

Report

Report to:	Risk and Audit Scrutiny Committee
Date of Meeting:	3 March 2021
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Internal Audit Activity as at 12 February 2021
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ update the Risk and Audit Scrutiny Committee (RASC) on progress by, and performance of, the Internal Audit service in the period to 12 February 2021

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation:-

- (1) that progress and performance is noted

3. Background

3.1. Findings from internal audit assignments are reported to the Committee throughout the year. The last progress report to the Committee was in December 2020 and reported on work completed in the period 29 August to 20 November 2020. This report covers all work completed in the period 21 November 2020 to 12 February 2021.

3.2. Only a small number of assignments have been concluded in the period covered by this report. The 2020/2021 Audit Plan is, however, being progressed and it is intended that this programme of work will be completed by the end of March 2021. A level of support continues to be provided by Internal Audit to deliver re-deployed tasks.

4. Delivery of the 2020/2021 Audit Plan: Progress and Performance

4.1. 88% of planned assignments were in progress as at 12 February 2021. The other key performance indicators reflecting quality, on time and within budget for the period to 31 January 2021 are summarised in Appendix One together with explanations. 86% of draft reports have been issued on time and 78% within budget against targets of 80% respectively. Quality continues to be monitored through internal quality control procedures.

4.2. Client contributions to the delivery of the audit plan take the form of responding to draft reports, agreeing to closing meetings and signing reports quickly once agreed. 100% of audit assignments were concluded to a signed action plan within four weeks of the issue of a draft report against a target set of 80%.

4.3. Members are asked to note performance.

5. Findings

- 5.1. Appendix Two lists all assignments completed in the period 21 November 2020 to 12 February 2021.
- 5.2. There were no significant audit assignments finalised for South Lanarkshire Council in this period and Members are asked to note findings.

6. Progress against Strategy

- 6.1. The Public Sector Internal Audit Standards (PSIAS) requires progress against the audit strategy to be monitored and reported to the Committee as part of regular monitoring reports that are presented at each meeting.
- 6.2. Delivery of the strategy will be evidenced by completion of the 2020/2021 Plan and will be monitored through the performance indicators that are regularly reported to the Committee throughout the period.

7. Employee Implications

- 7.1. There are no employee issues.

8. Financial Implications

- 8.1. A breakeven position is forecast at the end of the financial year for the Internal Audit section.

9. Climate Change, Sustainability and Environmental Implications

- 9.1. There are no implications for climate change, sustainability or the environment in terms of the information contained within this report.

10 Other Implications

- 10.1. The main risks to the delivery of the Audit Plan are, generally, vacancies and team up-skilling requirements, unforeseen service demands and delays with client sign-off. Normally these would be mitigated by coaching and training, regular meetings and escalation processes as well as inclusion of contingency time within the annual plan. However, given the ongoing pandemic, these risks require particular consideration and the proposed Audit Plan for the remainder of 2020/2021 will remain under review. Any required amendments will be presented to the Committee for approval.

11. Equality Impact Assessment and Consultation Arrangements

- 11.1. There is no requirement to equality assess the contents of this report.
- 11.2. Heads of Service are consulted on each and every audit assignment.

Paul Manning

Executive Director Finance and Corporate Resources

16 February 2021

Link(s) to Council Objectives/Improvement Themes/Values

- Achieve results through leadership, good governance and organisational effectiveness

Previous References

- ◆ Internal Audit Activity as at 29 May 2020 – Risk and Audit Scrutiny Committee, 18 June 2020

- ◆ 2020/2021 Internal Audit Plan – Risk and Audit Scrutiny Committee, 21 September 2020
- ◆ Internal Audit Activity as at 28 August 2020 – Risk and Audit Scrutiny Committee, 21 September 2020
- ◆ Internal Audit Activity as at 20 November 2020 – Risk and Audit Scrutiny Committee, 9 December 2020

List of Background Papers

- ◆ Figtree extracts of Action Plans

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Key audit performance indicators as at 31 January 2021

Appendix One

Indicator	Numbers	Percentage	Target	Comment
Assignments delivered within budget	7/9	78%	80%	Only marginally below target. Anticipated that target will be met by 31 March 2021.
Draft reports delivered within 6 weeks of file review	6/7	86%	80%	
2020/2021 Audit Plan completed to draft by 31 March 2021	37/42	88%	100%	Arrangements in place to conclude programme of work by 31 March 2021.
Internal Audit recommendations delivered on time	12/17	71%	90%	All actions have been delivered though 5/17 actions were closed late.
Client to agree findings and actions within 4 weeks of draft issue	8/8	100%	80%	

Job no.	Assignment name	Draft Issue	Final Issue	Assurance Info
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Current Year – Other Output				
I350082	City Deal Governance Statement	19/06/2020	31/12/2020	Provision of annual statement of assurance.
I262096	General Ledger Data for External Audit	05/08/2020	31/12/2020	Provision of information to External Audit during year.

Current Year – Assurance Reports				
I672185	Review of Complaints and Responses	30/10/2020	31/12/2020	No fraud identified. No further action required.
I222099	LEADER – audit certificate	21/01/2021	21/01/2021	Provision of annual confirmation certificate.
I640183	2020/2021 NFI Exercise	05/02/2021	05/02/2021	Facilitate collation and upload of datasets for 2020/2021 NFI exercise.

External Clients				
I911135	SLLC 2020/2021 Audit Plan	19/10/2020	31/12/2020	Reported to SLLC
I921144	LVJB 2020/2021 Audit Plan	14/10/2020	31/12/2020	Reported to LVJB
I918121	SLLC Annual Assurance Report 2019/2020	16/11/2020	25/11/2020	Reported to SLLC
I918134	SLLC 2019/2020 Annual Report	16/11/2020	25/11/2020	Reported to SLLC
I931151	SEEMIS 2020/2021 Audit Plan	06/12/2020	21/01/2021	Reported to SEEMIS
I931152	SEEMIS 2021/2022 Audit Plan	06/01/2021	21/01/2021	Reported to SEEMIS
I938150	SEEMIS 2019/2020 Annual Report	05/01/2021	21/01/2021	Reported to SEEMIS
I941158	IHSC 2020/2021 Audit Plan	07/09/2020	29/01/2021	Reported to IJB