

EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE22 February 2024Report by Chief AuditorINTERNAL AUDIT PLAN PROGRESS REPORT 2023/24 QUARTER 3**PURPOSE OF REPORT**

1. To inform members of progress on Internal Audit's annual plan for 2023/24 as approved in March 2023.

BACKGROUND

2. The work performed by Internal Audit is based on a rolling 5-year strategic plan, which is revised annually to take into account changes in circumstances. This report is provided to allow members to monitor the activities of Internal Audit and to oversee actions taken by management in response to audit recommendations.

AUDIT PLAN 2023/24 - PROGRESS REPORT QUARTER 3

3. A copy of the annual audit plan for 2023/24 is shown in appendix 1. Three audits relating to planned 2023/24 audit work were completed in quarter 3 as shown in appendix 2. Appendix 3 gives detail of reports which were issued as part of the 2023/24 plan where the responses were received since the last progress report. Responses are deemed to be satisfactory if all recommendations are accepted for implementation by management or where any recommendation is not accepted but a satisfactory reason is given. The quarterly performance indicators for the section are shown in appendix 4. All interim targets are currently being met apart from indicator 2.2 which measures direct audit days as a percentage of total days available is only slightly lower than target.

4. No new requests for assistance were dealt with using contingency time during the quarter.

5. As previously reported, internal audit have operated throughout the year with vacant posts. As a result, we are unable to complete the approved audit plan for 2023/24 and have had to re-assess which audits are likely to be completed, giving priority to those which will provide most assurance for the annual statement on overall controls. On this basis it is proposed that eight audits (as marked on appendix 1) are deleted from the 2023/24 plan. Most of these will be deferred to 2024/25 or reconsidered as part of future audit plans. On a more positive note, one of the vacant posts has now been filled and action is being taken to fill the other one which will increase the available audit days in 2024/25.

RECOMMENDATION

6. The Committee is asked to:

- (a) note the Internal Audit's progress report for quarter 3 of 2023/24 and

- (b) approve the amended audit plan for 2023/24.

Further information is available from Michelle Blair, Chief Auditor, telephone 0141 577 3067.

EAST RENFREWSHIRE COUNCIL
Internal Audit Section
ANNUAL AUDIT PLAN FOR 2023/24 PROGRESS REPORT QUARTER 3

Department	Title	Audit Number	Original No. of days	Status
Chief Executives				
Business	Payroll	1	28	In progress
Operations & Partnerships	Payroll application audit	2	18	In progress
	Creditors	3	10	DELETE
	Debtors Control	4	10	DELETE
	Housing Benefits/Universal Credit	5	20	
	Council Tax application audit	6	18	In progress
	IT asset management	7	20	
	Council Tax Billing and Collection	8	24	In progress
Education	Early Learning and Childcare Payments	9	15	DELETE
	Schools cluster	10	38	In progress
Environment	Commercial Rent	11	20	DELETE
	Grant certification	12	15	DELETE
	City Deal	13	15	
	Climate Change Report	14	5	Complete
	Energy and Fuel	15	20	DELETE
Housing	Housing Rent Accounting	16	20	
HSCP	Payments to Care Provider	17	25	DELETE
	HSCP Emergency Payments	18	8	In progress
	Thornliebank Resource Centre	19	10	Complete
	IJB	20	15	
Trust	Culture and Leisure Limited Trust	21	20	In progress
Various	Contract 1 TBA	22	20	DELETE
	Fraud contingency	23	70	In progress
	General Contingency	24	30	In progress
	LG Benchmarking Framework	25	10	Complete
	Follow up	26	50	In progress
	Previous year audits	27	40	Complete
			594	

INTERNAL AUDIT														
REPORTS AND MEMOS ISSUED 2023/24														
FILE REF	AUDIT NO.	SUBJECT	DEPARTMENT	DATE AUDIT STARTED	DATE REPORT/MEMO SENT	DATE REPLY DUE	DATE REPLY REC	COMMENTS	Total	H	M	L	E	Not accepted
MB1191MB	25	Payment of invoices PI	BO&P	23/5/23	13/6/23	n/a	n/a	No reply required	0	0	0	0	0	0
MB1192/NS	19	Thornliebank Resource Centre	HSCP	22/6/23	28/08/23	29/9/23	20/10/23	Satisfactory	13	1	6	6	0	0
MB1193/NS	26	Environment Follow up	Environment	22/6/23	11/10/23	17/11/23	20/11/23	Satisfactory 1 pt not accepted	18	1	5	12	0	1
			Accountancy				Reminder 25/01/24 5/2/24	Satisfactory						
MB1194/FM	1	Payroll	BO&P	10/7/23	30/1/24	8/3/24			22	4	7	11	0	
MB1195/NS	10	Schools Cluster – Williamwood	Education	27/7/23	12/01/24	16/02/24			34	5	7	22	0	
MB1196/MB	25	Sickness absence PI	BO&P	9/8/23	1/11/23	1/12/23	8/11/23	Satisfactory	4	0	0	4	0	0
MB1197/NS	18	HSCP Emergency Payments (S22 and 12)	HSCP	16/8/23	19/01/24	23/02/24			10	0	0	10	0	
MB1198/NS	21	Trust	Trust											
MB1199/NS	26	BOP Follow Up	BOP	24/10/23										
MB1200/NS	14	Climate Change Report	Environment	30/10/23	17/11/23	n/a	n/a	n/a no response required	0	0	0	0	0	0
MB/1201/FM	2	Application Audit of Payroll	BO&P	13/11/23										
MB/1202/NS	6	Application Audit of Council Tax	BO&P	05/12/23										
MB/1203/NS	8	Council Tax Billing and Collection	BO&P	22/12/23										

Note: Audits issued in quarter are highlighted in bold

+
SUMMARY OF REPORTS ISSUED WHERE RESPONSES WERE RECEIVED SINCE LAST PROGRESS REPORT

APPENDIX 3**1. MB/1193/NS Environment Follow up Audit**

A full copy of this report and the responses has been circulated to Audit and Scrutiny Committee Members.

Four audits containing 36 recommendations were followed up and whilst efforts have been made to implement some of the recommendations, several remain outstanding and are included again in this report. It was noted that the reasons for the recommendations remaining outstanding included other work commitments and changes in personnel responsible for implementation.

A total of 18 recommendations were made in the two reports being followed up. One of the recommendations was classified as high, five as medium and twelve as low risk. All recommendations were accepted by management for implementation except for one which is shown below.

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.5.2	As part of the digitalisation process, a review should be carried out on all contracts to identify any private land being maintained by the Council and appropriate action taken. This could potentially be done by overlaying the relevant maps.	Low	No	The level of skill required for this exercise is not available to Neighbourhood Services. As this is low risk this is unlikely to be a priority to be resourced within the dept	Operations Manager	N/A

2. MB/1200/NS Climate Change Report

There is no report output for this audit as the prime objective is to verify the accuracy and reasonableness of the figures submitted in this return which the Environment Department have to submit to Scottish Government annually. No recommendations were made.

Risk Ratings for Recommendations	
High	<ul style="list-style-type: none"> • Key controls absent, not being operated as designed or could be improved and could impact on the organisation as a whole. • Corrective action must be taken and should start immediately.
Medium	<ul style="list-style-type: none"> • There are areas of control weakness which may be individually significant controls but unlikely to affect the organisation as a whole. • Corrective action should be taken within a reasonable timescale.
Low	<ul style="list-style-type: none"> • Area is generally well controlled or minor control improvements needed. • Lower level controls absent, not being operated as designed or could be improved

EAST RENFREWSHIRE COUNCIL
Internal Audit Section

QUARTERLY PERFORMANCE INDICATORS

<u>Internal Audit Indicators reported Quarterly</u>	Target (where applicable)	Quarter 3 Actual 2023/24	Quarter 3 Cumulative 2023/24
2. Audit Coverage.			
2.2 Actual direct audit days as a percentage of total days available	75%	71%	73%
2.3 Number of requests for assistance/queries raised by departments outwith planned audit work.	-	01	2
2.4 Percentage of planned contingency time used. (Days available exclude public holidays, annual leave and sickness absence)	<100%	3.7%	12.6%
5. Issue of Reports.			
5.1 Number of audit reports issued per quarter.	-	3	5
5.2 Ave. time in weeks from start of fieldwork to issue of report. (Note 1)	12 weeks	10.2 wks	8.6 wks
5.3 Ave. time taken to issue report (working days). (Note 2)	10 working days	4.7 days	5.6 days

Notes

1. Average weeks calculated as working days divided by 5. This is calculated excluding ERCLT audits.
2. Working days excludes weekends, public holidays, annual leave and sickness absence. This is calculated excluding ERCLT audits.