

# Report

Report to:	<b>Risk and Audit Scrutiny Committee</b>
Date of Meeting:	<b>26 March 2024</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Internal Audit Activity as at 8 March 2024</b>
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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 of the Internal Audit service in the period 13 January to 8 March 2024

## 2. Recommendation(s)

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

- (1) that progress be 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 January 2024 and reported on work completed in the period 14 October 2023 to 12 January 2024. This report covers all work completed in the period 13 January to 8 March 2024. Performance information is also included.

## 4. Delivery of the Internal Audit Plan: Progress

- 4.1. As at 29 February 2024, 33% of the 2023/2024 Audit Plan was complete to draft report stage with a further 22 assignments in progress.
- 4.2. In the reporting period, all elements of the Audit Plan have been progressed with a continuing focus on the National Fraud Initiative, investigative activities and external client audit plans. Alongside this, there has been a significant time commitment to the implementation of Oracle Fusion, a cloud based human resources and financial management system, within South Lanarkshire Council.
- 4.3. Internal Audit resources in the period have been deployed to assist with more technical and complex issues and time, across the team, to attend programme implementation working groups and meetings. Given limited resources and time constraints, priority areas are being selected for audit input. Internal Audit will provide resources to assist with the implementation of Fusion through to 31 March 2024 and activity reports to Committee will continue to include updates.
- 4.4. Key performance indicators reflecting quality, on time and within budget for the 2023/2024 Internal Audit Plan (at 29 February 2024) are summarised in Appendix 1 together with explanations. Performance across all indicators is satisfactory.

4.5. Appendix 2 lists all assignments completed in the period 13 January to 8 March 2024.

## **5. Progress against Strategy**

5.1. The Public Sector Internal Audit Standards (PSIAS) require 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.

5.2. Delivery of the strategy in 2023/2024 will be evidenced by the completion of the Internal Audit Plan in-year and will be monitored through the performance indicators regularly reported to the Committee.

## **6. Employee Implications**

6.1. There are no employee issues.

## **7. Financial Implications**

7.1. A breakeven position for 2023/2024 is forecast at the end of the financial year for the Internal Audit section.

## **8. Climate Change, Sustainability and Environmental Implications**

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

## **9. Other Implications**

9.1. 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. These are mitigated by coaching and training, regular meetings and escalation processes as well as inclusion of contingency time within the annual plan. The risk of significant, subsequent amendments to the Plan, arising from a change in the Council's priorities or risks, are mitigated by regular re-assessment of capacity and Audit Plan content to allow incremental adjustments as the year progresses.

9.2. There are no implications for sustainability in terms of the information contained in this report.

## **10. Equality Impact Assessment and Consultation Arrangements**

10.1. There is no requirement to equality assess the contents of this report.

10.2. Heads of Service are consulted on each and every audit assignment.

**Jackie Taylor**

**Executive Director (Finance and Corporate Resources)**

8 March 2024

## **Link(s) to Council Values/Priorities/Outcomes**

♦ Accountable, effective, efficient and transparent

## **Previous References**

♦ Risk and Audit Scrutiny Committee - 2023/2024 Internal Audit Plan, 7 March 2023

♦ Risk and Audit Scrutiny Committee - Internal Audit Activity as at 12 January 2024, 30 January 2024

**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 29 February 2024****Appendix 1**

Indicator	Numbers	Percentage	Target	Comment
Assignments delivered within budget	13/13	100%	80%	
Draft reports delivered within 6 weeks of file review	15/15	100%	80%	
2023/2024 Audit Plan completed to draft by 30 April 2024	11/33	33%	100%	100% of 2023/2024 Audit Plan to draft stage or in progress at 29 February 2024.
Internal Audit recommendations delivered on time	n/a	n/a	90%	No audit actions have fallen due in the period to 29 February 2024.
Client to agree findings and actions within 4 weeks of draft issue	12/12	100%	80%	

**Assignments completed 13 January to 8 March 2024****Appendix 2**

<b>Job Number</b>	<b>Assignment name</b>	<b>Draft Issue</b>	<b>Final Issue</b>	<b>Assurance Info</b>
I730080	Attend Procurement Working Group 2023/2024	08/03/2024	08/03/2024	Attendance at and participation in internal working groups.
I731082	Attend Information Governance Board 2023/2024	08/03/2024	08/03/2024	Attendance at and participation in internal working groups.
I732083	Attend SLACIAG 2023/2024	08/03/2024	08/03/2024	Attendance at and participation in external working groups.
I732084	Attend SLAIG 2023/2024	08/03/2024	08/03/2024	Attendance at and participation in external working groups.
I732085	Attend CASG 2023/2024	08/03/2024	08/03/2024	Attendance at and participation in external working groups.
I823042	Committee reporting 2023/2024	08/03/2024	08/03/2024	Provision of reports to Committee.
I810043	2024/2025 Audit Plan	08/03/2024	08/03/2024	Preparation and presentation of 2024/2025 Audit Plan to RASC for approval.
I737081	Attend Risk Sponsors Group 2023/2024	08/03/2024	08/03/2024	Attendance at and participation in internal working groups.