![Renfrewshire Council logo]

To: Audit, Risk and Scrutiny Board

On: 28 May 2019

Report by: Chief Auditor

Heading: **Summary of Outstanding Internal Audit Recommendations**

1. **Summary**

1.1 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.

1.2 This report therefore provides the updated position of those critical recommendations that have been followed up during 2018/19 and have not yet been fully implemented by service management.

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. 38 of these have been implemented satisfactorily and a further 3 recommendations have been closed off as the recommendation is no longer relevant.

Service	No of Critical Recommendations				
	Followed Up	Completed	Part completed	Not Yet Implemented	Redundant /superseded
Adult Services	0	0	0	0	0
Chief Executives	1	0	0	1	0
Environment & Infrastructure	25	23	0	0	2 (Note1)
Communities, Housing & Planning	2	2	0	0	0
Childrens' Services	0	0	0	0	0
Finance & Resources	16	13	2	0	1 (Note 2)
	44	38	2	1	3

Note 1 – These recommendations are no longer relevant as there has been a change in working practice
Note 2 – The ICT system this recommendation related to in no longer in operation.

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

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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** – 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

Service	Assignment	Recommendation	Original Due Date	Status	Management Response at Follow Up Exercise	Revised Date
Chief Executives/Environment & Infrastructure	CR - Investigation - Roads Contracts	All managers (across all services) with responsibilities for procurement should be identified and provided with sufficient training to ensure that they are able to carry out their roles in line with the relevant Council policies and procedures. This will ensure that there is no dubiety over the practices to be followed.	31/12/17	Not Yet Implemented	Strategic procurement Manager and Head of Operations & Infrastructure will set up a training session for the managers in his service which will be based on the procurement module provided in the Leaders of the Future course. This to be delivered by no later than the end of this year (2019).	31/03/19
Finance & Resources	Disaster Recovery Planning	Management should ensure progress of a testing programme followed by adequate testing of the ICT disaster recovery management and business continuity plans as previously recommended. This will ensure that appropriate measures are being taken to reduce the risk of recovery strategies not working as expected in the event of a disaster where regular	May 2014	Partially Complete	DR solutions are currently in place for a subset of systems hosted on virtual servers, critical systems hosted on physical servers (Solaris environment), and Internet connectivity circuits. Solutions are still being developed for other key ICT infrastructure network components such as	31/12/19

Service	Assignment	Recommendation	Original Due Date	Status	Management Response at Follow Up Exercise	Revised Date
		testing has not been carried out.			PSN connectivity. These DR solutions are provisioned across our Partner's two Data Centres. A test failover on the virtual environment has been successfully completed for a specific system (Information @ Work server). Internet connectivity DR solutions have been tested and failover circuits are actively used on an operational basis. Test failovers are still to be designed and implemented for the physical server environment and other key network components. DR/failover config is being documented as systems are migrated to our ICT Partner throughout 2019. A scheduled test process (failover and failback) needs to be documented for systems reliant on the virtual and physical server environment, including user testing.	
Finance & Resources	Payroll - Salary Sacrifice	Internal Audit seek assurance that the balance on the suspense account will	30/06/18	Partially	The suspense account was fully investigated in relation to	30/06/19

Service	Assignment	Recommendation	Original Due Date	Status	Management Response at Follow Up Exercise	Revised Date
	Schemes	be fully investigated and cleared. The appropriate recoveries should be made from either the childcare voucher provider if the vouchers are unused or the individual if the vouchers have been used. Recoveries should be correctly coded to the childcare voucher suspense account in order to reduce the balance		Complete	child care voucher balances during 2018. A regular review of the suspense account involving Payroll and Finance staff is now in place to monitor and reconcile any discrepancies. Discussions are ongoing between Finance, HR and Payroll in relation to any overpayments identified, and invoices will raised to recover balances due, where applicable.	