

ITEM No:

9(b)

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 16 JUNE 2014

REPORT ON: RESPONSE TO INTERNAL AUDITOR'S ANNUAL REPORT TO MEMBERS

REPORT BY: THE BRIDGE MANAGER

REPORT NO: TRB 14 - 2014

1 PURPOSE OF REPORT

- 1.1 This report is in response to the Annual Report, ref 2014/09, prepared by the Board's Internal Auditor, Henderson Loggie, on Health and Safety, General Ledger, Risk Management and Business Continuity Planning, Procurement and Creditors / Purchasing and previous Audit follow ups. A copy of the Internal Auditor's report is included on the Agenda as a separate Item.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Board:-

- i) Endorse this report as the formal response to the Internal Auditor's report.
- ii) Instruct the Bridge Manager to implement the Internal Auditor's recommendations as set out in paragraphs 6.2 to 6.5 inclusive.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications associated with this report.

4 POLICY IMPLICATIONS

- 4.1 None

5. BACKGROUND

Introduction

- 5.1 The Board's Internal Audit Needs Assessment and Strategic Plan, issued in August 2013, identified Health and Safety, General Ledger, Risk Management and Business Continuity Planning, Procurement and Creditors / Purchasing as areas where risk can arise and as part of the planned internal audit work, a high level review of the arrangements in place at the Board was carried out in January/February 2014.

6. REPORT

6.1 Internal Auditor's Annual Report

- i) The Internal Auditor's Annual Report, Ref 2014/09, describes the scope of the audit work undertaken, the specific objectives of the audit and the principal conclusions drawn from the review.

ii) The report is based on the findings of the individual reports below:-

2014/01	Audit needs Assessment and Strategic Plan 2013 to 2016
2014/02	Annual Plan 2013/14
2014/03	Health & Safety
2014/04	General Ledger
2014/05	Risk Management and Business Continuity Planning
2014/06	Procurement and Creditors/Purchasing
2014/07	Payroll
2014/08	Follow-Up Reviews

Overall no significant issues identifying major internal control weaknesses were identified. It was found that procedures were operating adequately and the following issues raised from the individual reports were identified for the opportunity of further strengthening existing procedures.

In total 9 Action points identified by the Audit were categorised as follows:-

Class A – Critical issues which require consideration by the Board
Number of Actions – Nil

Class B – Significant matters which the Bridge Manager can resolve
Number of Actions – 3

Class C – Routine, less significant actions not requiring urgent action
Number of Actions - 6

6.2 Report 2014/03 – Health & Safety – Main Recommendations

i) The following actions were agreed as a result of the recommendations of the report:-

- Ensure COSHH assessments are completed.
- Review safe working procedures within agreed timescales.

6.3 Report 2014/04 – General Ledger– Main Recommendations

i) The following action was agreed as a result of the recommendations of the report:-

- A purchase ledger control account reconciliation report should be submitted to the Board at the end of each month and supporting documentation provided for any variances identified.

6.4 Report 2014/05 – Risk Management and Business Continuity Planning – Main Recommendations

i) The following action was agreed as a result of the recommendations of the report:-

- Devise a testing programme for the BCP, with all findings from tests followed up and used to fine tune the processes.

6.5 Report 2014/06 – Procurement and Creditors/Purchasing – Main Recommendations

- i) The following action was agreed as a result of the recommendations of the report:-
- Check a sample of payments back to the original invoice and either annotate those checked on the payment run report or maintain a spreadsheet that records the payments checked.

7 CONSULTATION

- 7.1 The Clerk, Treasurer and the Engineer have been consulted in the preparation of this report and are in agreement with the content.

8 BACKGROUND PAPERS

8.1 Internal Audit Reports

2014/01	Audit needs Assessment and Strategic Plan 2013 to 2016
2014/02	Annual Plan 2013/14
2014/03	Health & Safety
2014/04	General Ledger
2014/05	Risk Management and Business Continuity Planning
2014/06	Procurement and Creditors/Purchasing
2014/07	Payroll
2014/08	Follow-Up Reviews
2014/09	Annual Report

ALAN HUTCHISON
BRIDGE MANAGER
 27 May 2013

