (Chief Officer Audit & Risk), CIIA Practitioners Forum (Principal Internal Auditor) and Computer Audit Sub-Group (Senior Auditor/Internal Auditor). The Chief Officer Audit & Risk and Principal Internal Auditor have also joined various virtual internal audit forums hosted by CIIA and EY for knowledge sharing.
 - c) Planning and carrying out the annual internal self-assessment against the Public Sector Internal Audit Standards (PSIAS) to assess conformance with the Definition of Internal Auditing and Standards and the application of the Code of Ethics.
 - d) The Internal Audit Team have also provided a range of advice and support in other areas of policy and procedure development: School Fund Policy, and Petty Cash and Purchase Cards Policy and Procedures.

Recommendations

- 3.7 Recommendations in reports are suggested changes to existing procedures or processes to improve the controls or to introduce controls where none exist. The grading of each recommendation reflects the risk assessment of non-implementation, being the product of the likelihood of the risk materialising and its impact:

High: Significant weaknesses in existing controls, leaving the Council or Service open to error, fraud, financial loss or reputational damage, where the risk is sufficiently high to require immediate action within one month of formally raising the issue. Added to the relevant Risk Register and included in the relevant Assurance Statement.

Medium: Substantial weaknesses in existing controls, leaving the Council or Service open to medium risk of error, fraud, financial loss or reputational damage requiring reasonably urgent action within three months of formally raising the issue.

Low: Moderate weaknesses in existing controls, leaving the Council or Service open to low risk of error, fraud, financial loss or reputational damage requiring action within six months of formally raising the issue to improve efficiency, effectiveness and economy of operations or which otherwise require to be brought to attention of senior management.

Outwith the report, Internal Audit informs operational managers about other matters as part of continuous improvement.

- 3.8 The table below summarises the number of Internal Audit recommendations made during 2020/21:

	2020/21 Number of Recs
High	0
Medium	0
Low	0
Sub-total reported this period	0
Previously reported	0
Total	0
Recommendations agreed with action plan	0
Not agreed; risk accepted	0
Total	0

4 SCOTTISH LOCAL AUTHORITIES' CHIEF INTERNAL AUDITORS' GROUP (SLACIAG) ANNUAL REPORT 2019

- 4.1 The Scottish Local Authorities Chief Internal Auditors Group (SLACIAG) is the professional networking group for Heads of Internal Audit from each Scottish Local Authority and Strathclyde Partnership for Transport. It is a Special Interest Group of CIPFA Scotland and therefore the Chair of SLACIAG is a member of the CIPFA Scotland Executive Committee.
- 4.2 Each year SLACIAG produces an Annual Report highlighting achievements and ongoing workstreams. A copy of the report for 2019 is provided for information (Appendix 2).
- 4.3 In particular, the Audit and Scrutiny Committee may wish to note that:
- The Group considers learning and development needs and procures training for its members via the Training Sub-Group. Economies of scale make this a cost effective way of undertaking training courses;
 - Working groups are set up to consider time-specific matters of interest; such as the development of the 'peer review' approach for the periodic (at least 5 yearly) External Quality Assessment against the Public Sector Internal Audit Standards (PSIAS); and
 - Sub-groups are in place to deliver specific remits e.g. Computer Audit (CASG) and Counter Fraud (SLAIG).
- 4.4 The Chief Officer Audit and Risk has been Chair 2014-2016 and a member of its Management Committee for many years to influence the work of SLACIAG, and attends / joins the SLACIAG quarterly meetings. One of the Internal Auditors is a member of CASG, and thus attends / joins those Sub-Group regular meetings. Members of the Internal Audit team attended all or part of the SLACIAG Conference in June 2019, which had the theme of 'Connections Collaborations Catalysts', to hear from a range of engaging speakers and to participate in workshops.
- 4.5 In summary, SLACIAG acts as an effective forum for the dissemination of best practice within Internal Audit in local government to reinforce the important statutory role of Internal Audit. It is important that the Audit and Scrutiny Committee acknowledges the benefits to the Scottish Borders Council Internal Audit function arising from its participation in this national forum.

5 IMPLICATIONS

5.1 Financial

There are no costs attached to any of the recommendations in this report.

5.2 Risk and Mitigations

- (a) Key stakeholders have been consulted and risk registers have been considered at the start of each audit engagement to capture potential areas of risk and uncertainty more fully.
- (b) If audit recommendations are not implemented, Management may not be able to demonstrate effective management of risks through improved internal controls and governance.

5.3 Integrated Impact Assessment

This is a routine good governance report for assurance purposes, required under the Local Authority Accounts (Scotland) Regulations 2014 and the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) (2017). This report does not relate to new or amended policy or strategy and as a result an integrated impact assessment is not an applicable consideration.

5.4 Acting Sustainably

There are no direct economic, social or environmental issues in this report.

5.5 Carbon Management

No direct carbon emissions impacts arise as a result of this report.

5.6 Rural Proofing

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

5.7 Changes to Scheme of Administration or Scheme of Delegation

No changes are required as a result of this report.

6 CONSULTATION

- 6.1 The Executive/Service Directors relevant to the Internal Audit reports issued have signed off the relevant Executive Summary within Appendix 1.
- 6.2 The Corporate Management Team, Executive Director Finance & Regulatory, Chief Legal Officer (and Monitoring Officer), Service Director HR, Clerk to the Council, and Communications team have been consulted on this report and any comments received have been taken into account.

Approved by

Jill Stacey, Chief Officer Audit and Risk Signature

Author(s)

Name	Designation and Contact Number
Jill Stacey	Chief Officer Audit and Risk Tel 01835 825036
Sue Holmes	Principal Internal Auditor Tel 01835 825556

Background Papers: Appropriate Internal Audit files

Previous Minute Reference: Audit and Scrutiny Committee 23 June 2020

Note – You can get this document on tape, in Braille, large print and various computer formats by using the contact details below. Information on other language translations can also be given as well as provision of additional copies.

Contact us at Internal Audit intaudit@scotborders.gov.uk

APPENDIX 1

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
<p>Audit Plan Category: Asset Management</p> <p>Subject: Asset Registers</p> <p>No: 009/013</p> <p>Date issued: 23 July 2020 Draft; 18 August 2020 Final</p> <p>Level of Assurance: Substantial</p>	<p>The purpose of the review was to consider the adequacy of systems, processes and controls that are in place 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, including the data migration and transition to utilising Technology Forge Cloud.</p> <p>The following examples of good practice were found:</p> <ul style="list-style-type: none"> • Asset values per the Council's accounting ledger (Business World) and its asset register (Technology Forge) are reconciled regularly. Amendments originating within Technology Forge are tracked and mapped to Business World on a weekly basis. All reconciling items are actioned timeously. Asset conditions are reviewed on an at least quarterly basis by service managers and finance staff. • The Council has published an account of how meeting its objectives and priorities are reflected in its deployment of resources within the Capital Plan (Capital Investment Strategy) • Processes were in place which evidence that data was transferred completely and accurately from Technology Forge and its cloud-based successor in August 2019. • The risk that lack of access by Managers to assets under their charge due to COVID-19 was lessened due to the periodic review of assets described above. Managers were able to undertake inspections and return information to finance staff. <p>Internal Audit are able to provide substantial assurance. Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement in the formalisation of SAMPs for IT and Fleet assets and development of a SAMP for Property assets in line with best practice. Management actions are underway in respect of these and we have made no recommendations.</p>	0	0	0	Management have accepted the factual accuracy of the report and its findings.

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
<p>Audit Plan Category: ICT Governance</p> <p>Subject: Cyber Essentials</p> <p>No: 237/004</p> <p>Date issued: 23 July 2020 Draft; 07 August 2020 Final</p> <p>Level of Assurance: Comprehensive</p>	<p>The purpose of the review was to examine the self-evaluation and evidence associated with Cyber Essentials requirements.</p> <p>The Council is required to obtain Cyber Essentials certification each year. The certification process reviews the Council's corporate network and security arrangements. The process certifies that the Council meets a level of security which minimises the risk of vulnerability to common security attacks. The Council participates in the Cyber Essentials Plus process which requires examination of its arrangements by experts sponsored by the National Cyber Security Centre. The requirement to achieve certification is contained in a directive from the Scottish Government.</p> <p>The following examples of good practice were found:</p> <ul style="list-style-type: none"> • Accreditation was achieved within agreed timescales, and the control environment described and evidenced in the Council's submission met the required standard. • Minor recommendations were made in the report from the certifying body and improvement actions have been implemented. • The process gives Management assurance that common risks to the corporate network have been effectively managed. <p>Internal Audit are able to provide comprehensive assurance. Sound risk, control, and governance systems are in place. These should be effective in mitigating risks to the achievement of objectives. Some improvements in a few, relatively minor, areas were identified during the review by the certifying body and these have been addressed.</p>	0	0	0	Management have accepted the factual accuracy of the report and its findings.



ANNUAL REPORT FROM THE CHAIR – 2019

“WORKING TOGETHER TO SUPPORT THE KEY ROLE OF INTERNAL AUDIT”

1. INTRODUCTION

- 1.1 Membership of the Scottish Local Authorities Chief Internal Auditors’ Group (SLACIAG) is made up of the Heads of Internal Audit from each Scottish Local Authority and the Strathclyde Partnership for Transport. The Group is a Special Interest Group of CIPFA Scotland, with operational arrangements, vision, and objectives set out in a formal Constitution.
- 1.2 The Group’s vision is to be the voice of Internal Audit across Scottish Local Authorities and a driving force for best practice in respect of local authority internal audit, governance, and operations. In support of that vision the Group has the following objectives:
- To secure a quality and responsive service for members of the group;
 - To develop the influence of the group with key decision makers and institutions in Scotland, as the key representative body for internal audit in local government with a particular emphasis on governance, risk, control and assurance matters;
 - To strengthen links and build long term relationships across the internal audit community within the public service;
 - To provide an effective group for the discussion of issues of common concern, sharing of good practice and commissioner of work to develop advanced practice;
 - To consider the development and training needs of our people as a collective to ensure that the best available products are procured at the best price;
 - To uphold the groups key values including: Respect; Openness and Honesty; Adding Value; Professional Team working; Sharing Best Practice; Integrity; Continuous Improvement.
- 1.3 The purpose of this Annual Report to key stakeholders is to provide an update on the Group’s activities and achievements over the course of 2019 and to recognise actions required to achieve our vision.
- 1.4 SLACIAG has two sub-groups whose work is also reflected in this report.
- The Computer Audit Sub-Group (CASG) and,
 - The Scottish Local Authorities Investigators’ Group (SLAIG).

2. SLACIAG ACTIVITY AND ACHIEVEMENTS DURING 2019

- 2.1 We held our AGM in March 2019 and I continued my two-year appointment as Chair until March 2020.
- 2.2 Since 2018 the Chairs of both CASG and SLAIG attend the SLACIAG Management Committee to benefit from their sectoral expertise and to ensure synergy. The SLACIAG Constitution was amended at that time to reflect this change. Our Constitution remains under review to ensure it is fit for purpose going forward.
- 2.3 In June 2019 we held our bi-annual Conference at Dumfries House in East Ayrshire. The Conference was held over two days and attended by 98 delegates from our internal audit teams. The conference entitled “Connections Collaborations Catalysts” focused on procurement, contract management and cyber security with speakers from Scottish Government, Audit Scotland, Scotland Excel, DXC Technology, KPMG and four local authorities (East Ayrshire, Glasgow City, North Lanarkshire and Scottish Borders). This was the first time SLACIAG has used Dumfries House and it proved to be a fantastic venue in terms of value and suitability – an impressive setting befitting of the status of internal audit. The event featured in CIPFA Scotland’s Regional Development Plan 2020 report.

2.4 During 2019 we met on four scheduled occasions with business coverage summarised as follows:

SLACIAG MEETINGS 2018		
Date	Host	Topics / Speakers
March 2019	South Lanarkshire Council, Hamilton	<p>“Targeting the Use of Audit Resources”</p> <ul style="list-style-type: none"> John Cornett, Audit Director, Audit Scotland – risk assessment and the role of assurance mapping. <p>AGM</p>
June 2019	Conference East Ayrshire Dumfries House, Cumnock	<p>“Connections Collaborations Catalysts”</p> <ul style="list-style-type: none"> Focused on procurement, contract management and cyber security. See paragraph 2.3 above
September 2019	Dundee City Council	<p>Follow-on from the Conference: “Cyber Resilience Workshop”</p> <ul style="list-style-type: none"> Paul Chapman, Head of Public Sector Cyber Resilience, Scottish Government Andy Grayland, Chief Information Security Officer, Digital Office Gemma Diamond, Senior Audit Manager, Audit Scotland Ian Aston, ICT Security Manager, East Ayrshire Council
November 2019	West Dunbartonshire Council, Dumbarton	<p>“Data Analytics”</p> <ul style="list-style-type: none"> Peter Hampton/Eddie McGinney, NHS Counter Fraud Services Mitchell Collins/Andrew Low, Scott-Moncrieff Morag Campsie, Senior Manager, Audit Scotland <p>“Trust in Audit”</p> <ul style="list-style-type: none"> Fiona Kordiak – Chair of CIPFA Scotland

2.5 All of the meetings continue to be well attended, re-affirming the value of the Group to members through the variety of topics considered by the Group over the course of the year and the calibre of speakers who attended and presented. This is particularly pleasing as we continue a period of significant change across Local Government and for Internal Audit. The Group strives to ensure involvement across the whole profession with an ever increasing emphasis on the involvement of members of Internal Audit teams, particularly through CASG and SLAIG, as well as Heads of Internal Audit.

2.6 There is a continuing healthy interest in supporting various working groups (e.g. training and PSIAS External Quality Assessment) and the Management Committee. The Management Committee at the end of 2019 is as follows:

SLACIAG MANAGEMENT COMMITTEE 2019		
Eilidh Mackay	East Ayrshire Council	Chair SLACIAG
Paul Doak	North Ayrshire Council	Secretary SLACIAG
Kevin O’Kane	Stirling Council	Treasurer SLACIAG
Andrea McMahon	Renfrewshire Council	former Chair SLACIAG
Jill Stacey	Scottish Borders Council / Midlothian Council	former Chair SLACIAG
Colin McDougall	West Dunbartonshire Council	SLACIAG member (retired December 2019)
Francis Scott	Glasgow City Council	SLACIAG member (stood down 2019)

Jackie Clark	Perth & Kinross Council	SLACIAG member
Pamela Redpath	Dundee City Council	SLACIAG member
Paul Macaskill	Comhairle nan Eilean Siar	SLACIAG member
Laurence Slavin	Argyll & Bute Council	SLACIAG member
Avril Cunningham	Fife Council	SLACIAG member
Peter Moore	East Lothian Council	Chair CASG
Barry Moncur	East Dunbartonshire Council	Chair SLAIG

- 2.7 March 2018 had marked the first PSIAS deadline for completion of External Quality Assessments (EQAs), an exercise to be completed at least 5 yearly. Planning began in 2019 for EQA2 with most members continuing to participate in the peer review exercise.
- 2.8 At the AGM In March 2019 the Treasurer presented the draft annual accounts which were approved for audit. The Group's healthy financial position allowed the subscription rates to be held at the current level for another year and allow a variety of training opportunities to be promoted as well as subsidised delegate fees for the 2019 conference to support attendance. The audited accounts were presented at the November meeting.
- 2.9 The SLACIAG Management Committee meets up to twice each year and during 2019 we met in June during the Conference and in October. The SLACIAG Chair attends meetings of the CIPFA Scotland Branch Executive Committee. The Chair of the CIPFA branch addressed SLACIAG in November 2019.
- 2.10 During 2019 we sought to recruit nominees to be appointed as office bearers at the March 2020 AGM and I am delighted to confirm that we have nominees for all four posts – Chair, Vice Chair, Secretary and Treasurer with new members joining the Management Committee.

3. COMPUTER AUDIT SUB-GROUP

- 3.1 The main aim of the Computer Audit Sub-Group (CASG), which is a permanent sub-group of SLACIAG, is to provide a forum to share and discuss computer audit practices and developments. This includes raising awareness of new standards, updates to legislation, new and current topics of interest, and computer audit developments, resources, and techniques. CASG meets three times per annum and the meetings continue to cater for computer audit knowledge from novice through to professional level and were attended by auditors from Local Authorities as well as from Strathclyde Partnership for Transport and Scottish Water.
- 3.2 Meetings have included presentations and discussions on a range of topics with speakers from within and out-with the group with business as follows:

CASG MEETINGS 2019		
Date	Host	Topics / Speakers
May 2019	CIPFA Offices, Edinburgh	<ul style="list-style-type: none"> Group discussion covering cyber security projects and IT assets GDPR audit carried out by User access control audit carried out by East Lothian Council
August 2019	CIPFA Offices, Edinburgh	<ul style="list-style-type: none"> This meeting took the form of a workshop focused on data analysis and comprised of two presentations from Fife and August. Network security audit carried out by Fife. Audit report on fraudulent change of bank details by Fife.
November 2019	CIPFA Offices, Edinburgh	<ul style="list-style-type: none"> IT Supply Chain Assurance presentation by Allan Munn Use of IDEA v Excel – Ashley Bickerstaff, Glasgow City Council Group discussions around Business Continuity Plans, In House Cyber Security Training and Intellectual Property Rights Audit Report Presentations on BCP / DR and Treasury Management

4. SCOTTISH LOCAL AUTHORITY INVESTIGATORS SUB-GROUP (SLAIG)

- 4.1 The main aim of SLAIG, which is a permanent sub-group of SLACIAG, is to provide a forum to share and discuss counter fraud practices and developments. This includes raising awareness of updates to legislation, new and current topics of interest, and developments in counter fraud activities. SLAIG meets four times per annum.
- 4.2 The absence of statutory offences and the reliance on common law offences continues to be of concern and representation on this issue has been made to the Scottish Government to consider legislative powers similar to those available to Local Authorities in England. The response for statistical information from authorities remains very poor. Without the collation of the information it is unlikely that any further representation can be made regarding the legislative powers.
- 4.3 The Code of Practice on Interviewing, which all authorities will have to comply with, has not yet been released by Crown Office & Procurator Fiscal Service. The draft code is currently with the Law Officers for consideration.
- 4.4 Angus, Comhairle nan Eilean Siar, East Dunbartonshire, Fife, Glasgow City, Highland and Stirling concluded a Pilot exercise with the Audit Scotland in relation to data matching Small Business Bonus Scheme recipients. The pilot proved to be successful and it is envisaged that it will become mandatory in future National Fraud Initiative exercises.
- 4.5 The Group has heard from speakers on various topics of interest as follows:

SLAIG MEETINGS 2019		
Date	Host	Topics / Speakers
February 2019	CIPFA	Gary Smith, Scottish Borders Council – Fraud Vulnerabilities in NDR
May 2019	CIPFA	Ricky Hutton, Police Scotland – Insider Threat Robert Wylie, Transport Scotland – Blue Badge
August 2019	CIPFA	Stacy Keen, Pinsent Masons - APSE Training Karen McNeill, DWP – Joint Working Stuart Saunders, West Lothian – Case study
December 2019	CIPFA	Fiona Gray, Improvement Service – Data Hub

5. SUMMARY & KEY MESSAGES

- 5.1 In summary, SLACIAG has had another successful year through the efforts of its members. Individually and collectively this professional network helps to reinforce the important statutory role of internal audit and the value internal audit can add to an organisation especially in times of change.
- 5.2 On a continuous basis Heads of Internal Audit have responded positively and proactively to changing national and local environments by taking on extra responsibilities including shared services, arm's length external organisations and Integration Joint Boards; often with reduced resources.
- 5.3 We welcome the 2019 revision to the CIPFA statement on, "The Role of Head of Internal Audit" which set out key messages for us and our employers including:
- The head of internal audit (HIA) occupies a critical position in any organisation, helping it to achieve its objectives by evaluating the effectiveness of governance, risk management and internal control arrangements and playing a key role in promoting good corporate governance. The aim of this Statement is to set out the role of the HIA in public service organisations and to help ensure organisations engage with and support the role effectively.
 - CIPFA considers it essential that public service organisations properly support their internal auditors to enable them to meet the standards.
- 5.4 Going forward there are three key challenges for us, CIPFA and our employers:
- The requirement for our internal audit and corporate fraud teams to continue to step up to meet the challenges of change and transformation; and

- Strengthening the relationship between CIPFA and SLACIAG to ensure that we can fulfil our objective of being the key influencer on internal audit matters in local government in Scotland (for example being consulted on CIPFA internal audit statements) and influencers within our own organisations; and building on relationships with other key standard setting bodies most notably the IIA; and
- That our employers fully support us to meet the objectives of the CIPFA statement on “The Role of the Head of Internal Audit”; including reflecting on resources and positioning within the organisation.

6. ACKNOWLEDGEMENTS

- 6.1 Firstly, I would like to take this opportunity to thank the Committee and all Group and Sub-Group members for their strong support and contributions during my two years as Chair and note my thanks also to the four members of the Group who have stepped forward to be our new office bearers from 2020. The network relies on contributions from every one of us and I call upon those who do not regularly attend or contribute more widely to allow us to benefit from their involvement going forward.
- 6.2 Secondly, I would like to thank the Secretary and Treasurer who have remained as office bearers beyond their expected terms and those who have led and participated in our training and EQA working groups who have been generous in their support to the group. I am very grateful for their support.
- 6.3 Thirdly, I would like to thank those Councils who hosted our meetings during the year and all of the speakers who gave up time in their busy schedules to contribute to our learning and exchange of experience.
- 6.4 On a personal basis I would like to thank both East Ayrshire Council and my team for their continued support. My team actively supported the organisation of the SLACIAG Conference which also benefitted from a wider support within our Council. Our Chief Executive continues to support the positioning of internal audit within our Council where I report directly to her and sit on the Council Management Team.
- 6.5 Finally, I would like to note the contributions of Colin McDougall, West Dunbartonshire Council, who retired at the end of 2019 for his longstanding and active contribution to the Management Committee and to Francis Scott, Glasgow City Council, who stood down from the Management Committee, although he very much remains an active contributor.

Eilidh Mackay B.A. (Hons), CPFA
Chief Auditor, East Ayrshire Council
Chair of SLACIAG
8 March 2020