

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

**On: 14 November 2022**

---

**Report by: Chief Auditor**

---

**Heading: Summary of Internal Audit Reports for period 01 July to 30 September 2022**

---

**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 1 July to 30 September 2022 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.
- 

## 2. **Recommendations**

- 2.1 Members are invited to consider and note the Summary of Internal Audit Reports finalised during the period from 1 July to 30 September 2022.
- 

### **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

---

**Author:** Karen Campbell – 07768354651

## Appendix 1

### Renfrewshire Council

### Internal Audit Service

### Update for Audit, Risk and Scrutiny Board

### Final Audit Reports issued from 1 July – 30 September 2022

Category	Service	Engagement	Assurance Rating	Recommendation Ratings			
				Critical	Important	Good Practice	Service Improvement
Assurance	Finance & Resources	Creditors	Reasonable	0	2	1	0
		Council Tax Collection	Substantial	0	0	3	0

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> </ul>

	<p>reviewed.</p> <ul style="list-style-type: none"> <li>• Significant non-compliance with control processes leaves the processes/systems open to error or abuse.</li> </ul>
--	---

<b>Recommendation Rating</b>	
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

## Finance & Resources

### Creditors (A0083/2021/001)

Date: September 2022

#### COMMITTEE SUMMARY

##### **Audit Objectives**

The objectives of the audit were to ensure that: -

1. There were documented procedures for the creation of new creditors;
2. There were adequate controls to ensure that only valid creditors are created;
3. There was adequate segregation of duties in relation to the creation of new creditors.

##### **Audit Scope**

The following work was carried out:

1. Identified the main payment systems from discussion with the creditors team;
2. Interviewed the relevant system owners to ascertain the procedures in place for adding a new creditor and evaluated these for adequacy;
3. Selected a sample of new creditors and confirmed that the procedures had been complied with in relation to each system.

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

1. There were documented procedures in place for four of the five systems tested.
2. A segregation of duties for the creation of new suppliers and their subsequent payment was found to be in place for three of the five systems tested.

##### **Key Audit Risks**

1. There was no segregation of duties in place for the creation of new suppliers and their subsequent payment on one of the systems tested, although this subsidiary system does not contain any bank account details. It should be noted that this system has now been replaced.
2. Superuser access alongside operational access for one of the systems has the potential to create a lack of segregation of duties. Management have accepted that this risk is mitigated as far as possible with the superuser not undertaking those operational tasks.

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

The controls in place over the five procurement systems tested are generally satisfactory. The auditor has made a provision of reasonable assurance for the areas tested.

Internal Audit Report  
Finance & Resources  
Creditors (A0083/2021/001)

**Date: September 2022**

Management Commentary
N/A as management have mitigated the risk identified as far as possible.

## Internal Audit Report Finance & Resources

### Council Tax Collection (A0067/2022/001)

Date: July 2022

#### COMMITTEE SUMMARY

##### **Audit Objectives**

The objectives of the audit were to ensure that: -

1. Policies and procedures are available to staff, and are regularly updated in line with changes to regulations;
2. Payments received are promptly processed and correctly posted to taxpayers' accounts;
3. Rejected payments are identified and actioned promptly;
4. Write offs and cancellations are properly controlled;
5. Credit balances are regularly reviewed and refunds are properly authorised;
6. Arrears follow up procedures are adequate;
7. Key Performance Indicators (KPIs) are in place to monitor collection performance and are reviewed regularly

##### **Audit Scope**

The following work was carried out:

1. Interviewed the appropriate staff and ascertained the processes in place for council tax collection.
2. Prepared and undertook a series of tests to evaluate the operation of procedures in practice.

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

1. One Best Way policies and procedures are available to staff and are updated when required.
2. The sample of payments received tested were promptly processed and correctly posted to taxpayers' accounts.
3. Arrears follow up procedures are adequate.
4. KPIs in place to monitor collection performance are reviewed regularly and appropriately reported.

##### **Key Audit Risks**

1. There were no key risks identified during the audit.

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

The audit has identified that satisfactory arrangements are in place for administering council tax payments received and following up arrears. Payments received were correctly and promptly posted to taxpayers' accounts. KPI's were regularly reviewed and appropriately reported. We have made some recommendations in relation to refunds, write offs and credit balances processes.

Internal Audit Report  
Finance & Resources  
Council Tax Collection (A0067/2022/001)

**Date: July 2022**

<b>Management Commentary</b>
N/A as no key risks identified.