

Report

Report to:	Risk and Audit Scrutiny Committee
Date of Meeting:	9 December 2020
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Internal Audit Activity as at 20 November 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 20 November 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 September 2020 and reported on work completed in the period 30 May to 28 August 2020. This report covers all work completed in the period 29 August to 20 November 2020.

3.2. Standard performance management processes have been suspended since the start of 2020/2021 with individual tasks instead having specific target dates for completion, agreed at the outset and then used for monitoring purposes. In September 2020, Members were asked to note the temporary performance management arrangements that had been put in place and that standard performance indicators would be used to monitor delivery of the Audit Plan through until 31 March 2021.

3.3. Only a small number of assignments have been concluded in the period covered by this report, with the majority of the time spent delivering re-deployed tasks and concluding and reporting on audit work for external clients. It is intended to resume reporting of standard performance indicators to the Committee in March 2021.

4 Progress with Delivery of the 2020/2021 Audit Plan

4.1 57% of planned assignments were in progress as at 20 November 2020 and work plans are in place to conclude on these and the remainder of the assignments in the Plan by 31 March 2021. In conjunction with delivering allocated assignments, Internal Audit will continue to check and facilitate payment of COVID-19 support grants.

5. Findings

- 5.1. Appendix One lists all assignments completed in the period 29 August to 20 November 2020.
- 5.2. There were no significant audit assignments finalised for South Lanarkshire Council in this period and Members are asked to note findings.
- 5.3. Moving forward, the format for presenting findings within Internal Audit 'activity' reports to the Committee is being reviewed to ensure that this fully supports Member scrutiny. Future reports will set out 'key messages' for more completed assignments and add further detail on the context and nature of findings that are being reported. For relevant audit assignments, the activity report will also set out key areas of assurance that Members should consider alongside a summary of the extent to which highlighted risks are being managed and mitigated.

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 2020/2021 Plan and will be monitored through the performance indicators that are being reinstated for the remainder of the financial year.

7 Internal Audit Plan 2021/2022

- 7.1 Work will shortly commence to prepare the 2021/2022 Internal Audit Plan. Resources and External Audit will be consulted by the end of the calendar year to discuss ideas and suggestions for inclusion in the Plan. Suggestions are also being sought from members of this Committee. Ideas and suggestions should focus on specific risk areas where there are known control weaknesses.
- 7.2. Once the consultation process has been concluded, the comprehensive list of audit 'ideas' will be risk assessed and an audit plan presented to this Committee for approval that ensures adequate coverage across risk areas.

8. Employee Implications

- 8.1. There are no employee issues.

9. Financial Implications

- 9.1. A breakeven position 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 implications for climate change, sustainability or the environment in terms of the information contained within 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. 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 this Committee for approval.

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

24 November 2020

Link(s) to Council Objectives/Ambitions/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

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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Job no.	Assignment name	Draft Issue	Final Issue	Assurance Info
Prior Year Assignments				
I821026	Annual Assurance Report 2019/2020	19/05/2020	18/06/2020	Preparation and presentation of annual 2019/2020 report.
I613133	Mobile Working (Home care)	31/03/2019	31/03/2020	<p>Actions from the previous audit report undertaken on mobile devices have been delivered.</p> <p>IT and Home Care Services consider that the mobile working project has delivered, through cost avoidance, savings and service improvements which are being monitored by existing budget monitoring arrangements.</p> <p>Mobile working has been implemented but there is not sufficient evidence of monitoring undertaken by the Service to verify that benefits are being fully realised. However, the client has indicated that this should be addressed through the recent implementation of a project management team, specifically around the availability of robust Business Case documentation and the realisation of benefits. Given the likelihood that mobile working will be implemented across other Services it is important that these issues are addressed moving forward.</p>

Current Year – Other Output				
I350080	Annual Assurance Statement Peer Review	27/05/2020	18/06/2020	Review of Resource Directors' Statements of Assurance. Feedback provided to assist with preparation of the 2019/2020 Annual Governance Statement.
I810024	Audit Plan 2020/2021	31/03/2020	21/09/2020	Preparation and presentation of 2020/2021 Audit Plan.

Current Year – Assurance Reports				
I674184	Stolen TV Aerials	27/08/2020	27/08/2020	Investigation did not identify culprit. Seven recommendations made and agreed with Service to strengthen internal controls and mitigate against risk of further thefts.

External Clients				
I910122	SLLC Administration 2019/2020	31/03/2020	16/11/2020	Reported to SLLC
I916118	SLLC Fraud Alerts 2019/2020	31/03/2020	16/11/2020	Reported to SLLC
I924114	LVJB Follow up 2019/2020	14/05/2020	14/05/2020	Reported to LVJB
I928115	LVJB Annual Report, Planning/Administration 2019/2020	14/05/2020	14/05/2020	Reported to LVJB
I943131	IJB Ministerial Strategic Group Action Plan	22/05/2020	22/05/2020	Reported to IJB
I943132	IJB Governance Arrangements	22/05/2020	22/05/2020	Reported to IJB
I944129	IJB Formal Follow-up 2019/2020	22/05/2020	22/05/2020	Reported to IJB
I928143	LVJB 2019/2020 Annual Report	13/05/2020	01/06/2020	Reported to LVJB
I948127	IJB Annual Audit Report 2019/2020	22/05/2020	30/06/2020	Reported to IJB
I948157	IJB 2019/2020 Annual Report	11/06/2020	30/06/2020	Reported to IJB
I912139	SLLC CCM	16/06/2020	27/08/2020	Reported to SLLC
I923112	LVJB NDR Appeals 2019/2020	14/05/2020	02/09/2020	Reported to LVJB