![Renfrewshire Council logo]

To: Audit, Risk and Scrutiny Board

On: 13 June 2022

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Report by: Chief Auditor

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Heading: Summary of Outstanding Internal Audit Recommendations

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1.   **Summary**

1.1   On 18 March 2018, the Chief Auditor presented a report to the Board stating that there was an opportunity to enhance the escalation procedures for audit recommendations 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 2021/22 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.

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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. 19 of these have been implemented satisfactorily.

Service	No of Critical Recommendations				
	Followed Up	Completed	Part completed	Not Yet Implemented	Redundant /superseded
Children's Services	1	1	0	0	0
Environment & Infrastructure	10	10	0	0	0
Adult Services	2	2	0	0	0
Finance & Resources	9	6	3	0	0
	22	19	3	0	0

3.3   The outstanding recommendations within Finance and Resources were part complete at the time of the exercise and revised implementation dates have been provided. These recommendations are detailed in Appendix 1, along with the latest response received from Service Management. These will be followed up again by Internal Audit during 2022/23.

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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
Finance & Resources	Health & Safety	A review of the arrangements for monitoring and reporting on performance should be included within the overall review of governance. Specifically, the arrangements for service and corporate reporting to Boards, oversight of service reporting by the CHST and the development of KPIs.	31/03/18	Part Complete	The KPIs for the H&S team will be revised and agreed with the director (the original KPIs were included as part of the health and wellbeing strategy 2019 – 2022, however the pandemic has really changed our priorities). Due to the ongoing support of the Council's recovery plan, work has been delayed, however the intention is to have them agreed with the director and commencing by 1 April 2022.	01/04/2022
	Software Licensing	a) Performance and Asset Management should liaise with the necessary teams involved in the software management life cycle so that clearly defined processes can be established and where relevant the addition, amendment or removal of software is adequately communicated	31/12/18	Part Complete	The corporate software license management continues to be in a business-as-usual position. It is a fluid environment therefore the monthly reports continue to report our compliance and non-compliance positions which we work closely with services to resolve.	31/12/2021

Service	Assignment	Recommendation	Original Due Date	Status	Management Response at Follow Up Exercise	Revised Date
		to the teams responsible for managing software. Once processes have been defined and agreed, clearly documented procedures should be drafted outlining the governance arrangements in place, e.g. the roles and responsibilities of each party, the channels of communication, monitoring processes etc. b) Whilst documenting the procedures, management should consider its policy on the use of cloud-based applications to reduce the likelihood of shadow IT.			For Education we are working with the BRM team who regularly liaise with Education to agree a BAU process in line with our corporate model in order to achieve software compliance across the service.	
	Building Services Processes	Finance management should ensure that roles, responsibilities and accountabilities are reviewed and clearly communicated to the employees involved. Roles and responsibilities need to be established that prevent conflicts of interest arising between responsibility for operational performance and financial monitoring and oversight. As part of the review, it is recommended that skills and capacity are reviewed to ensure that the Business Partner model is fit for purpose within Environment & Infrastructure Services.	30/08/20	Part Complete	Roles and responsibilities clarified and revised budget monitoring processes put in place. FBP model is being considered as part of the wider review of the finance function taking place over 2021/22.	31/03/2022