

To: Audit, Risk and Scrutiny Board

On: 29 May 2018

Report by: Chief Auditor

Heading: Summary of Outstanding Internal Audit Recommendations

1. Summary

- 1.1 In March 2017, our external quality assessment, undertaken as part of a peer review process, by West Lothian Council's Audit, Risk and Counter Fraud Manager, identified that there was scope to improve the information provided to the Board in relation to follow up work to ensure internal Audit recommendations have been implemented. The recommendation was reiterated in Audit Scotland's annual review.
 - 1.2 The Chief Auditor undertook to review the arrangements for reporting on follow up work to the Board by March 2018.
 - 1.3 On 18 March 2018, the Chief Auditor presented a report to the Board stating that it was her opinion that that there was an opportunity to enhance the escalation procedures for cases where agreed actions have not been effectively implemented by the date agreed. One of the recommendations was that details of outstanding critical recommendations will be provided to the Board.
 - 1.4 This report therefore provides the updated position of those critical recommendations that have been followed up and have not yet been fully implemented by service management.
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2. Recommendations

- 2.1 Members are invited to note the position with regard to these outstanding recommendations.

3. Background

3.1 Internal Audit undertake an annual exercise to ensure that recommendations arising from internal audit engagements have been implemented by service management. The results of this exercise have been reported to service management on conclusion of the exercise and also to this Board as part of the Chief Auditor's Annual Report. All critical recommendations which have been made and have reached their due date for implementation by the date of commencement of this exercise are included in this follow up exercise and services are asked to provide evidence to demonstrate that each of these recommendations have been implemented.

3.2 The table below shows the total and status of all critical recommendations which were followed up during this exercise across Council services. 40 of these have been implemented satisfactorily.

Service	No of Critical Recommendations				
	Followed Up	Completed	Part completed	On Hold	Redundant /superseded
Adult Services	0	0	0	0	0
Chief Executives	4	3	0	0	1
Environment & Communities	18	16	2	0	0
Development & Housing	2	2	0	0	0
Childrens' Services	13	12	0	0	1
Finance & Resources	12	7	3 note 1	2 note 2	0
	49	40	5	2	2

Note 1 – Since completion of the follow up exercise we have been advised that 2 of these recommendations are now complete.

Note 2 - These recommendations are on hold until the new Business World system is implemented, they specifically relate to:

a. Full completion of an exercise to update the authorised signatory database. This is substantially complete but will be superseded with the introduction of Business world.

b. Setting a maximum time for suppression of debt recovery action again it is anticipated that this will be superseded with the introduction of Business World.

3.3 Those which have not yet been implemented or are in the process of being implemented are detailed in Appendix 1, along with the latest response received from Service Management.

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** – Non implementation of critical audit recommendations results in internal control weaknesses not being addressed
11. **Privacy Impact** – None
12. **COSLA Implications** - None

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Appendix 1

Renfrewshire Council

Internal Audit Service

Update for Audit, Risk and Scrutiny Board

Progress of Critical Recommendations not implemented by their due date.

Service	Assignment	Recommendation	Original Due By Date	Status	Management Response at Follow Up Exercise	Revised Date
Environment & Communities	C0093/2016/009 - Fleet Vehicle Investigation	Management should remind all drivers to use their Masternaut key and only use the key that has been allocated specifically to them.	01/07/17	Partially Complete	Transport services are in process of issuing Masternaut fobs to service users. Transport have set up alert to email managers and supervisors on a daily basis with details on the previous days failure to use the allocated fob This will be completed by the end of October.	31/10/17
	C0143/2016/014 - Pre-5 Establishment Investigation	Management within Community Resources should confirm to Internal Audit the revised process relating to meals income to ensure that where prepared meals are transferred off site for sale at other units, all expected income is appropriately accounted for.	06/03/17	Partially Complete	Nursery and Pre-5 centres have been recording meals taken and meal income on a daily basis and providing monthly information to FM Soft Services. Work ongoing to reconcile this with export CDCH3 info	31/03/18

Service	Assignment	Recommendation	Original Due By Date	Status	Management Response at Follow Up Exercise	Revised Date
					<p>provided by school issuing pre-5 centre with meals.</p> <p>The early years expansion plan to provide free meals in Nurseries will result in no cash income being received in Nurseries.</p>	
Finance & Resources	C0143/2014/014 - Pre-Five Centre Investigation	Monthly reconciliations of all of the Independent Fund bank and cash balances must be carried out by the person maintaining the cash book. These should be checked and signed by an independent person not involved in the administration of the Fund.	31/01/17	Partially Complete	<p>The Senior Service Delivery Officer is in process of implementing Operational Practice Instructions relating to cash handling. These will provide practice instructions to assist with standardising process and ensure compliance to audit requirements. Staff training and development will be part of the Team Leader's responsibility.</p> <p>The Service Delivery Officer confirmed that she has given paper copies of cash handling procedures to the centre staff.</p> <p>As part of the</p>	31/03/18

Service	Assignment	Recommendation	Original Due By Date	Status	Management Response at Follow Up Exercise	Revised Date
					<p>investigation, the Pre 5 bank account was closed down. Paperwork that was removed from the establishment and has only recently been returned. The new Head of Centre is in the process of opening a new bank account, this has been delayed due to staff changes.</p>	