

EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE25 JANUARY 2018Report by Chief AuditorINTERNAL AUDIT PLAN PROGRESS REPORT 1/10/17 TO 31/12/17**PURPOSE OF REPORT**

1. To inform members of progress on Internal Audit's annual plan for 2017/18.

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 2017/18 - PROGRESS REPORT 1/10/17 to 31/12/17

3. A copy of the annual audit plan for 2017/18 is shown in appendix 1. A total of 12 audit reports relating to planned 2017/18 audit work have been issued in the quarter as shown in appendix 2. All audit responses received in the quarter have been satisfactory. Three recommendations were not accepted by management however the explanations provided to Audit for not accepting were considered acceptable by Audit. In addition, the quarterly performance indicators for the section are shown in appendix 3.

RECOMMENDATION

4. The Committee is asked to note Internal Audit's progress report for the quarter ended 31 December 2017.

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

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EAST RENFREWSHIRE COUNCIL
Internal Audit Section
ANNUAL AUDIT PLAN FOR 2017/18 PROGRESS REPORT as at 31 December 2017

| Department | Title | Audit Number | No. of days | Status |
|-------------------------|--|--------------|-------------|-----------------|
| HSCP | HSCP Health care centres and area offices – St Andrews House | 1 | 8 | Complete |
| | Care first finance system | 2 | 15 | In progress |
| | HSCP Self directed support | 3 | 10 | |
| | Thornliebank Resource Centre | 4 | 8 | Complete |
| | Holiday funds | 5 | 6 | Complete |
| | IJB | 6 | 20 | |
| Chief Executives Office | Budgetary control | 7 | 20 | In progress |
| | Treasury management | 8 | 18 | In progress |
| Corporate & Community | Debtors control | 9 | 10 | In progress |
| | Creditors | 10 | 24 | Complete |
| | Council Tax – billing and collection | 11 | 24 | Complete |
| | Housing Benefits/Universal Credit | 12 | 30 | In progress |
| | Overtime | 13 | 22 | In progress |
| | Human Resources (maximising attendance) | 14 | 20 | In progress |
| | Community Safety Unit | 15 | 20 | |
| | Complaints monitoring | 16 | 15 | Complete |
| | Cash income and banking | 17 | 22 | Complete |
| | IS/IT strategy | 18 | 10 | Complete |
| | Business continuity plans | 19 | 15 | Complete |
| | Network controls | 20 | 15 | In progress |
| Education | Cashless catering and online payments | 21 | 30 | |
| | Schools transport | 22 | 15 | Complete |
| | Schools VAT free purchase scheme | 23 | 12 | Complete |
| | Schools cluster - Mearns Castle | 24 | 32 | Complete |
| Environment | City Deal | 25 | 15 | |
| | Commercial Rents | 26 | 25 | Complete |
| | Grant Certification | 27 | 15 | |
| | Application controls – Roads Job Costing System | 28 | 11 | Complete |
| | Year end Stocktake | 29 | 5 | Complete |
| Trust | Community and Leisure Limited | 30 | 20 | In progress |
| Other | NFI | 31 | 12 | In progress |
| Various | Contract 1 - Variations | 32 | 20 | In progress |
| | Contract 2 TBA | 33 | 20 | |
| | Petty Cash | 34 | 15 | Complete |
| | Fraud Contingency | 35 | 49 | In progress |
| | Follow up | 36 | 50 | In progress |
| | General Contingency | 37 | 30 | In progress |
| | LG Benchmarking Framework | 38 | 10 | In progress |
| | Previous year audits | 39 | 20 | Complete |
| | | | 738 | |

Note - Audit reports issued in the quarter are shown in bold

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INTERNAL AUDIT (as at 31 December 2017)
REPORTS AND MEMOS ISSUED 2017/18

| FILE REF | Audit No. | SUBJECT | Department | DATE AUDIT STARTED | DATE REPORT/ MEMO SENT | DATE REPLY DUE | DATE REPLY REC | COMMENTS |
|------------|-----------|---|---------------------|--------------------|------------------------|----------------|----------------|---|
| MB/1010/RM | 29 | Housing Maintenance Team y/e Stocktake | Environment | 22/03/17 | 19/05/17 | 23/06/17 | 22/6/17 | Satisfactory |
| MB/1011/NS | 1 | HSCP Area Offices – St Andrews House | HSCP | 28/03/17 | 21/04/17 | 26/05/17 | 31/5/17 | Satisfactory |
| MB/1012/NS | 24 | Schools Cluster – Mearns Castle High | Education | 04/04/17 | 23/6/17 | 4/8/17 | 02/10/17 | Ext 13/09/17 Satisfactory |
| MB/1013/FM | 22 | School Transport | Education | 20/04/17 | 11/07/17 | 18/08/17 | 25/08/17 | Ext 25/08/17 Satisfactory |
| MB/1014/NS | 28 | Application Audit – Roads Job Costing | Environment | 18/04/17 | 01/08/17 | 08/09/17 | 17/08/17 | Satisfactory 2 pts not accepted |
| MB/1015/EL | 18 | Digital Strategy | Corp & Comm | 03/05/17 | 27/06/17 | N/A | N/A | N/A – no response required |
| MB1016/EL | 26 | Commercial Rents | Environment | 08/05/17 | 2/11/17 | 8/12/17 | 05/01/18 | Ext to 12/1/18 Satisfactory 1 pt not accepted |
| | | | Corp & Comm | | | | 29/11/17 | Satisfactory |
| | | | Legal Services | | | | 11/12/17 | Satisfactory |
| | | | Accountancy | | | | 12/12/17 | Satisfactory |
| MB/1017/RM | 36 | HSCP Follow Up | HSCP | 08/05/17 | 20/12/17 | 08/02/18 | | |
| MB/1018/FM | 36 | Education Follow Up | Education | 30/05/17 | 14/09/17 | 20/10/17 | 30/10/17 | Ext 27/10/17 Satisfactory |
| MB/1019/NS | 36 | Environment Follow Up | Environment | 26/05/17 | 02/10/17 | 03/11/17 | 06/11/17 | Satisfactory 1 pt not accepted |
| MB/1020/RM | 36 | Chief Executive's Office FU | Accountancy | 26/05/17 | 07/09/17 | 13/10/17 | 16/10/17 | Satisfactory |
| | | | Legal Services | | | | 25/10/17 | Satisfactory 1 pt not accepted |
| MB/1021/FM | 11 | Council Tax Billing & Collection | Corp & Comm | 08/06/17 | 17/11/17 | 22/11/17 | 7/12/17 | Satisfactory |
| MB/1022/NS | 30 | Trust | Trust | 13/06/17 | 14/09/17 | 20/10/17 | 24/10/17 | Satisfactory |
| MB/1023/RM | 10 | Creditors | Corp & Comm | 13/06/17 | 10/10/17 | 10/11/17 | 07/12/17 | Ext 17/11/17 Satisfactory |
| | | | Accountancy | | | | 07/12/17 | Satisfactory |
| MB/1024/NS | 4 | Thornliebank Resource Centre | HSCP | 16/06/17 | 29/08/17 | 06/10/17 | 03/10/17 | Satisfactory |
| MB/1025/EL | 19 | Business Continuity Plan | Corp & Comm | 20/06/17 | 09/10/17 | 10/11/17 | 09/11/17 | Satisfactory |
| MB/1026/NS | 34 | Petty Cash | Accountancy | 14/07/17 | 14/09/17 | 20/10/17 | 20/10/17 | Satisfactory |
| | | | Corp & Comm | | | | 23/10/17 | Ext 23/10/17 Satisfactory |
| | | | Education | | | | 30/10/17 | Satisfactory |
| | | | Environment | | | | 10/10/17 | Satisfactory |
| | | | HSCP | | | | 23/10/17 | Satisfactory |
| MB/1027/FM | 16 | Complaints Monitoring | Corp & Comm | 15/08/17 | 26/10/17 | 01/12/17 | 1/11/17 | Satisfactory |
| | | | HSCP | | | | 27/10/17 | Satisfactory |
| | | | Environment | | | | 23/11/17 | Satisfactory |
| | | | Education | | | | 22/11/17 | Satisfactory |
| | | | Legal | | | | 12/12/17 | Satisfactory |
| MB/1028/NS | 5 | Holiday Funds | HSCP | 17/08/17 | 18/12/17 | 02/02/18 | | |
| MB/1029/NS | 23 | Schools VAT Free Purchase Scheme | Education | 17/08/17 | 23/10/17 | 24/11/17 | 24/11/17 | Satisfactory |
| MB/1030/RM | 32 | Contract Audit - Variations | Chief Execs Office | 18/08/17 | | | | |
| MB/1031/EL | 30 | Trust | Trust | 18/08/17 | 27/10/17 | 1/12/17 | 28/11/17 | Satisfactory |
| MB/1032/EL | 20 | Network Controls | Corp & Comm | 30/08/17 | | | | |
| MB/1033/NS | 17 | Cash Income and Banking | Corp & Comm | 14/09/17 | 22/12/17 | 09/02/18 | | |
| MB/1034/EL | 38 | LGBF Indicator: Payment of Invoices | Corp & Comm | 06/10/17 | 17/11/17 | 22/12/17 | 29/11/17 | Satisfactory |
| | | | Legal & Procurement | | | | 04/01/18 | Satisfactory |

Note - Audit reports issued in the quarter are shown in bold

INTERNAL AUDIT (as at 31 December 2017)
REPORTS AND MEMOS ISSUED 2017/18

| FILE REF | Audit No. | SUBJECT | Department | DATE AUDIT STARTED | DATE REPORT/ MEMO SENT | DATE REPLY DUE | DATE REPLY REC | COMMENTS |
|-----------------|------------------|--------------------------------------|--------------------|---------------------------|-------------------------------|-----------------------|-----------------------|-----------------|
| MB/1035/EL | 38 | LGBF Indicator: Sickness Absence | Corp & Comm | 27/10/17 | | | | |
| MB/1036/FM | 13 | Overtime | Corp & Comm | 03/10/17 | | | | |
| MB/1037/RM | 30 | Leisure Trust Contracts | Trust | 05/10/17 | | | | |
| MB/1038/NS | 14 | Maximising Attendance | Corp & Comm | 11/10/17 | | | | |
| MB/1039/RM | 36 | Follow up of Chief Executives Audits | Chief Execs Office | 20/10/17 | | | | |
| MB/1040/FM | 8 | Treasury Management | Chief Execs Office | 13/11/17 | | | | |
| MB/1041/NS | 9 | Debtors Control | Corp & Comm | 20/11/17 | | | | |
| MB/1042/RM | 7 | Budgetary Control | Chief Execs Office | 05/12/17 | | | | |
| MB/1043/EL | 36 | Follow Up of Payments to Providers | HSCP | 23/11/17 | | | | |
| MB/1044/EL | 2 | Carefirst Finance Audit | HSCP | 06/12/17 | | | | |
| MB/1045/NS | 12 | Housing and Council Tax Benefits | Corp & Comm | 12/12/17 | | | | |

Note - Audit reports issued in the quarter are shown in bold

EAST RENFREWSHIRE COUNCIL
Internal Audit Section

QUARTERLY PERFORMANCE INDICATORS

| <u>Internal Audit Indicators reported Quarterly</u> | Target (where applicable) | Quarter 3 Actual to 31/12/17 | Cumulative Actual to 31/12/17 |
|---|---------------------------------|------------------------------------|-------------------------------------|
| 2. Audit Coverage. | | | |
| 2.2 Actual direct audit days as a percentage of total days available | 75% | 76% | 77% |
| 2.3 Number of requests for assistance/queries raised by departments outwith planned audit work. | - | 1 | 5 |
| 2.4 Percentage of planned contingency time used. (Days available exclude public holidays, annual leave and sickness absence) | <100% | 36% | 67% |
| 5. Issue of Reports. | | | |
| 5.1 Number of audit reports issued per quarter. | - | 12 | 23 |
| 5.2 Ave. time in weeks from start of fieldwork to issue of report. (Note 1) | 12 weeks | 16.2 weeks | 13.7 weeks |
| 5.3 Ave. time taken to issue report (working days). (Note 2) | 10 working days | 12.3 working days | 12 working days |

Notes

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

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