

EAST RENFREWSHIRE COUNCILAUDIT & SCRUTINY COMMITTEE20 February 2025Report by Chief AuditorINTERNAL AUDIT PLAN PROGRESS REPORT 2024/25 QUARTER 3**PURPOSE OF REPORT**

1. To inform members of progress on Internal Audit's annual plan for 2024/25 as approved in March 2024.

**BACKGROUND**

2. The work performed by Internal Audit is based on a rolling 5-year strategic plan, which is revised annually to take into account changes in circumstances. This report is provided to allow members to monitor the activities of Internal Audit and to oversee actions taken by management in response to audit recommendations.

**AUDIT PLAN 2024/25 - PROGRESS REPORT QUARTER 3**

3. A copy of the annual audit plan for 2024/25 is shown in appendix 1. Four reports relating to planned 2024/25 audit work were issued since the last progress report. Appendix 3 gives detail of reports which were issued as part of the plan where the responses were received since the last progress report. Responses are deemed to be satisfactory if all recommendations are accepted for implementation by management or where any recommendation is not accepted but a satisfactory reason is given. The quarterly performance indicators for the section are shown in appendix 4. One of the indicator targets is currently not being met.

4. Included within the approved plan is 25 days to audit overtime. It is proposed that this audit is deleted from the plan as overtime was checked recently within the payroll audit. It is proposed that this time will instead be used as consultancy to assist HR/Payroll to carry out some checks on system calculation anomalies.

5. Two new requests for assistance were dealt with using general contingency time during the quarter, this related to additional testing of Housing Benefit requested by External Audit and checks on a council tax account with unusual payment patterns.

**RECOMMENDATION**

6. The Committee is asked to:

- (a) note Internal Audit's progress report for quarter 3 of 2024/25
- (b) approve deletion of overtime audit from the plan

Further information is available from Michelle Blair, Chief Auditor, telephone 0141 577 3067.

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**EAST RENFREWSHIRE COUNCIL**  
**Internal Audit Section**  
**ANNUAL AUDIT PLAN FOR 2024/25 PROGRESS REPORT QUARTER 3**

<b>Department</b>	<b>Title</b>	<b>Audit Number</b>	<b>Original No. of days</b>	<b>Status</b>
Chief Executives				
Business	Accounts Payable	1	12	Complete
Operations & Partnerships	Accounts Receivable	2	12	Complete
	Cash Income and Banking	3	22	In progress
	<b>Council Tax – Reductions and Liabilities</b>	4	24	<b>Complete</b>
	Housing Benefits/UC – Assessment	5	30	In progress
	Overtime	6	25	<b>PROPOSE DELETE</b>
Education	Cashless Catering and Parentpay	7	30	
	Early Learning and Childcare Payments	8	25	
	Schools cluster	9	40	Complete
Environment	City Deal	10	15	In Progress
	Commercial Rent	11	20	In progress
	Energy and Fuel	12	25	
	Highways Maintenance	13	20	In progress
	Project Management of Capital Projects	14	25	
Housing	Housing Allocations	15	28	In progress
HSCP	<b>Bonnyton House</b>	16	10	<b>Complete</b>
	St Andrews House	17	12	Complete
	Payments to Care Providers	18	25	
Computer Audit	<b>Environmental Controls – General</b>	19	10	<b>Complete</b>
Other Bodies	IJB	20	15	
	Culture and Leisure Limited Trust	21	20	In progress
Various	Contract and Supply Management	22	25	In progress
	Fraud contingency	23	50	
	General Contingency	24	40	In progress
	Follow up	25	50	In progress
	Previous year audits	26	31	Complete
			641	

Audits shown in bold were issued in quarter

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FILE REF	Audit No.	Subject	Department	DATE AUDIT STARTED	DATE REPORT MEMO SENT	DATE REPLY DUE	DATE REPLY REC	COMMENTS	Tot	H	M	L	E	Not accepted
MB/1228/FM	8	Early Learning & Childcare Payments	Education											
MB/1229/IM	22	Contract and Supply Management	Chief Executives	31/10/24										
MB/1230/NS	3	Cash Income and Banking	BO&P	04/11/24	20/01/25	21/02/25								
			Accy											
MB/1231/NS	10	City Deal	Environment	04/12/24										

**Note: Audits issued in quarter are highlighted in bold**

## SUMMARY OF REPORTS ISSUED WHERE RESPONSES WERE RECEIVED SINCE LAST PROGRESS REPORT

## APPENDIX 3

1. MB/1217/ZC Bonnyton House

The review covered the following key control objectives

- Petty cash imprest is operated in accordance with council procedures and purchases are appropriate;
- Purchases are appropriate and in accordance with council procedures;
- Staff records held for location are up to date and accurate and absence monitoring is carried out in accordance with council policy;
- Cash holding and general security arrangements are appropriate;
- Client monies are appropriately held and accounted for;
- All Miscellaneous income can be fully accounted for and has been banked promptly;
- Adequate records are held to support independent funds and are reconciled to cash and bank balances periodically.

The records held at the establishment were generally well maintained and up to date and supported the amounts being incurred from the petty cash imprest in relation to service user activities. There is however scope to improve controls around chain of custody of cash handling for both petty cash and clients monies. Receipts for client funds received in cash do not always identify the recipient's name or which employee issued the receipt. Funds withdrawn to replenish petty cash, amenity fund and client funds may be passed to another member of staff to lodge in safe and update supporting documentation, breaking the chain of custody around cash. These increase the risk of monies being incorrectly accounted for.

The main areas of concern were are around having a full analysis of funds held under corporate appointeeship arrangements and also having a fully documented process for returning funds and belongings for clients who are no longer residents of Bonnyton House.

Seventeen recommendations were made in total, one was classified as high risk, five as medium risk and eleven as low risk. All recommendations were accepted by management. The high and medium risks and the management responses are replicated below.

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.1.1	The employee withdrawing cash from bank accounts for the location must lodge monies in safe and update the appropriate record promptly in person to maintain chain of custody of funds. (petty cash, amenity fund, corporate appointeeship account).	M	Yes	Completed	Deputy Manager/ Care Home Manager	Completed
4.5.2	Two employees should be involved in banking where possible and consideration given to restricting amounts of cash to be carried if only one person is involved.	M	Yes	Completed	Home Manager/Deputy Manager	Completed
4.7.1	Client recipient's name must be included on income receipts when issuing duplicate receipts and any void receipts marked as such.	M	Yes	Completed	Senior/Care Home Manger/Deputy Manager	Completed
4.7.2	Receipt number should be recorded on CL2 client savings record.	M	Yes	Completed	Senior/Care Home Manger/Deputy Manager	Completed
4.9.1	A process for recording and returning cash held on behalf of deceased persons and/or prior clients must be established and documented.	M	Yes	Completed	Care Home Manger/Deputy Manager	Completed

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.9.3	An analysis of Corporate Appointeeship bank account ending to be undertaken to identify balance by client and analysis maintained on an on-going basis going forward.	H	Yes	Process to be completed	Care Home Manger/Deputy Manager	January 2025

## 2. MB/1222/ZC Environment Controls General

The review covered the following key control objectives:

- Responsibilities for controlling the physical security of computing facilities are clearly defined;
- IT equipment is securely located;
- Adequate precautions exist to protect IT equipment;
- Only authorised persons have access to IT equipment;
- Adequate insurance cover exists for IT equipment;
- The transfer of data and IT facilities to and from the organisation is secure;
- IT processing undertaken at external centres is secure;
- Third party access to IT facilities is fully protected.

During this audit, no major weaknesses were found. ICT has many policies and processes in place to maintain, monitor and protect the Council's network. Since the previous audit in 2019, the pandemic has been a significant catalyst for change for ICT Services.

The disaster recovery plan (DRP), however, requires to be revisited, with appropriate testing and review arrangements established. Audit recognises the continued delivery of service during the pandemic in itself evidences ICT's adaptability and ability to deliver continuity of service in exceptional circumstances. Robust disaster recovery planning involves the proper allocation of resources, as maintaining and testing a DRP is a significant investment in time, requiring specialist knowledge in a constantly changing technological environment.

Eight recommendations were made in total, five classified as medium risk and 3 as low risk. All recommendations were accepted by management. The medium risks and the management responses are replicated below.

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.1.1	ICT business impact assessment should be undertaken if required, documented and reviewed on a regular basis	M	Yes	The ICT Business Continuity Plan plan covers all the main elements of IT Service provision, system impacts and the order in which they will be recovered to minimise disruption.	Head of ICT	Completed
4.1.2	A finalised ICT disaster recovery plan should be established as soon as possible	M	Yes	A new ICT DR plan has been developed and is now in place	Head of ICT	Completed
4.1.3	ICT disaster recovery plan, when finalised, should be regularly reviewed to ensure it is fit for purpose.	M	Yes	Will be reviewed annually	Head of ICT	DR plan completed and will be reviewed annually – next by December 2025



4.1.4	ICT disaster recovery plan, when finalised, should be regularly tested to ensure it works, and outcomes documented.	M	Yes	The recent appointment of our Infrastructure & Cyber Security Manager is key to building out our DR Capability (which we have started with our AWS presence). Once this environment is in place, a full test DR exercise can be completed.  There will also be a requirement from colleagues in support departments to provide resource to robustly test systems restored from backup to ensure they work correctly.	Head of ICT	Nov 2025
4.2.1	Action to ensure the access door (ground floor) to the corridor leading to ICT closes securely on a consistent basis should be taken.	M	Yes	Access to ICT is by appointment only and we are notified by Reception. It should be noted Customer First also use this corridor to access their offices too. When tested by IT M'gt Team the door was automatically locking as expected. If there are any future issues the PATS Team will be notified to inspect & fix.	IT Management Team	Completed

### 3. **MB/1224/NS Environment Follow Up**

A full copy of this report and the response has been circulated to Audit and Scrutiny Committee Members.

Two audits containing thirty five recommendations of which all but one were previously accepted by management for implementation were followed up as part of this audit. Follow up testing showed that whilst efforts have been made to implement previous recommendations, eight remain outstanding, though for two of these, the original agreed timescale for implementing has not yet passed and they are included again to ensure follow up at a later date.

### 4. **MB/1226/NS Council Tax Reduction and Liability**

The review covered the following key control objectives:

- Procedures are in place for processing reductions and are based on current legislation
- A consistent and transparent approach is used in determining liability
- All amendments to liability have supporting documentation and are actioned promptly
- Discounts and exemptions are only granted following verification
- Appeals are dealt with in accordance with legislation
- Appropriate reconciliations and checks are carried out at regular intervals and are reviewed by Senior Management
- All data is held securely.

There was no follow up of the previous audit of Council Tax (Billing and Collection) as all the dates to implement the recommendations had not passed at the time of audit testing.

Testing confirmed that the council tax service is generally operating in accordance with procedures and the appropriate controls are in place with no high risk recommendations being made. The main areas of concern are over timeous updating of changes in tenancies and reviewing discounts awarded when appropriate.

Five recommendations were made, three were classified as medium risk, and two as low risk. All recommendations were accepted by management. The medium risks and the management responses are replicated below.

Ref.	Recommendation	Risk Rating	Accepted Yes/No	Comments (if appropriate)	Officer Responsible	Timescale for completion
4.2.1	No discounts should be applied to the account without submission of the appropriate application form and evidence relevant to the discount being applied for.	M	Yes	No discounts will be applied to the account without submission of the appropriate application form and evidence relevant to the discount being applied for.	Revenues Team Leader	Jan 2025
4.2.2	Arrangements should be put in place to ensure that all discounts that have passed their review date are reassessed and evidence of the review taking place are indexed to the property within Information @ Work.	M	Yes	Arrangements will be put in place to ensure that all discounts that have passed their review date are reassessed and evidence of the review taking place will be held in the most appropriate area.	Senior Revenues & Benefits Officer	June 2025
4.4.1	The Team should be reminded of the requirement for all applications for empty property relief to be supported by appropriate photographic evidence prior to apply the relief to the account.	M	Yes	The Team will be reminded of the requirement for all applications for empty property relief to be supported by appropriate evidence prior to applying the relief to the account. ( Note, the evidence may not always be photographic)	Revenues Team leader	February 2025

**EAST RENFREWSHIRE COUNCIL**  
Internal Audit Section

**QUARTERLY PERFORMANCE INDICATORS**

<u>Internal Audit Indicators reported Quarterly</u>	<b>Target (where applicable)</b>	<b>Quarter 3 Actual 2024/25</b>	<b>Quarter 3 Cumulative 2024/25</b>
<b>2. Audit Coverage.</b>			
2.2 Actual direct audit days as a percentage of total days available	75%	79%	79%
2.3 Number of requests for assistance/queries raised by departments outwith planned audit work.	-	2	5
2.4 Percentage of planned contingency time used.  (Days available exclude public holidays, annual leave and sickness absence)	<100%	23.7%	82.5%
<b>5. Issue of Reports.</b>			
5.1 Number of 2024/25 audit reports issued per quarter excluding ERCLT.	-	4	11
5.2 Ave. time in weeks from start of fieldwork to issue of report. (Note 1)	12 weeks	12.6 weeks	12.0 weeks
5.3 Ave. time taken to issue report (working days). (Note 2)	10 working days	19.5 days	12.2 days

**Notes**

1. Average weeks calculated as working days divided by 5. This is calculated excluding ERCLT audits.
2. Working days excludes weekends, public holidays, annual leave and sickness absence. This is calculated excluding ERCLT audits.

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