

Report

Report to:	Risk and Audit Scrutiny Committee
Date of Meeting:	19 February 2020
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Internal Audit Activity as at 24 January 2020
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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 24 January 2020

2. Recommendation(s)

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

- (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 November 2019. This reported on work completed in the period 31 August to 31 October 2019. This report covers all work completed in the period 1 November 2019 to 24 January 2020. Performance information is also included.

4. Performance

- 4.1. As at 24 January 2020, 98% of 2019/2020 assignments have been started. The other key performance indicators reflecting quality, on time and within budget for the period to 31 December 2019 are summarised in Appendix One together with explanations. 100% of draft reports have been issued on time and 77% 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 1 November 2019 to 24 January 2020.
- 5.2. Members are asked to note findings.

6. Progress Against Strategy

- 6.1. 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.
- 6.2. Delivery of the strategy will be evidenced by completion of the 2019/2020 Plan and will be monitored through the performance indicators 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 significant implications in terms of climate change, sustainability and environmental issues associated with this report.

10. Other Implications

- 10.1. The main risks to the delivery of the Audit Plan are vacancies and team up-skilling requirements, unforeseen service demands and delays with client sign-off. These are mainly mitigated by coaching and training, regular meetings and escalation processes as well as inclusion of contingency time within the annual plan.

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

28 January 2020

Link(s) to Council Objectives/Values/Ambitions

- Achieve results through leadership, good governance and organisational effectiveness

Previous References

- ◆ Internal Audit Plan 2019/2020 – Risk and Audit Scrutiny Committee, 24 April 2019
- ◆ Internal Audit Activity as at 3 April 2019 - Risk and Audit Scrutiny Committee, 24 April 2019
- ◆ Internal Audit Activity as at 31 May 2019 - Risk and Audit Scrutiny Committee, 19 June 2019
- ◆ Internal Audit Activity as at 30 August 2019 – Risk and Audit Scrutiny Committee, 18 September 2019
- ◆ Internal Audit Activity as at 31 October 2019 – Risk and Audit Scrutiny Committee, 27 November 2019

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 December 2019

Appendix One

Indicator	Numbers	Percentage	Target	Comment
Assignments delivered within budget	24/31	77%	80%	All assignments over budget relate to older year audits closed in 2019/2020 where the complexity of audit was under-estimated at the time of planning.
Draft reports delivered within 6 weeks of file review	13/13	100%	80%	
2019/2020 Audit Plan completed to draft by 31 March 2020	11/52	21%	100%	98% 2019/2020 Audit Plan is in progress and plans are in place to deliver this programme of work by 31 March 2020.
Internal Audit recommendations delivered on time	69/72	96%	90%	
Client to agree findings and actions within 4 weeks of draft issue	12/12	100%	80%	

List of assignments completed 1 November 2019 to 24 January 2020 Appendix Two

Job no.	Assignment name	Draft Issue	Final Issue	Assurance Info
Prior Year Assignments				
I410062	Follow Up Medication Social Work	31/03/2019	06/11/2019	Adequate assurance with 10/11 actions implemented. For the one action on pod key holding not implemented, a further action was agreed. One additional action was agreed that all recommendations should be implemented across all care homes.
I672154	Award of Contract – Professional Services Framework	24/01/2019	08/11/2019	Adequate assurance around processes for the award of contract although there could be improvements in the process to tighten controls for contracts awarded from the Professional Services Framework and to enhance the management information available. Actions agreed to address issues identified with a commitment by the Service to mini-tender for all new awards.
I410059	Follow Up General Data Protection Regulations	31/03/2019	11/11/2019	The Information Governance Board (IGB) declared that the original audit action to present the results of the self-assessment to the IGB along with progress updates was complete by 27 September 2018. However, this does not mean that all relevant actions are complete as demonstrated from the progress updates subsequently provided to the Board. The IGB should

				continue in its current role and work with all Council Resources to ensure that the Council is fully compliant with all the requirements of General Data Protection Regulations. A further update on progress in relation to the actions is to be provided to Internal Audit in 2019/2020 and will be incorporated within the Internal Audit Annual Assurance report for this year.
I650139	Vehicle Telematics	31/03/2019	11/11/2019	Adequate level of assurance over controls in place to monitor Council vehicle misuse by employees. No evidence of misuse within the period under review, albeit the timescale for review was very limited due to the volume of vehicles, the level of detail within the telematics reports and the time available to complete the audit. Telematic reports for vehicles are reviewed by managers although the level of monitoring is varied across all Resources. To address this point, the Drivers' Safety Group will consider and agree on a consistent level of review and ensure that the Drivers' Handbook is updated to reflect the agreed process.
I670145	Freedom of Information Response	02/12/2019	02/12/2019	Respond to Freedom of Information request

Current Year – Other Output

I262087	General Ledger Data for 2018/2019	20/09/2019	20/09/2019	Provision of data extracts to External Audit.
I730046	Temporary Traffic Management Scrutiny	02/10/2019	02/10/2019	Participation in Council-wide contract

	2019/20			scrutiny groups throughout the year and provision of assurance surrounding the robustness of the process at each stage.
I670161	Response to External Audit Information Request	01/11/2019	01/11/2019	Response to specific procurement query from External Audit.
I222091	LEADER Grant Audit 2019/2020	25/10/2019	07/11/2019	Provision of LEADER audit certificate for the year to 15 October 2019.

Current Year – Assurance Reports				
I410068	Follow Up Oracle Accounts Payable	31/10/2019	08/11/2019	Good assurance with 2/2 high priority actions implemented.

2018/2019				
External Clients				
I916103	SEEMIS Ordering and Invoicing	22/08/2019	11/11/2019	Reported to SEEMIS
I934105	SEEMIS Change Management	22/08/2019	11/11/2019	Reported to SEEMIS
I938102	SEEMIS Admin/ Annual Report 2018/2019	31/10/2019	21/11/2019	Reported to SEEMIS