

**To: Audit, Risk and Scrutiny Board**

**On: 26 August 2019**

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**Report by: Chief Auditor**

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**Heading: Summary of Internal Audit Reports for period 01 May to 30 June 2019**

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**1. Summary**

1.1 In line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Board. To comply with this requirement Internal Audit submits regular reports on the findings and conclusions of audit engagements to the Audit, Risk and Scrutiny Board.

1.2 Appendix 1 provides details those audit engagements completed during the period 01 May to 30 June 2019 with the overall assurance rating and the number of recommendations in each risk category. The committee summary for each report is also attached. For each audit assignment where recommendations have been made, the relevant managers have put action plans in place to address the issues raised.

1.3 In addition to the reports listed in the Appendix, Internal Audit has an ongoing commitment to:

- A range of corporate and service initiatives;
- Progressing of information security matters in partnership with ICT and Legal Services;
- The regular provision of advice to departmental officers;
- The provision of internal audit services to the associated bodies for which Renfrewshire Council is the lead authority and to Renfrewshire Leisure Ltd and Renfrewshire Health and Social Care Integrated Joint Board;

- Co-ordination of the Council's corporate risk management activity;
  - Management of the counter fraud team;
  - Management of the risk management and insurance team.
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## 2. **Recommendations**

- 2.1 Members are invited to consider and note the Summary of Audit Reports finalised during the period from 01 May to 30 June 2019.
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### **Implications of the Report**

1. **Financial** - None
2. **HR & Organisational Development** - None
3. **Community Planning – Safer and Stronger** - effective internal audit is an important element of good corporate governance.
4. **Legal** - None
5. **Property/Assets** - None
6. **Information Technology** - None
7. **Equality & Human Rights** – None
8. **Health & Safety** – None
9. **Procurement** - None
10. **Risk** - The summary reported relates to the delivery of the risk-based internal audit plan.
11. **Privacy Impact** – None
12. **COSLA Implications** – None
13. **Climate Risk** - None

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# Appendix 1

## Renfrewshire Council

### Internal Audit Service

#### Update for Audit, Risk and Scrutiny Board

Final Audit Reports issued from 01 May – 30 June 2019

Category	Service	Engagement	Assurance Rating	Recommendation Ratings			
				Critical	Important	Good Practice	Service Improvement
Assurance	Adult Services	Home Care – Contract Management	Substantial	0	0	2	0
	Childrens' Services	Award of Grants	Reasonable	0	0	3	0
	Finance & Resources	Payment of Members Expenses & Allowances	Reasonable	0	1	2	0
Governance	Corporate	GDPR and the Data Protection Act 2018	Substantial	0	0	2	3

Note 1 – No assurance rating can be given in respect of investigation assignments

Assurance Level	
Substantial Assurance	<ul style="list-style-type: none"> <li>There is a sound system of internal control designed to achieve the objectives of the area being reviewed.</li> <li>The control processes tested are being consistently applied.</li> </ul>
Reasonable Assurance	<ul style="list-style-type: none"> <li>The internal control processes are generally satisfactory with some areas of weakness being identified that could put some objectives of the area being reviewed at risk</li> <li>There is evidence that the level of non-compliance with some of the control processes may put some of the objectives of the area being reviewed at risk.</li> </ul>

Limited Assurance	<ul style="list-style-type: none"> <li>Weaknesses in the system of internal controls are such as to put the objectives of the area being reviewed at risk.</li> <li>The level of non-compliance puts the objectives of the area being reviewed at risk.</li> </ul>
No Assurance	<ul style="list-style-type: none"> <li>Control processes are generally weak with significant risk to the achievement of the objectives of the area being reviewed.</li> <li>Significant non-compliance with control processes leaves the processes/systems open to error or abuse.</li> </ul>

Recommendation Rating	
Service Improvement	Implementation will improve the efficiency / housekeeping of the area under review.
Good Practice	Implementation will contribute to the general effectiveness of control.
Important	Implementation will raise the level of assurance provided by the control system to acceptable levels.
Critical	Addresses a significant risk, impacting on the objectives of the area under review.

## Internal Audit Report HSCP

### Home Care - Contract Management (A0099/2019/001)

Date: June 2019

#### COMMITTEE SUMMARY

##### **Audit Objectives**

The objectives of the audit were to ensure that:

1. There are documented procedures in place to ensure the consistency of monitoring arrangements within Adult Services and the Corporate Procurement Unit (CPU) for the provision of independent care at home providers.
2. The arrangements in place are sufficient to monitor the quality of care and contract requirements of care at home services.
3. There are adequate arrangements in place to record issues as they arise with an appropriate mechanism in place to satisfactorily resolve any issues with the relevant party in line with documented procedures.

##### **Audit Scope**

1. Through discussion with relevant officers from Adult Services and CPU, ascertained the procedures in place for contract monitoring of care at home services.
2. Obtained documented procedures in relation to contract monitoring and assessed these for adequacy.
3. Prepared a series of tests to enable sample testing of compliance with the arrangements in place.

##### **Key Audit Assurances**

1. There are documented procedures in place to ensure the consistency of monitoring arrangements within Adult Services and the Corporate Procurement Unit (CPU) for the provision of independent care at home providers.
2. The arrangements in place are sufficient to monitor the quality of care and contract requirements of care at home services.
3. There are adequate arrangements in place to record issues as they arise with an appropriate mechanism in place to satisfactorily resolve any issues with the relevant party in line with documented procedures.

##### **Key Risks**

There were no key risks identified during the audit.

## Internal Audit Report HSCP

### Home Care - Contract Management (A0099/2019/001)

**Date: June 2019**

#### **Overall Audit Opinion**

The audit review provided substantial assurance that care at home services provided by contractors are being adequately monitored by CPU and Adult Services.

However, we have made recommendations in relation to the awareness of procedural documentation and the administration of the service aim of a two-year rolling programme for the quality assessment of providers be maintained.

#### **Management Commentary**

Management have commenced a review of the end to end processes. Guidance will be updated to reflect the findings of the review and will be circulated to all relevant staff. This will address the good practice recommendation made in the internal audit report.

**Internal Audit Report**  
**Children's Services**  
**Administration of Grants – Award of Grants (A0030/2019/001)**  
**Date: May 2019**

**COMMITTEE SUMMARY**

**Audit Objectives**

The objectives of the audit were to ensure that:

1. There is an adequate process in place for the administration of grant funding across Children's Services;
2. The roles and responsibilities of officers involved in the administration of grant funding are explicitly set out and officers are aware of these;
3. The procedures in place for ensuring post application checks undertaken prior to submission to Board are appropriate;
4. Appropriate criteria for the award of grants has been established;
5. Applications have met the required criteria and any awards or refusals have been within the criteria;
6. Awards are subject to sufficient monitoring in line with the grant conditions; and
7. Arrangements are in place to ensure any unspent grant monies have been returned

**Audit Scope**

1. Interviewed the appropriate staff, evaluated the system in place for administration of grant awards and identified any possible improvements to the system.
2. Prepared a series of tests to ensure the Grant Award process is operating effectively and as described.

**Key Audit Assurances**

1. The roles and responsibilities of officers involved in the administration of grant funding are explicitly set out and officers are aware of these;
2. The procedures in place for ensuring post application checks undertaken prior to submission to Board are appropriate;
3. Appropriate criteria for the award of grants has been established;
4. Applications have met the required criteria and any awards or refusals have been within the criteria.

**Key Risks**

If evidence of checks is not retained there may be insufficient documentation in the event of any dispute.

**Overall Audit Opinion**

The audit has identified that reasonable arrangements were in place for the award of grants in Children's Services during the financial year 2018/19. Recommendations were made to strengthen the evidencing of the checks made.

Internal Audit Report  
Children's Services  
Administration of Grants – Award of Grants (A0030/2019/001)  
**Date: May 2019**

Management Commentary
A checklist to record all checks carried out on grant applications will be re-introduced to evidence that the required checks have been undertaken.



# Internal Audit Report

## Finance & Resources



### Members Allowances and Expenses (A0081/2019/001)

Date: June 2019

#### **COMMITTEE SUMMARY**

##### **Audit Objectives**

The objectives of the review were to ensure that:

1. The provisions of the guidelines as they relate to members' allowances and expenses have been properly implemented.
2. Members' expense claims have been fully completed and authorised in accordance with the guidelines, and contain sufficient detail to support the amounts claimed.
3. An adequate checking process has been established to ensure correct payments are made.

##### **Audit Scope**

1. Obtained a copy of the document - 'Guidance on Members' Salaries, Allowances and Expenses'
2. Selected a sample of members' expense claims in 2017/18 and 2018/19 and tested for compliance with the most recent guidance.
3. Tested members' claim forms to ensure that they contained sufficient detail to support the amounts claimed.
4. Tested the checking and authorisation process in operation for adequacy.

##### **Key Audit Assurances**

1. The provisions of the payment scheme as it relates to members' expenses have been properly implemented for the expense claims tested.
2. Expense claims tested were fully completed and sufficiently detailed to support the amounts claimed.
3. An adequate checking process has been established to ensure correct payments are made.

##### **Key Risks**

The changeover from E5 to Business World has raised an issue with respect to the retention of, and access to, backup of claims which could pose problems for future audits and adherence to statutory retention guidelines.

##### **Overall Audit Opinion**

The recent changeover from E5 to Business World has raised an issue with respect to the retention of, and access to claim backup information. However, Treasury have provided assurances to Internal Audit that these issues are being addressed and we have made a recommendation in this regard.

The audit identified that the controls in place to ensure that the provisions of the payment scheme as it relates to members' expenses and allowances are properly implemented. There is also an adequate checking process established to ensure correct payments are

# Internal Audit Report

## Finance & Resources



### Members Allowances and Expenses (A0081/2019/001)

**Date: June 2019**

made and there are satisfactory controls in place to ensure that members' expense claims contain sufficient detail to support the amounts claimed.

The auditor has made a provision of reasonable assurance in relation to the area under review.

#### **Management Commentary**

Management have now implemented a process which enables claim back up information to be reviewed following authorisation.

# Internal Audit Report

## Corporate

### GDPR and the Data Protection Act 2018 (B0010/2019/001)

Date: May 2019

#### COMMITTEE SUMMARY

##### **Audit Objectives**

The objectives of the review are to ensure that:

1. Data protection governance, structures, policies and procedures are adequate to ensure compliance with data protection legislation;
2. Data registers are in place which record the information required by Article 30 of the GDPR;
3. Documented, accurate and up to date records are kept of data sharing and data processing agreements;
4. Arrangements are in place to ensure that Data Privacy Impact Assessments are undertaken when required;
5. Arrangements are in place to provide training on GDPR to relevant employees.

##### **Audit Scope**

1. Interviewed the appropriate staff to ascertain the processes and controls in place for the above objectives and assess for adequacy.
2. Prepared and undertook a series of tests to confirm the adequacy of the controls identified.

##### **Key Audit Assurances**

1. Data protection governance, structures, policies and procedures are adequate to comply with data protection legislation;
2. The Information Asset Register (IAR) meets the GDPR requirements of a Data Register.
3. The Information Governance Team maintain a database of data sharing/processing agreements
4. Arrangements are in place to provide training on GDPR to relevant employees.

##### **Key Risks**

There were no key risks identified as part of this audit.

##### **Overall Audit Opinion**

The audit has identified that satisfactory arrangements are in place to comply with the General Data Protection Regulation 2018. Recommendations have been made to ensure that the requirement to carry out Data Privacy Impact Assessments (DPIA's) is documented in Project Management guidance and that the system used to record DPIA's is updated to include references to relevant legislation and record the approval of each DPIA.

## Internal Audit Report

### Corporate

## GDPR and the Data Protection Act 2018 (B0010/2019/001)

**Date: May 2019**

Management Commentary
Management devised a temporary solution to enable them to update legislative references and evidence that DPIAs had been appropriately approved. A long term Sharepoint solution to enable DPIAs to be appropriately recorded and retained has been progressed with ICT. This is currently subject to testing by the Information Governance Team prior to sign off. Arrangements have been made to document the need for DPIAs in Project Management documentation.