
To: Audit, Scrutiny and Petitions Board

On: 30 November 2015

Report by: Chief Auditor

Heading: Summary of Internal Audit Findings for Quarter to end of September 2015

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 July – 30 September 2015.
- 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 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 Audit Findings reported during the quarter from 1 July to 30 September 2015.
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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**
 - (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 July – 30 September 2015

Category	Service	Audit Title	Main Issues	Rec's agreed
Systems Audits	Finance and Resources	Payroll – Service Controls	- A review was undertaken on the accuracy of the payments made to supply teachers. The review also covered the implementation of the revised pay and condition for teachers which changed the number of days designated as annual contracted .This change has no affect on most teachers but does affect new starts, leavers, teachers on maternity or long term sick leave. - In relation to the payment of supply teachers, the processes in place were satisfactory and payments are generally being correctly made. - Teachers on maternity leave and on long term sickness continue to have their pay calculated on the previous basis. The difficulties in implementing such revisions to teachers pay and conditions has been recognised nationally and work is on-going to find a national solution to ensure consistency between authorities	Yes

		Procurement – Supplier Management	- A review was undertaken of the Supplier Relationship Management which is the system used by the Corporate Procurement Unit, to manage the Council's interactions with organisations that supply the goods, works and services which it uses. - Although there is a formalised supplier management documented strategy in place, it was found that this was not always complied with. Therefore, recommendations were made, which management agreed to implement, in respect of compliance with procedural guidance and completion and retention of relevant documentation to address identified weaknesses in the process.	Yes
	Community Resources	Vehicle Maintenance	- A review was undertaken on the vehicle maintenance service which perform Ministry of Transport (MOT) tests, inspections of council vehicles in line with timescales agreed with the Driver Vehicle Service Agency (DVSA); and also taxi inspections as part of the process of issuing and renewing taxi licences. This review was to ensure that inspections and MOTs were scheduled and undertaken within the required timescales. - The audit recommended that some improvements were made to the systems in operation so that inspections and MOT tests on council vehicles were carried out within required timescales and that income received from charges for taxi inspections and external MOT's was regularly reconciled to the numbers of tests carried out.	Yes
Performance Audit	All Services	Performance Indicators	Internal Audit are responsible for checking the accuracy of a sample of Performance Indicators (PI's) from the Council Plan Scorecard plus. A sample of 4 indicators was selected for testing.	Yes

			Although no key risks were identified during the review and the performance indicators were reported accurately, it was found that some of the guidance manuals required to be updated.	
Investigations	Finance and Resources	Alleged Information Security Breach	- Internal Audit was notified that it was suspected that commercially sensitive information had been passed by a named Council employee, who was due to leave the Council's employment to a named individual working for another organisation. - It was the Auditor's opinion that the allegation against the named employee has been substantiated. - The employee left the Council, prior to disciplinary procedures being concluded.	Yes
		Alleged Breach of Friends and Family Policy	- Internal Audit was notified that a named employee was suspected of breaching the Council's friends and family policy, by taking and processing a call relating to a crisis grant application from his alleged partner. - The investigation concluded that it was extremely unlikely the employee taking the call would not have suspected or known that he was speaking to his former partner and that there had been a breach of the Council's friends and family policy. The employee was dismissed.	