

EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE27 March 2025Report by Chief AuditorINTERNAL AUDIT STRATEGIC PLAN 2025/26 TO 2029/30**PURPOSE OF REPORT**

1 The Public Sector Internal Audit Standards 2017 require the Audit Service to establish risk based plans to determine the priorities of the Internal Audit Team. This report presents Internal Audit's 5 year strategic plan for 2025/26 to 2029/30 to members for approval. The strategic plan includes the detailed annual plan for 2025/26 plus the indicative number of days to be spent in the following four years based on the risk assessed audit universe which lists all potential audits.

**BACKGROUND**

2. As outlined in the Internal Audit Charter, the mission of internal audit is "*To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight*". The Internal Audit service is an independent assurance and appraisal unit within the Chief Executive's Office. It performs independent examinations of accounting, financial and other operations of the Council to provide an annual assessment on the controls in place to the Audit and Scrutiny Committee. This is achieved by undertaking an annual programme of audits based on the annual plan approved by the Audit and Scrutiny Committee. Independence is achieved through the organisational status of Internal Audit and the objectivity of internal auditors. The Chief Auditor reports directly to the Chief Executive and the Audit & Scrutiny Committee.

3. Through independently reviewing the Council's key systems and controls, Internal Audit helps to ensure that the corporate aim of providing outcomes for residents and communities is achieved. Internal Audit contributes to the realisation of the Council's vision - 'A Place to Grow' to be a place where everyone can flourish, thrive and grow by monitoring the systems that underpin the delivery of these commitments. Employees who work for Internal Audit adhere to the corporate values.

4. Internal Audit is required to give an annual assurance statement on the adequacy of internal controls. The evaluation of the control environment is informed by a number of sources:

- The results of the work carried out by the Internal Audit service
- The results of the work carried out by the Council's external auditor
- The assessment of risk completed during the preparation of the annual plan
- Reports issued by other agencies such as Education Scotland, Care Inspectorate etc
- Knowledge of the Council's governance, risk management and performance monitoring arrangements.

5. In reviewing these different sources of evidence, consideration will be given as to whether any key controls are absent or ineffective and when taken together with other findings, would lead to the conclusion that the overall system of control has been significantly impaired as a result.

6. The Internal Audit service currently operates in accordance with the revised Public Sector Internal Audit Standards (PSIAS) and within the context of the Internal Audit Charter. Internal Audit work is governed by the policies, procedures, rules and regulations established by the Council such as

the Contract Standing Orders, Financial Regulations and the Anti-Fraud and Bribery Strategy. It should be noted that PSIAS will be replaced from 1 April 2025 and Internal Audit sections will be expected to work to new standards, a combination of Global Internal Audit Standards (GIAS) and the Application Note for GIAS in the UK Public Sector.

### **STRATEGIC AUDIT PLAN 2025/26 TO 2029/30**

7. The work performed by Internal Audit is based on a rolling 5 year strategic plan (see attached appendix 1) which is revised annually to take into account changes in circumstances.

8. In preparing the plan, members of the corporate management team and elected members were consulted to ensure that current and developing risks were appropriately considered and included in the strategic audit plan. The corporate strategic risk register was also reviewed to ensure that key identified areas of risk such as contract management, IT environmental controls and budgetary control were included in the audit universe as appropriate.

9. In accordance with auditing standards which require a risk based approach to be taken when preparing the plan, audits have been prioritised based on risk assessments, the service's collective experience of the risks involved, resources available and knowledge gained over the past 5 years. It is also important that annual audit coverage is sufficient to allow Internal Audit to conclude on the adequacy of internal controls. Contingency time is available to allow any further risk related work to be carried out should this be required for new or changing risks identified during the year. It should be noted that the risk ratings noted on the audit universe are supported by a more detailed assessment of risk in supporting working papers used to prepare the plan and this considers control risk, materiality risk and sensitivity risk for each area.

10. A number of key financial systems have been identified, including payroll, financial ledger and budgetary control, cash income and banking, accounts receivable (debtors), council tax, accounts payable (creditors), rent accounting, and housing and council tax benefit/universal credit. The aim is that all identified systems in the audit universe will be audited at least once in the 5 year cycle however the key financial systems will usually be audited more frequently than this depending on the perceived risks. The timing of systems audits will also be adjusted to avoid duplication of effort with external audit where possible.

11. The consultation process and risk assessment used to prepare the plan sometimes results in new audits being added to the audit universe or being rescheduled for review in a different year (for example agency costs and homelessness) or audits being re-named (for example maximising attendance to sickness absence capability).

12. A total of 20 audit days have been included in the annual plan for providing an internal audit service to East Renfrewshire Culture and Leisure Trust (ERCLT). The scope of audits to be carried out using these days will be agreed with the management of ERCLT and members of its Finance, Audit and Risk Committee. Resulting audit reports will be issued directly to the Chief Executive of ERCLT.

### **AUDIT RESOURCES ASSESSMENT**

13. The Internal Audit section has an establishment of five members of staff (4.7 FTE) including the Chief Auditor. The number of days available in 2025/26 has been estimated and compared to the number of days required and is based on 4.7 full time equivalent (FTE) staff. Assumptions are made to calculate total working days available and this is then split between direct and indirect audit days as shown in appendix 2.

14. On the basis of the audit universe which lists all potential audits, an estimated 3,613 days are required to complete all planned audits at the required frequency within the 5 year period. An estimated 3,590 staff days are available for direct audit work over this same period, leaving an estimated shortfall of only 23 days over the 5 year period which is considered manageable. Audit resources are assessed as being sufficient to provide an evidence based opinion.

15. In line with good practice, the internal audit plan will be reviewed on a regular basis throughout the year and may be adjusted in response to changes in audit resources or the Council's business, risks, systems and controls. Any such required changes to the plan will be drawn to the Committee's attention as part of the quarterly reporting mechanism already in place.

## **RECOMMENDATION**

16. The committee is asked to approve Internal Audit's Strategic Plan for 2025/26 to 2029/30.

Further information is available from Michelle Blair, Chief Auditor  
3 March 2025

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**EAST RENFREWSHIRE COUNCIL**

**Internal Audit Section**

**STRATEGIC AUDIT PLAN**

**2025/26 to 2029/2030**

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**ANNUAL AUDIT PLAN 2025/26**

<b>Department</b>	<b>Title</b>	<b>Audit Number</b>	<b>No. of Days</b>
<b>Chief Executives Office</b>	Licensing Income	1	20
	Corporate Procurement Cards	2	20
<b>Business Operations and Partnerships</b>	Accounts Payable	3	12
	Accounts Receivable	4	25
	Payroll	5	51
	Council Tax – Recovery and Enforcement	6	20
	Housing Benefit/UC – admin/post opening	7	20
	Insurance Arrangements	8	10
<b>Education</b>	Early Learning Childcare Add on	9	25
	Schools Cluster	10	40
<b>Environment</b>	City Deal	11	15
	PPP Projects	12	20
	Burial Income	13	10
	Trade refuse, special uplifts and garden waste	14	20
	Vehicle Services	15	18
	Climate Change Report	16	5
<b>Housing</b>	Housing Repairs	17	25
	Homelessness and Temporary Accommodation	18	25
<b>HSCP</b>	Home Care Services	19	25
	Client Monies	20	30
<b>Computer Audit</b>	Application Controls – Icon	21	20
	Cyber Security Checklist	22	20
<b>Other Bodies</b>	IJB	23	15
	ERCLT	24	20
<b>Various</b>	Contract TBC	25	25
	General and Fraud Contingency	26	80
	Risk Management and Corporate Governance	27	20
	Follow Up	28	50
	Previous Year Audits	29	20
			<b>706</b>

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**SUMMARY OF STRATEGIC PLAN**

<b><u>Type of Audit</u></b>	<b><u>2025/26</u></b>	<b><u>2026/27</u></b>	<b><u>2027/28</u></b>	<b><u>2028/29</u></b>	<b><u>2029/30</u></b>	<b><u>Total</u></b>
Systems/Regularity Audit	456	658	435	256	468	2,273
Contract Audit	45	45	45	45	45	225
Computer Audit	40	75	59	36	40	250
Fraud and General Contingency	80	90	90	90	90	440
Previous Year Follow Up	50	50	50	50	50	250
IJB	15	15	15	15	15	75
ERCLT	20	20	20	20	20	100
<b>Total</b>	<b>706</b>	<b>953</b>	<b>714</b>	<b>512</b>	<b>728</b>	<b>3,613</b>

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**Internal Audit Section**

**AUDIT DAYS AVAILABLE**

<b>ESTIMATED ANNUAL DAYS AVAILABLE</b>		<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>TOTAL</b>
		<b>Days</b>					
Number of days in full year	<b>Note 1</b>	1,227	1,227	1,232	1,222	1,222	6,130
Less:	Public Holidays	47	47	47	47	47	235
	Annual Leave	155	155	155	155	155	775
	Purchase of Annual Leave	6	6	6	6	6	30
	Sickness Absence	15	15	15	15	15	75
	Authorised Absence	10	10	10	5	10	45
<b>Working days available</b>		<b>994</b>	<b>994</b>	<b>999</b>	<b>994</b>	<b>989</b>	<b>4,970</b>
<b>Indirect Audit Work :-</b>							
	Administration	50	50	50	50	50	250
	Planning	15	15	15	15	15	75
	Courses/training	30	30	30	30	30	150
	Seminars & Audit Meetings	36	36	36	36	36	180
	Audit Committee/team meets	44	44	44	44	44	220
	GIAS (previously PSIAS)	25	5	5	15	15	65
	HGIOS/AGS	3	3	3	3	3	15
	PRD	15	15	15	15	15	75
	Consultancy	20	20	20	20	20	100
<b>Total for Indirect Audit Work</b>		<b>238</b>	<b>218</b>	<b>218</b>	<b>228</b>	<b>228</b>	<b>1,130</b>
<b>Estimated time available for direct audit work</b>		<b>756</b>	<b>776</b>	<b>781</b>	<b>766</b>	<b>761</b>	<b>3,840</b>
	Reporting	50	50	50	50	50	250
	Audit Work	706	726	731	716	711	3,590
		<b>756</b>	<b>776</b>	<b>781</b>	<b>766</b>	<b>761</b>	<b>3,840</b>
Total direct as % of available days		<b>76%</b>	<b>78%</b>	<b>78%</b>	<b>77%</b>	<b>77%</b>	<b>77%</b>

Note 1 Internal audit has 4.7FTE established posts including Chief Auditor.

Note 2 Additional days in years where external assessments are involved and in 2025/26 when new standards are effective from.



## EAST RENFREWSHIRE COUNCIL

## Internal Audit Section

## AUDIT UNIVERSE

Title	Dept	2025	2026	2027	2028	2029	Total	Freq (yrs) 1=annual	Gen Risk
<b>Accounts Payable (creditor)</b>	BOP	12	12		12	12	48	1	M
<b>Accounts Payable (Creditors) (to include invoicing and interfaces)</b>	BOP			25			25	3	M
<b>Accounts Receivable (debtors)</b>	BOP		12	12		12	36	1	M
<b>Accounts Receivable (Debtors)</b>	BOP	25			25		50	3	M
Barrhead Payment Centre	BOP			15			15	5	L
<b>Cash Income and Banking</b>	BOP			22			22	3	M
Clothing Grants / Free Meals	BOP		12				12	5	L
Community Safety Unit	BOP		20				20	5	L
Complaints Monitoring	BOP		15			15	30	3	M
<b>Council Tax - Reductions/liability</b>	BOP			24			24	3	M
<b>Council Tax - Billing &amp; Coll.</b>	BOP		24			24	48	3	M
<b>Council Tax - Recovery and Enforcement</b>	BOP	20			20		40	3	M
GDPR	BOP		15				15	5	L
<b>Housing Benefits/UC - admin post opening payments</b>	BOP	20			20		40	3	M
<b>Housing Benefits/UC - assessment</b>	BOP			30			30	3	H
<b>Housing Benefits/UC - overpayments and fraud</b>	BOP		20			20	40	3	M
Income Maximisation, money advice, welfare rights	BOP		30				30	5	L
Insurance Arrangements	BOP	10					10	5	L
IT asset management	BOP				20		20	5	L
Sickness Absence Capability (Maximising Attendance)	BOP		20				20	5	L
Overtime	BOP		25				25	5	L
<b>Payroll - All payruns (extra testing 2025)</b>	BOP	51		30		30	111	2	H
Scottish Welfare Fund	BOP			15			15	5	L
Travelling & Subsistence	BOP		15				15	5	L
Corporate Procurement Cards	Ch Exec	20					20	5	L
<b>Financial Ledger and budgetary control</b>	Ch Exec		25			25	50	3	M
Licensing Income	Ch Exec	20					20	5	L
<b>Ordering &amp; Certification</b>	Ch Exec		25			25	50	3	M
Record Management Plan	Ch Exec		15				15	5	L
<b>Treasury Management</b>	Ch Exec			20			20	5	L
VAT (including vat free)	Ch Exec			12			12	5	L
Building Cleaning	Educ		15				15	5	L
Cashless catering and Parentpay	Educ					30	30	5	L
Early Learning and Childcare payments	Educ					25	25	5	L

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<b>Title</b>	<b>Dept</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>Total</b>	<b>Freq (yrs) 1=annual</b>	<b>Gen Risk</b>
ELC Add On (previously wraparound)	Educ	25					25	5	L
Schools - Educational Payments	Educ		10				10	5	L
Schools - Transport (incl SEN)	Educ		25				25	5	L
Schools cluster 1	Educ			40			40	7	X
Schools cluster 2	Educ		40				40	7	X
Schools cluster 3	Educ					40	40	7	X
Schools cluster 4	Educ				40		40	7	X
Schools cluster 5	Educ						0	7	X
Schools cluster 6	Educ						0	7	X
Schools cluster 7	Educ	40					40	7	X
Asset Management	Env		20				20	5	L
Burial Income	Env	10					10	5	L
City Deal	Env	15	15	15	15	15	75	1	X
Climate Change Report	Env	5		5		5	15	2	X
Commercial rents (ind units/shops)	Env			25			25	3	M
Energy and Fuel (incl utility payments)	Env					25	25	5	L
Grounds Maintenance	Env		15				15	5	L
Health & Safety	Env		15				15	5	L
Highways Maintenance	Env			20			20	3	M
PPP projects	Env	20	0	0	0	0	20	5	L
Project management of capital projects	Env	0	0	25	0	0	25	3	M
Stores	Env			20			20	3	M
Subsidy Control (previously State Aid)	Env		12				12	5	L
Sustainability (incl procurement)	Env		20				20	5	L
Trade Refuse Income and special uplifts, Garden Waste Scheme	Env	20					20	5	L
Vehicle Services	Env	18					18	5	L
Gas Servicing	Housing		15				15	5	L
<b>Housing - Rent Accounting</b>	Housing		20			20	40	3	M
Housing voids	Housing		20				20	5	L
Housing Allocations	Housing					28	28	5	L
Homelessness and temporary accommodation	Housing	25					25	5	L
Agency Costs	Other		12				12	5	L
Housing Repairs	Housing	25			25		50	3	M
New Council Houses	Housing		30			30	60	3	M
Barrhead Resource Centre	HSCP			10			10	5	L
Bonnyton House	HSCP			10			10	3	M
Care First Finance System application audit	HSCP		30			30	60	3	M

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## Internal Audit Section

Title	Dept	2025	2026	2027	2028	2029	Total	Freq (yrs) 1=annual	Gen Risk
Carers Legislation	HSCP		16				16	5	L
Client Monies	HSCP	30		30		30	90	2	H
Home Care Services	HSCP	25			25		50	3	M
HSCP Direct Payments	HSCP		15			15	30	3	M
HSCP emergency payments (Sect 22 & 12)	HSCP				12		12	5	L
HSCP Health Care Centres and area offices (St Andrews House)	HSCP					12	12	5	L
IJB	HSCP	15	15	15	15	15	75	1	X
Kinship, Fostering and Adoption	HSCP		16				16	5	L
Payments to Care providers	HSCP			25			25	3	M
Thornliebank Resource Centre	HSCP				12		12	5	L
ERCLT	Trust	20	20	20	20	20	100	1	X
Computer	Various	40	45	59	36	10	190	1	X
Contract and supply management	Various	0	0	0	0	25	25	5	L
Contract TBC	Various	25	45	20	45	20	155	1	X
Follow up	Various	50	50	50	50	50	250	1	X
Fraud Contingency	Various	40	50	50	50	50	240	1	X
General Contingency	Various	40	40	40	40	40	200	1	X
Petty Cash	Various		12				12	5	L
Previous year audits	Various	20	30	30	30	30	140	1	X
Risk Management & Corporate Governance	Various	20					20	5	L
Total days needed per universe		706	953	714	512	728	3613		
Available days (automated from audit needs)		706	726	731	716	711	3590		
<b>Audit Needs Assessment</b>	Shortfall/	<b>0</b>	<b>227</b>	<b>-17</b>	<b>-204</b>	<b>17</b>	<b>23</b>		

### Risk

H – High – audited on 2 year cycle

M – Medium – audited on 3 year cycle

L – Low – audited on 5 year cycle

X – Frequency determined by factors other than risk eg external requirement

**Main financial systems shown in bold**

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