
INTERNAL AUDIT WORK TO MAY 2022

Report by Chief Officer Audit and Risk

AUDIT AND SCRUTINY COMMITTEE

27 June 2022

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 March to 31 May 2022 associated with the delivery of the approved Internal Audit Annual Plan 2021/22 is detailed in this report. A total of 7 final Internal Audit reports have been issued. There were 16 recommendations made associated with 6 of the reports (13 Medium-rated; 3 Low-rated).
- 1.3 An Executive Summary of the final Internal Audit assurance 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 Executive Summaries of the final Internal Audit assurance reports issued in the period from 1 March to 31 May 2022 associated with the delivery of the approved Internal Audit Annual Plan 2021/22;**
 - b) Notes the Internal Audit Consultancy and Other Work carried out in accordance with the approved Internal Audit Charter; and**
 - c) Acknowledges the assurance provided on internal controls and governance arrangements in place for the areas covered by this Internal Audit work.**

3 BACKGROUND

- 3.1 The Internal Audit Annual Plan 2021/22 was approved by the Audit and Scrutiny Committee on 8 March 2021. To facilitate operational delivery an Internal Audit Programme of Work has been developed which provides an indication of when work is scheduled during the year, taking account of discussions with Management and availability of Internal Audit resources.
- 3.2 For each assurance audit: prior to commencement of the fieldwork, an Audit Assignment detailing the scope, objectives and timing is agreed with the relevant Service Management; and, at the conclusion of the fieldwork, a draft Report is issued to relevant Service Management for response on the factual accuracy and acceptance of the findings and recommendations, as appropriate, which is then issued as a final Report.

4 PROGRESS UPDATE

- 4.1 Internal Audit has carried out the following work in the period from 1 March to 31 May 2022 associated with the delivery of the Annual Plan 2021/22.
- 4.2 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.

Completed Internal Audit Assurance Reports

- 4.3 Internal Audit issued final assurance reports on the following subjects:
- Capital Investment
 - IT Asset Management
 - Business World System Key Controls
 - Economic Development Industrial Property
 - Sustainable Environment (b/f from 2020/21)
 - Roads Asset Management (b/f from 2020/21)
 - Information Governance
- 4.4 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.
- 4.5 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.

Internal Audit Consultancy and Other Work

4.6 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 assurance through engagement in meetings of programmes and projects involving major change (Fit for 2024 Transformation Programme, Information Governance Group, Social Work Performance Board, Social Work Review Delivery Group, Sustainability Board).
- b) Learning and development for all Internal Audit team members during the research stage of new audit areas.
- c) The Chief Officer Audit & Risk joined CIIA Local Authority Forum and webinars on the topics of 'Culture through the EDI lens', 'Data analytics - is not negotiable', and 'Scepticism - why is this important for IAs', to share good practice and to keep knowledge of new Internal Audit developments up to date.
- d) The Principal Internal Auditor accessed CIPFA/CIIA Local Authority Forum and webinars on 'Internal Audit- Untapped Potential' and joined the CIIA Data Analytics Forum, which are providing valuable insights.

Recommendations

4.7 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.

4.8 The table below summarises the number of Internal Audit recommendations made during 2021/22:

	2021/22 Number of Recs
High	0
Medium	13
Low	3
Sub-total reported this period	16
Previously reported	16
Total	32
Recommendations agreed with action plan	32
Not agreed; risk accepted	0
Total	32

4.9 Internal Audit has commenced various reviews in the period from 1 April to 31 May 2022 associated with the delivery of the Annual Plan 2022/23 which was approved by the Audit and Scrutiny Committee on 14 March 2022.

5 IMPLICATIONS

5.1 Financial

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

5.2 Risk and Mitigations

- a) During the development of the Internal Audit Annual Plan 2021/22 and at the start of each audit engagement, to capture potential areas of risk and uncertainty more fully, key stakeholders have been consulted and risk registers have been considered.
- b) If audit recommendations are not implemented, there is a greater risk of loss and/or reduced operational efficiency and effectiveness, and Management may not be able to demonstrate effective management of risks through improved internal controls and governance.

5.3 Integrated Impact Assessment

- (a) There is no relevance to Equality Duty or the Fairer Scotland Duty for this report. 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).
- (b) The Internal Audit work is carried out in accordance with the appropriate legislation and professional standards. The latter includes compliance by those in the Internal Audit function with the Code of Ethics set out in the PSIAS which is appropriate for the profession of Internal Audit founded as it is on trust placed in its objective assurance about risk management, internal control and governance.

5.4 Sustainable Development Goals

The recommendations in this report will not directly impact any of the 17 UN Sustainable Development Goals, based on completion of the checklist.

5.5 Climate Change

This report does not relate to any proposal, plan or project and as a result the checklist on Climate Change is not an applicable consideration.

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 Data Protection Impact Statement

There are no personal data implications arising from the content of this report.

5.8 Changes to Scheme of Administration or Scheme of Delegation

No changes are required to either the Scheme of Administration or the Scheme of Delegation as a result of the content in this report.

6 CONSULTATION

- 6.1 The Directors relevant to the Internal Audit reports issued have signed off the relevant Executive Summary within Appendix 1.
- 6.2 The Director - Finance & Corporate Governance, Chief Legal Officer (and Monitoring Officer), Director – People Performance and Change, 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)

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Background Papers: Appropriate Internal Audit files

Previous Minute Reference: Audit and Scrutiny Committee 14 March 2022

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: Capital Investment</p> <p>No: 007/020</p> <p>Date issued: 14 April 2022 Draft; 20 May 2022 Final</p> <p>Level of Assurance: Substantial</p>	<p>The purpose of the audit was to review the governance arrangements in place for capital planning and investment including strategic asset management plans to ensure these are aligned to Council priorities and business requirements.</p> <p>The latest Capital Investment Strategy applies to financial year 2022/23 and subsequent financial years, and pulls together the investment implications of other more detailed policies, including the refreshed Council Plan. Capital investment is aligned to Council priorities and business requirements. The Estates Strategy once completed and approved should ensure closer alignment of capital projects with the Council's strategic objectives and priorities.</p> <p>The Capital Plan outlines the expected programme and project costs and how they will be funded. Asset Management Plans, that ensure a proper balance between investment in new assets and maintenance of existing assets, are either not in place or are not up to date and the overall condition and suitability of the Council's properties is not fully understood. Capital investment cannot be effectively prioritised until Asset Management Plans are in place.</p> <p>The Council currently does not have a Capital Board or equivalent which monitors the outputs from the capital bid process or oversees the delivery of the capital programme. Consequently there is no effective high-level mechanism to ensure that projects entered into the Capital Plan are strategically relevant and of the highest priority. While capital expenditure incurred each year is highly significant there is no strategic risk register in place, although risk registers are in place at the project level.</p>	0	4	0	<p>Management have accepted the factual accuracy of the report and its findings, and have agreed to implement the recommendations, three of which are linked to and dependent upon the approval by Council of the Estates Strategy and subsequent implementation of the prioritised action plan.</p>

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
Subject: Capital Investment (cont'd)	<p>At the project level governance is provided through Project Boards. Capital financial budget monitoring and management and monitoring of high value capital projects and their delivery are in place.</p> <p>Regular and appropriate capital project and programme reporting is provided to senior officers and elected members to enable them to make decisions on the Council's capital investment activity.</p> <p>Internal Audit are able to provide Substantial assurance. Largely satisfactory risk, control, and governance systems are in place. There is some scope for improvement in the governance arrangements to achieve objectives.</p> <p>Internal Audit have made the following recommendations which are designed to assist with this improvement:</p> <ul style="list-style-type: none"> • Asset Management Plans should be developed. (Medium) • A Capital Board or equivalent should be established which monitors the outputs from the capital bid process and ensures that projects entered into the Capital Plan are strategically relevant and of the highest priority. (Medium) • A strategic risk register should be established for capital investment. (Medium) • Sustainability should be a factor influencing scoring in the capital bid process. (Medium) 				

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
<p>Audit Plan Category: Asset Management</p> <p>Subject: IT Asset Management</p> <p>No: 009/014</p> <p>Date issued: 09 May 2022 Draft; 20 May 2022 Final</p> <p>Level of Assurance: Limited</p>	<p>The purpose of the review was to assess systems, processes and controls that are in place to ensure complete and accurate records of all IT assets that underpin the IT Asset Management Strategy to deliver the Council's strategic objectives and priorities.</p> <p>There are 2 separate asset registers containing IT equipment which are used for different purposes. The first is an IT register maintained by CGI with details of individual assets; measures are in place to identify assets not regularly connecting to the network though there are no further reviews to confirm location of asset. The second is the fixed asset register maintained in Techforge system used for capital expenditure above the de minimus level.</p> <p>The following example of good practice was found: Asset tags are used for quick and simple identification of IT assets.</p> <p>There is no overarching IT Asset Management Strategy in place. IT assets are managed within individual projects such as school iPads in the Inspire Learning Programme or laptop replacement as part of the Windows 10 project on a business as usual basis.</p> <p>Internal Audit are able to provide Limited assurance. We found no evidence of significant error, inaccuracy or non-compliance but without an overarching strategy and an accurate asset register, it was not possible to fully assess this nor confirm whether this is in line with the Council's Digital Strategy.</p> <p>Internal Audit have made the following recommendations:</p> <ul style="list-style-type: none"> • An overarching IT Asset Management Strategy should be developed to define objectives & determine priorities. (Medium) • Adding employee assets to Business World ERP system should be reconsidered to facilitate self-serve updates. (Low) • A physical count of major assets should be compared to the asset register and checked that they are properly asset tagged. Further review of disabled laptops should be considered. (Low) 	0	1	2	Management have accepted the factual accuracy of the report and its findings, and have agreed to implement the recommendations

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
<p>Audit Plan Category: Financial Governance</p> <p>Subject: Business World System Key Controls</p> <p>No: 073/005</p> <p>Date issued: 13 May 2022 Draft; 08 June 2022 Final</p> <p>Level of Assurance for the specific areas tested:</p> <ul style="list-style-type: none"> • Procure to Pay – Substantial (with the exception of Petty Cash – Limited); • Sales to Cash – Comprehensive; • HR – Substantial (with the exception of Mandatory Training – Limited); • Record to Report – Comprehensive. 	<p>This Business World ERP System Key Internal Controls review is an integration of 4 audits in the Internal Audit Annual Plan 2021/22 relating to the work streams (Record to Report; Procure to Pay; HR & Payroll, including Pension Payments; Sales to Cash).</p> <p>The Council replaced older legacy systems in April 2017 with an integrated Enterprise Resource Planning solution, Business World (BW), for HR, Finance and Procurement processes designed to reduce duplication in processing and data handling. Business World System is one of the cornerstones by which the Council seeks to continue to achieve transformational change in the way that it operates. The complexity of the system and the introduction of functionality in phases has been assessed as high inherent risk requiring annual Internal Audit reviews since its implementation. This was the final year that the integration of the 4 audits noted above will take place.</p> <p>At a high level the purpose of the review was to test key areas of risk related primarily to developments introduced in 2021/22.</p> <p>Invoice Capture has introduced improvements in the scanning and validation of invoices, although there are no changes to the BW process.</p> <p>Petty Cash Management would benefit from a review and update of the processes, documents, training and controls. An overarching recommendation has been made accordingly.</p> <p>Supplier Masterfile records contain financial and personal data and it is essential that changes to these records are controlled and restrictions around access are applied. There have been no changes to the way in which these records are created, amended or deleted since the previous audit in 2020/21, and greater reliance is now placed on the banking provider to verify supplier accounts. Since the previous audit there have been improvements in reviewing the number of inactive suppliers within the system.</p>	0	1	1	Management have accepted the factual accuracy of the report and its findings, and agreed to implement the recommendations within reasonable timescales.

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
Subject: Business World System Key Controls (cont'd)	<p>Further testing relating to Supplier Masterfile records has highlighted where a Register of Interest may be required where there is a conflict with either the individual or a member of their household. We have made no recommendation as this has already been identified and acknowledged in the HR Policy Framework Audit in 2021/22, and we understand HR are progressing the use of BW for capturing this information. The completion of Registers of Interests has also been recently discussed at the Counter Fraud Integrity Group as a result of the NFI Data Matching exercise 2020/2021. We will continue to monitor progress in this area.</p> <p>The use of the Staff Appraisal functionality continues to show slow progress. Further development work in this area is being carried out by HR which will assist and encourage Line Managers and staff to engage in the appraisal process. This will also contribute to the People Planning process and ultimately the delivery of Council objectives.</p> <p>Internal Audit found that levels of compliance with Mandatory training completion are lower than expected. A recommendation has been made accordingly.</p> <p>Internal Audit considers that sufficient functionality currently exists within the Record to Report module to assist Service Managers with budget monitoring and forecasting.</p> <p>There were no Internal Audit recommendations made in the 2020/21 review. Follow-up indicates that other improvements have largely been completed.</p>				

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
Subject: Business World System Key Controls (cont'd)	<p>To assist with the identified improvements in the 2021/22 review, Internal Audit have made the following recommendations:</p> <p>Procure to Pay</p> <p><u>Operational Processes</u></p> <ul style="list-style-type: none"> Management should review and update the Petty Cash processes, documents, training and controls, as per the specific details provided during the audit Exit meeting, to support the consistent application of the Policy, and carry out 2nd line monitoring of compliance / effectiveness. (Low) <p>HR</p> <p><u>Operational Processes</u></p> <ul style="list-style-type: none"> Management must ensure that staff understand the importance of and complete (or re-complete expired) mandatory training and that progress is monitored to ensure compliance. (Medium) 				

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
<p>Audit Plan Category: Asset Management</p> <p>Subject: Economic Development Industrial Property</p> <p>No: 151/002</p> <p>Date issued: 18 March 2022 Draft; 12 April 2022 Final</p> <p>Level of Assurance: Substantial (administering the Estate and budget monitoring reporting); and Limited (strategy, promotion and performance monitoring).</p>	<p>The purpose of the review was at a high level to assess the corporate governance and financial governance arrangements relating to the Industrial property estate, including strategy, processes, and performance.</p> <p>The Council holds significant business property assets for provision of factory and workshop space for rental. This provision of space supports the development of the local economy by assisting local and incoming businesses with their accommodation needs, and encouraging business and employment growth. In addition, the Council benefits from income generated by these assets, in excess of £1.2M per annum.</p> <p>There is no apparent strategy currently in place which deals with economic development opportunities brought about through the provision of additional business space although clearer direction is expected with the completion of the Estates Strategy (expected 31 March 2022) and the SOSE Inward Investment Strategy which has no confirmed completion date.</p> <p>The industrial and business property estate is managed by applying effective Corporate Landlord principles.</p> <p>Internal Audit are able to provide Substantial assurance in respect of administering the Estate and budget monitoring reporting, and Limited assurance in terms of current strategy, promotion and performance monitoring.</p> <p>Internal Audit have made the following recommendations:</p> <ul style="list-style-type: none"> • Management should include operating costs associated with the Estate, such as repairs, in budget monitoring reports to allow a better appreciation of overall financial performance derived from the Estate. (Medium) • Management should develop a limited number of Key Performance Indicators to allow meaningful assessment of the performance of the Estate. (Medium) 	0	2	0	<p>Management have accepted the factual accuracy of the report and its findings, and have agreed to implement the recommendations.</p> <p>The Internal Audit recommendations are reflected as actions for implementation within 6 months in the draft Estates Strategy that was received on 6 April 2022, with a Steering Group established to progress the Estates Strategy and Action Plan for approval in due course.</p>

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
<p>Audit Plan Category: Legislative & Other Compliance</p> <p>Subject: Sustainable Environment (b/f from 2020/21)</p> <p>No: 202/012</p> <p>Date issued: 12 April 2022 Draft; 04 May 2022 Final</p> <p>Level of Assurance: Substantial</p>	<p>The purpose of the review was to assess progress with the development of new governance arrangements and action plans to meet obligations regarding sustainable environmental programmes, including corporate and social responsibility.</p> <p>The Climate Change Route Map (CCRM) sets out the direction for the Council and its partners and communities to move to a net zero emissions Scottish Borders economy by 2045, in line with the national target set by the Scottish Government. The CCRM was approved by Council on 17 June 2021 and is structured around 5 Themes, each with 5 Milestones. The CCRM is supported by the associated Priority Action Plan, which was approved by Council on 10 March 2022.</p> <p>Council agreed to establish the Sustainable Development Committee (SDC) to drive and monitor the implementation of sustainable development goals, tackling climate change and manage reputational risk. The SDC has met on 7 occasions since it was established in January 2020. The Sustainability Board was established to develop and drive forward Council action on delivering the CCRM, and embedding the UN Sustainability Goals across Council activity. It meets fortnightly and comprises expertise from across Services and reports to the SDC.</p> <p>Officers will continue to develop additional and subsequent actions during 2022 and beyond to add to and support the activity reflected in the Plan of Priority Actions. This is in the nature of the continually evolving and changing programme of action, which makes up the CCRM. Regular monitoring and reporting is necessary if the Council is to achieve change, therefore progress and delivery of the Priority Action Plan is expected to be overseen and scrutinised by the Sustainable Development Committee, and reported annually to Council. Risks to successful delivery will require to be identified and any mitigating actions put in place.</p>	0	2	0	<p>Management have accepted the factual accuracy of the report and its findings, and agreed to implement the recommendations</p> <p>Management Response: Whilst we accept that we put in place resources and arrangements to ensure that all required information is completely and accurately provided to the Sustainable Scotland Network (SSN), the imperative is deliverable practical action and this will be the priority that drives forward progress in achieving towards net zero aims.</p>

Report	Summary of key findings and recommendations	Recommendations			Status
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Subject: Sustainable Environment (cont'd)	<p>Sustainability / net zero implications are taken into account as part of the Council's decision making process. Reports for decision contain an "Implications" section, which covers Sustainable Development Goals and Climate Change. The comprehensiveness of the completion of this section is inconsistent across Services and our enquiries found that the completion of the UN Sustainable Development Goals Checklist is sporadic in some Service areas. Notwithstanding, during the course of our work we observed some examples of where carbon neutrality clearly has been carefully considered.</p> <p>The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 requires local authorities and other major public bodies to report to Scottish Ministers in November each year in respect of the preceding financial year on what they have done to comply with their duties. The report was submitted on time and in the required although the Council was unable to supply all the data required principally due to a lack of resources. Omissions were disclosed up front to Sustainable Scotland Network (SSN).</p> <p>Internal Audit are able to provide Substantial assurance, with largely satisfactory risk, control, and governance systems in place.</p> <p>Internal Audit have made the following recommendations, as there is some scope for improvement surrounding reporting obligations:</p> <ul style="list-style-type: none"> Resources and arrangements should be put in place to ensure that all the information required in the submission to (SSN) can be completely and accurately provided. (Medium) The benefits of subjecting information contained in the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 report to external validation or peer review should be considered and, if assessed as beneficial, arrangements put in place. (Medium) 				Note: Audit Scotland published a relevant report on 1 March 2022: Addressing climate change in Scotland: A summary of key recommendations for public bodies (link)

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
<p>Audit Plan Category: Asset Management</p> <p>Subject: Roads Asset Management (b/f from 2020/21)</p> <p>No: 203/010</p> <p>Date issued: 18 March 2022 Draft; 11 May 2022 Final</p> <p>Level of Assurance: Substantial (operational management); Limited (governance and strategic management)</p>	<p>The purpose of the review was at a high level to assess whether the Council has a structured framework for Roads Asset Management including an inspection programme together with management information and reporting to demonstrate efficient and effective use of resources.</p> <p>The Service faces significant resource constraints in carrying out the safety and service inspection regime and maintaining roads in their current condition.</p> <p>Overall, the condition of roads over the last four years is broadly constant which represents a significant achievement given the circumstances and resources limitations and indicates that the Service does well with the resources made available.</p> <p>The day to day operational management of the Roads Service appears to be efficiently managed and is supported by capital and revenue budget monitoring information that meets the needs of Management. Internal Audit are able to provide Substantial assurance for those aspects.</p> <p>The governance and strategic management of the Service requires improvement to achieve objectives and evidence best value. Internal Audit are able to provide Limited assurance for those aspects. An up to date Roads Asset Management Plan is not in place. In common with most other councils, the investment in roads cannot adequately take into account the condition of the road network. There is not an effective roads asset management system in place although steps are being taken to address this. Current performance monitoring arrangements require significant development.</p>	0	3	0	<p>Management Response: In general the findings are accurate and the recommendations are accepted; however, for context the improvement activity is a significant undertaking over the next few years which will require additional external resource to be procured and deployed as well as extensive engagement with stakeholders including elected members, concurrent with the implementation of Confirm, the roads asset management system.</p>

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
Subject: Roads Asset Management (b/f from 2020/21)	<p>Internal Audit have made the following recommendations:</p> <ul style="list-style-type: none"> • The Road Asset Management Plan (RAMP) should be updated and published following engagement with relevant stakeholders. It should align with the corporate vision and demonstrate the contribution the RAMP makes towards achieving this vision. The approach of other local and strategic highway authorities, especially those with integrated or adjoining networks, should be considered when developing the RAMP. (Medium) • Financial plans should be prepared in alignment with the RAMP covering short, medium and long-term time horizons. In reviewing the level of funding, the condition of the road network should be taken into account and lifecycle planning principles should be used to support investment decisions and substantiate the need for appropriate and sustainable long term investment. (Medium) • Appropriate performance monitoring arrangements require development to assist the operation of an efficient service which supports the RAMP and demonstrates value for money. (Medium) 				

Report	Summary of key findings and recommendations	Recommendations			Status
		H	M	L	
<p>Audit Plan Category: Corporate Governance</p> <p>Subject: Information Governance</p> <p>No: 236/015</p> <p>Date issued: 20 May 2022 Draft; 23 May 2022 Final</p> <p>Level of Assurance: Substantial</p>	<p>The purpose of the review was to examine the Information Governance Framework including roles and responsibilities, policy development and implementation, and compliance with legislation, and provide assurance to Senior Information Risk Owner (SIRO).</p> <p>Information Governance: There has been some progress with improvement actions, which are monitored through a Tracker presented to the Information Governance Group (IGG) quarterly.</p> <p>Records Management: The Council's self-assessment (Progress Update Review) was evaluated by the National Records of Scotland. The final report issued in April 2022 states that Scottish Borders Council and Licensing Board continue to take their statutory obligations seriously and are working hard to bring all the elements of their records management arrangements into full compliance with the Act and fulfil the Keeper's expectations. The next self-assessment will be in October 2022.</p> <p>Information Security and Information Sharing: The PSN accreditation was approved in May 2022 by the Cabinet Office. The existence of data sharing agreements is recorded on the Information Asset Registers maintained within Services, which are reviewed by the Information Management team.</p> <p>Data Protection and Information Access: Subject Access Requests (SARs) and Freedom of Information requests (FOIs) still pose a significant burden on resources due to tight timescales, though management of these requests has improved. Information Access reports and Data breach reports are monitored by IGG.</p> <p>Internal Audit are able to provide Substantial assurance. There is scope for improvement, specifically to ensure that the mandatory training completion rate is achieved and to refresh awareness of Information Management issues. Management actions are underway, therefore no recommendations were made.</p>	0	0	0	<p>Awaiting Management acceptance of the factual accuracy of the report and its findings.</p> <p>The intention is to present this Executive Summary on Information Governance to the next meeting of the Information Governance Group in July 2022.</p>