Renfrewshire Council

Item 4

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

On: **16 February 2015**

Report by: **Chief Auditor**

Heading: **Summary of Internal Audit Findings for Quarter to end of December 2014**

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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, Scrutiny and Petitions Board.

1.2 Appendix 1 attached to this report provides a summary of internal audit findings in relation to final reports issued for those engagements completed during the period 1 October – 31 December 2014.

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;
- Co-ordination of the Council's corporate risk management activity;
- Management of the benefit investigation team;
- Management of the insurance team.

2. **Recommendations**

2.1 Members are invited to consider and note the Summary of Audit Findings reported during the quarter from 1 October to 31 December 2014.

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**
   (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

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

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Appendix 1

Renfrewshire Council

Internal Audit Service

Quarterly Update for Audit, Scrutiny and Petitions Board

Final Audit Reports issued from 1 October – 31 December 2014

Category	Service	Audit Title	Main Issues	Rec's agreed
Best Value	Community Resources	Winter Maintenance	• Internal Audit undertook a review of the Council's Winter Maintenance planning arrangements during 2013/14 to assess their adequacy and effectiveness. The merger of the Roads and Transportation Service with Environmental Services provided an opportunity to streamline winter maintenance processes within a single service. • It was concluded that adequate and effective arrangements were in place with respect to the Council's Winter Maintenance Plan. Key policies, procedures and planning documents were found to be in line with best practice including the Code of Practice for Highway Maintenance Management. Assets and materials required are regularly monitored to ensure they are utilised efficiently. • It was recommended that management explore further opportunities to streamline processes including monitoring the level of overtime paid to those staff involved.	Yes

Contract Audit	Corporate	Investment Programmes – Johnstone Town Hall	• This review concentrated on the pre contract arrangements in place for the Johnstone Town Hall replacement project. This project was to be delivered through a public private Joint Venture development organisation. The review therefore focussed on ensuring there was appropriate visibility of the processes undertaken by the development organisation and that there was adequate arrangements in place to assess the competency and viability of the main contractor and the insurance arrangements in place. • No key risks were identified and it was considered that there was appropriate involvement and oversight of the processes of the development organisation by Council Officers and that adequate control is still retained by the Council.	N/A
ICT Audit	Education & Leisure Services	SEEMIS – Education Management Information System	• A security and control application review of the SEEMIS system was undertaken. This system is used to process data associated with education services relating to pupils, teachers and finance. • It should be noted that the audit scope was severely limited due to the lack of information which we could acquire from the Software supplier and that the Council is only responsible for fulfilling some system administration tasks. • A number of weaknesses were identified, including that there was no regular programme in place to maintain or monitor user access, password security and audit trail or test backups undertaken. Management were also asked to review some of the data security arrangements contained within the Service Level Agreement with the Software supplier. • Management agreed to implement the recommendations by ensuring the appropriate staff have the necessary skill set to carry out the system administrator functions required with the	Yes

			Council and also by meeting with the software supplier to ensure the required information is received by the Council	
System Audits	Social Work	Child Protection	• A review was undertaken of the progress and compliance of the actions, for which the Council is the lead agency, arising from the multi agency Action Plan prepared by the Renfrewshire Child Protection Committee. • This review found that Social Work Officers have strived to improve their processes and to build upon the recommendations outlined in the multi-agency action plan. An issue in relation to the scanning of documentation into the social work system was identified and management agreed to review the process to see if any amendments were required in this regard.	Yes
	Finance and Corporate Services	Licensing - Landlord Registration	• The audit review identified that satisfactory arrangements are in place to process private landlord registrations to comply with Scottish Government guidance and to take appropriate actions where concerns are raised regarding landlord practices • Management agreed to implement the auditor's recommendations made which were in relation to improving the arrangements for updating the Review List, setting timescales for processing applications/referrals and reconciling income.	Yes
Regularity Audits	Development & Housing	LEADER Funding – Grant Certification	• LEADER grant is funding that is made available to groups within Renfrewshire for the purpose of rural development. A Service Level Agreement exists with the Scottish Government Rural Payments and Inspections Directorate and the Council. Internal Audit is required to provide an annual audit compliance report by 31 October.	Yes

			• The auditor noted that the systems in place to evaluate LEADER grant applications and verify interim claim amounts were found to be operating satisfactorily. Recommendations were made to enhance the arrangements in place for recording project targets, outcomes and outputs, evidencing supervisory checks and authorising internal council departmental grant payments.	