

Report

Report to:	Risk and Audit Scrutiny Committee
Date of Meeting:	22 August 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Internal Audit Activity as at 4 August 2023
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update the Committee on progress of the Internal Audit service in the period 10 June to 4 August 2023

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 27 June 2023 and reported on work completed in the period 6 May to 9 June 2023. This report covers all work completed in the period 10 June to 4 August 2023. Performance information is also included.

4. Delivery of the Internal Audit Plan: Progress

- 4.1. As at 30 June 2023, 6% of the 2023/2024 Audit Plan was complete to draft report stage with a further eighteen assignments in progress.
- 4.2. Key performance indicators reflecting quality, on time and within budget for the 2023/2024 Internal Audit Plan (at 30 June 2023) are summarised in Appendix 1 together with explanations. Performance across all indicators is satisfactory.
- 4.3. Appendix 2 lists all assignments completed in the period 10 June to 4 August 2023 together with a summary of overall assurances from each area of work.
- 4.4. Members are asked to note progress.

5. Glasgow City Region City Deal – Internal Audit Plan 2022/2023 and 2023/2024

- 5.1. At the August 2023 Cabinet meeting of the Glasgow City Region City Deal, audit reports were presented on Programme, Skills, Knowledge and Experience Arrangements along with the Internal Audit Annual Report and Annual Governance Statement 2022/2023. A link to these reports can be found [here](#).
- 5.2. The report on Programme, Skills, Knowledge and Experience Arrangements sought to obtain assurance that adequate arrangements were in place for the training and handover of skills and experience when key officers leave or move post. Additionally,

governance arrangements were examined such as ensuring schemes of delegation are updated to reflect changes and effective document retention and management is in place to maintain audit trails and support officers in discharging their duties in relation to the Programme.

5.3. The audit concluded that key controls were in place and generally operating effectively with the roles and responsibilities of officers established, documented, and communicated to relevant officers. It was found that key procedures and guidance were kept up to date to ensure they accurately reflect current working practices. Business case documentation was confirmed to be in place which will identify skills or experience gaps within City Deal projects and processes have been established to address gaps should they develop over the course of a project. Each of the Member Authorities examined had their own succession planning arrangements and the Project Management Office offers appropriate training to Member Authority staff. An approved scheme of delegation is in place and subject to an annual review by the Glasgow City Region Cabinet. The expected record keeping arrangements are clearly set out within the Programme Management Toolkit.

5.4. The second report presented to the Cabinet in August 2023 was the Internal Audit Annual Report and Annual Governance Statement 2022/2023. This report provided a positive audit opinion for the year ended 31 March 2023 based on the audit work undertaken and the assurances provided by member authorities.

6. Public Sector Internal Audit Standards (PSIAS) – External Review

6.1. The external review has concluded and a final report will be issued within the next month. As previously reported, there have been no significant findings to date and the function is anticipated to be assessed as continuing to generally conform with the requirements of the PSIAS.

7. Progress Against Strategy

7.1. The 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.

7.2. 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.

8. Employee Implications

8.1. There are no employee issues.

9. Financial Implications

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

10. Climate Change, Sustainability and Environmental Implications

10.1 There are no Climate Change, Sustainability and Environmental implications relating to this report.

11. Other Implications

11.1. 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 to be made as the year progresses.

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

12. Equality Impact Assessment and Consultation Arrangements

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

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

Paul Manning

Executive Director (Finance and Corporate Resources)

4 August 2023

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 9 June 2023, 27 June 2023

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 30 June 2023**Appendix 1**

Indicator	Numbers	Percentage	Target	Comment
Assignments delivered within budget	4/4	100%	80%	
Draft reports delivered within 6 weeks of file review	6/6	100%	80%	
2023/2024 Audit Plan completed to draft by 30 April 2024	2/31	6%	100%	20/31 (65%) of 2023/2024 Audit Plan to draft stage or in progress at 30 June 2023.
Internal Audit recommendations delivered on time	n/a	n/a	90%	No audit actions have fallen due in the period to 30 June 2023.
Client to agree findings and actions within 4 weeks of draft issue	3/3	100%	80%	

Job Number	Assignment name	Draft Issue	Final Issue	Assurance Info
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Current Year				
I821041	2022/2023 Annual Report	08/06/2023	27/06/2023	Provision of annual statement of assurance.
I350108	Governance Statement	22/06/2023	27/06/2023	Review of 2022/2023 Resource Directors' Statements of Assurance.
I350109	Governance Statement City Deal 2022/2023	27/07/2023	27/07/2023	Provision of Statement of Assurance for City Deal 2022/2023.

External Clients				
I921209	Lanarkshire Valuation Joint Board (LVJB) 2023/2024 Audit Plan	10/06/2023	10/06/2023	Reported to LVJB
I944212	Integration Joint Board (IJB) Follow-Up	10/06/2023	10/06/2023	Reported to IJB
I928219	LVJB 2022/2023 Annual Report	10/06/2023	10/06/2023	Reported to LVJB
I931177	SEEMIS Audit Plan	05/06/2023	22/06/2023	Reported to SEEMIS
I912222	South Lanarkshire Leisure and Culture (SLLC) Continuous Controls Monitoring (CCM) 2022/2023	26/07/2023	26/07/2023	Reported to SLLC