

To: Audit, Risk and Scrutiny Board

On: 28 August 2017

Report by: Chief Auditor

Heading: Summary of Internal Audit Reports for period to June 2017

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 16 May to 30 June 2017 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 Findings reported during the period from 16 May to 30 June 2017.
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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

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Appendix 1

Renfrewshire Council

Internal Audit Service

Update for Audit, Risk and Scrutiny Board

Final Audit Reports issued from 16 May – 30 June 2017

Category	Service	Engagement	Assurance Rating	Recommendation Risk Ratings			
				Critical	Important	Good Practice	Service Improvement
Assurance	Children's Services	Examination and Assessment Procedures	Substantial	0	0	1	0
Assurance	Community Resources	Catering Income Checks	Limited	2	8	6	2
Grant Certification	Community Resources	SPTE grants	Not Applicable (note1)	N/A	N/A	N/A	N/A

(note1) – There is no committee summary for grant certification work.

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

Recommendation Risk 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

Children's Services

Examination and Assessment Procedures (A0109/2016/001)

A0109/2016/001

Date: May 2017

COMMITTEE SUMMARY

Audit Objectives

The objectives of the audit were to ensure that:

1. Adequate arrangements are in place to demonstrate that the key controls relating to candidate assessment, as set out in the Renfrewshire SQA process manual are being complied with;
2. SQA Co-ordinators demonstrate that they fully understand their role in the process.

Audit Scope

1. Identified the key controls from the operational guidance checklist and prepared a series of questions for discussion with Co-ordinators.
2. Selected a sample of 2 schools and discussed the actual arrangements in place to demonstrate compliance with the key controls.
3. Reviewed and assessed the evidence to support compliance.

Key Audit Assurances

1. For the sample of schools visited, there are adequate arrangements in place to demonstrate that the key controls relating to candidate assessment, as set out in the Renfrewshire SQA process manual are being complied with.
2. The SQA Co-ordinators we met with demonstrated that they fully understood their role in the SQA process.

Key Risks

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

Overall Audit Opinion

The audit has provided substantial assurance that key controls relating to candidate assessment are in place in the 2 schools visited and that the relevant SQA Co-ordinators understand their role in the SQA process.

Internal Audit Report

Community Resources

Catering Income Checks (A0023/2016/001)

A0023/2016/001

Date: June 2017

COMMITTEE SUMMARY

Audit Objectives

To ensure that schools are following the established guidance for recording and checking catering income.

Audit Scope

1. Obtained the most recent guidance issued to schools for recording catering income.
2. Prepared a checklist of expected controls
3. Selected 4 schools to visit and assess compliance.

Key Audit Assurances

1. No key assurances can be given at this time.

Key Risks

1. The risk of loss and error is increased due to the current practices of;
 - monies collected not being locked away at some schools during the working day and
 - banking of catering monies being prepared by one person.

Overall Audit Opinion

The audit review provided limited assurance over arrangements in place for recording and checking of catering income. Recommendations have been made in relation to security of cash, segregation of duties when preparing monies for banking, record keeping and updating Catering Procedures. Once implemented these should increase the control environment to a satisfactory level in accordance with laid down procedures.