

EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE11 AUGUST 2022Report by Chief AuditorINTERNAL AUDIT PLAN PROGRESS REPORT 2022/23 QUARTER 1**PURPOSE OF REPORT**

1. To inform members of progress on Internal Audit's annual plan for 2022/23 as approved in June 2022.

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 2022/23 - PROGRESS REPORT QUARTER 1

3. A copy of the annual audit plan for 2022/23 is shown in appendix 1. Two audits relating to planned 2022/23 audit work were completed in quarter 1 as shown in appendix 2. Appendix 3 gives detail of reports which were carried out as part of the 2021/22 plan or the 2022/23 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 and are currently meeting targets.

4. Three new requests for assistance were dealt with using contingency time during the quarter. None of these resulted in financial loss to the council.

5. All audits relating to planned 2021/22 audit work have now been issued.

RECOMMENDATION

6. The Committee is asked to:

- (a) note Internal Audit's progress report for quarter 1 of 2022/23 and
- (b) confirm whether they wish any of the reports detailed in appendix 3 to be circulated to audit and scrutiny committee members or submitted to a future meeting for more detailed consideration.

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 2022/23 PROGRESS REPORT QUARTER 1

Department	Title	Audit Number	Original No. of days	Status
Chief Executives	Treasury Management	1	18	
	Ordering and Certification	2	20	
	VAT	3	12	
Business Operations & Partnerships	Barrhead Payment Centre	4	11	
	Creditor	5	24	
	Debtors	6	10	
	Housing Benefits/Universal Credit	7	30	
	IT Asset Management	8	20	
	Scottish Welfare Fund	9	15	
	Council tax – recovery and enforcement	10	18	
Education	Early Learning and Childcare Payments	11	15	
	Schools cluster	12	32	
Environment	Clyde Valley Contract Group	13	13	In progress
	Grant certification	14	15	
	Stores	15	20	In progress
	City Deal	16	15	
	Climate Change Report	17	5	
	Energy and Fuel	18	20	
Housing	New Council Houses	19	24	In progress
HSCP	Direct Payments	20	20	
	Barrhead Resource Centre	21	10	In progress
	IJB	22	15	
Trust	Culture and Leisure Limited Trust	23	20	In progress
Various	Contract 1 TBA	24	20	
	File Controls	25	12	In progress
	Fraud contingency	26	70	In progress
	General Contingency	27	30	In progress
	LG Benchmarking Framework	28	5	Complete
	Follow up	29	55	In progress
	Previous year audits	30	45	Complete
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1. MB/1164/NS Environmental Controls - Education

The audit covered the following control objectives:

- Responsibilities for controlling the physical security of computing facilities are clearly defined;
- IT equipment is securely located;
- Adequate precautions exist to protect IT equipment;
- Only authorised persons have access to IT equipment;
- Adequate insurance cover exists for IT equipment;
- The transfer of data and IT facilities to and from the Council is fully secure;
- IT processing undertaken at external centres is fully secure;
- Third party access to IT facilities is fully protected.

Three of the five schools visited as part of the audit checks could be classed as older buildings and as such are experiencing infrastructure issues that have resulted in ICT equipment being placed in less than ideal positions within the building. For the other two locations (one a new build and the other a new extension), the ICT equipment has been placed in a designated room with air conditioning units and are considered to be the ideal environment for storing the ICT equipment.

Seven recommendations were made, four were classified as medium risk, and three as low risk. Two recommendations were not accepted by management but satisfactory reasons were provided. The medium risk recommendations are reproduced below with the departmental responses which include the recommendations not accepted.

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.1.1	A review of the servers within Netherlee and St Cadoc's Primary should be carried out to determine if they could be relocated to a more secure location within the school.	Medium	No	Recommendation has been overtaken. Requirement for all servers within primary schools to be reviewed as part of member server review being undertaken by ICT. Proposed move to cluster approach for servers, to be based in high school buildings.	Murray Husband (Head of Digital & Community Safety)	Dec 2022
4.1.2	If the servers cannot be relocated then appropriate measures should be taken to secure the equipment and protect it from damage.	Medium	No	Recommendation has been overtaken. Requirement for all servers within primary schools to be reviewed as part of member server review being undertaken by ICT. Proposed move to cluster approach for servers, to be based in high school buildings.	Murray Husband (Head of Digital & Community Safety)	Dec 2022
4.1.3	A review of all cabinets holding servers and switches should be carried out to ensure that they are secure, doors attached and where possible working locks in operation.	Medium	Yes	Review of all existing server security measures within high schools to be undertaken as part of the member server review.	Murray Husband (Head of Digital & Community Safety)	Dec 2022

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.3.1	A review of the location of fire-fighting equipment should be carried out in all educational establishments to ensure there is a clear line of sight from ICT equipment.	Medium	Yes	Education Department to liaise with Corporate Health & Safety and Property & Technical Services regarding this recommendation	Graeme Hay (Education Senior Manager Leading Change) Joanne Flannigan (Education Health & Safety Advisor)	Sept 22

2. MB/1170/MB Payment of Invoices Indicator 2021/22

The objectives of the audit were to ensure that the reported performance indicator which measures the percentage of invoices paid within 30 days was materially correct. The original figure submitted for audit for 2021/22 of 86.6% was deemed to be materially accurate.

One recommendation was made. It was classified as low risk and was accepted by management.

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 1 Actual 2022/23
2. Audit Coverage.		
2.2 Actual direct audit days as a percentage of total days available	75%	76%
2.3 Number of requests for assistance/queries raised by departments outwith planned audit work.	-	3
2.4 Percentage of planned contingency time used. (Days available exclude public holidays, annual leave and sickness absence)	<100%	4%
5. Issue of Reports.		
5.1 Number of audit reports issued per quarter. (Note 3)	-	2
5.2 Ave. time in weeks from start of fieldwork to issue of report. (Note 1)	12 weeks	7.2 wks
5.3 Ave. time taken to issue report (working days). (Note 2)	10 working days	6.5 wks

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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