

REPORT TO: Audit and Governance Committee

MEETING DATE: 26 November 2019

BY: Depute Chief Executive (Resources & People Services)

SUBJECT: Internal Audit Report – November 2019

1 PURPOSE

- 1.1 To inform the Audit and Governance Committee of Internal Audit reports issued since the last meeting of the Committee and to provide an update on progress made against the 2019/20 annual audit plan.

2 RECOMMENDATION

- 2.1 That the Audit and Governance Committee note:
- i. the main findings and recommendations from Internal Audit reports issued during the period from September 2019 to November 2019 as contained in Appendix 1;
 - ii. Internal Audit's progress against the annual audit plan for 2019/20 as set out in Appendix 2.

3 BACKGROUND

- 3.1 Since the last meeting of the Committee, final reports have been issued in respect of the following audits: Fixed Assets, Payroll Deductions, Risk Management and IR35.
- 3.2 The main objective of the audits was to ensure that the internal controls in place were operating effectively. A summary of the main findings and recommendations from the audits is contained in Appendix 1.
- 3.3 For the audit reviews undertaken, Internal Audit has provided management with the following levels of assurance:
- Fixed Assets – Limited Assurance
 - Payroll Deductions – Reasonable Assurance
 - Risk Management – Reasonable Assurance
 - IR35 – Moderate Assurance

Progress Report 2019/20

- 3.4 The progress report attached as Appendix 2 is prepared to assist the Committee in its remit to evaluate Internal Audit's work and measure progress against the annual audit plan for 2019/20.

4 POLICY IMPLICATIONS

- 4.1 None

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

- 6.1 Financial - None
6.2 Personnel - None
6.3 Other - None

7 BACKGROUND PAPERS

- 7.1 None

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DESIGNATION	Service Manager Internal Audit
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DATE	14 November 2019

**EAST LOTHIAN COUNCIL – INTERNAL AUDIT
FIXED ASSETS**

1. EXECUTIVE SUMMARY

1.1 Introduction

As part of the Audit Plan for 2018/19, a review was undertaken of Fixed Assets. A summary of our main findings is outlined below.

1.2 Areas where Expected Controls were Met

- A framework is in place for the management of fixed assets. A Council Asset Strategy and Management Plan 2018-2023 was approved by Cabinet in January 2019.
- The Council has an asset management system (Asset Manager) in place for recording financial information relating to fixed assets. Details held on Asset Manager form the basis of fixed asset information contained in the Council's Annual Accounts.
- The Council has established a Capital Asset Group which has responsibility for approving capital projects and a Capital Investment Asset Management Group with responsibility for preparing asset strategies, which will form the basis of business plans for future capital projects.

1.3 Areas with Scope for Improvement

- A comprehensive Council-wide fixed asset register is not currently in place. Detailed records of fixed assets are held by some service areas, however no centralised register is held. *Risk – lack of an overall record of fixed assets.*
- The information held within Asset Manager was not sufficiently detailed; historically for some categories of asset, Asset Manager had been updated with the total cost of fixed assets purchased in a year rather than, where appropriate, recording individual assets. *Risk – assets may be depreciated over an inappropriate period or not properly accounted for on disposal.*
- There was a lack of evidence of effective monitoring being undertaken to ensure that fixed assets are correctly classified; in some cases, errors in the classification of assets were identified. *Risk – assets may not be accurately recorded or depreciated properly.*
- In some cases, we found that changes to asset classifications or the disposal of assets were not being communicated timeously to Finance. *Risk – information held may be inaccurate or out of date.*
- The Council's fleet management arrangements require to be rationalised to ensure that all vehicles are recorded and managed by the Council's Transport & Waste Section. In one case, we found that a service area was purchasing and maintaining their own record of vehicles. *Risk – fixed assets may be inappropriately recorded or treated.*

1.4 Summary

Based on our review of Fixed Assets, Internal Audit can provide limited assurance on the adequacy and effectiveness of the systems of internal control. Detailed findings and recommendations are contained in our main audit report.

Duncan Stainbank
Service Manager – Internal Audit

November 2019

ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.2.1	Management should consider implementing a centralised fixed asset register.	Medium	Head of Infrastructure	Work will commence to ensure the data held in each specific asset database is correct and verified. Once complete consideration will be given on the availability and affordability of installing a single system that can pull together a holistic account of all assets.		August 2020
3.3.2	Management should review the current practice of using project capital codes that require transfer to the balance sheet at year end.	Medium	Chief Operating Officer Finance	Agreed this action was already underway, however alignment of previous costs with the new codes may require further systems changes.		August 2020

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.3.2 (cont)	Following receipt of the software register from IT, management should review the current classification of software within the annual accounts to ensure that it complies with accounting standards.	Medium	Chief Operating Officer Finance	Agreed, this will be reviewed when a software asset register has been received.		August 2020
3.3.3	Management should ensure that the ledger accurately reflects the individual classification of assets as stated within the annual accounts, as it does for total asset value. Management should ensure that where necessary project costs are split to ensure they are allocated to the correct classification within the annual accounts.	High	Chief Operating Officer Finance	Agreed, this is part of an ongoing process to improve the fixed asset data.		August 2020
3.4.1	Management should consider archiving cost centres where they are no longer required. Management should ensure that Estates are informed promptly of all developments being completed.	Medium Medium	Chief Operating Officer Finance Team Leader – Strategy & Development	Agreed Agreed		August 2020 November 2019

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.5.1	Management should ensure that sufficient information is provided to Finance of assets taken out of service to allow the necessary adjustments to be made.	High	Service Manager – IT	IT will provide Finance with reports of obsoleted equipment.		December 2019
	Management should ensure that IT assets are grouped appropriately within Asset Manager.	Medium	Chief Operating Officer Finance	Agreed. This will be reviewed when information is received from IT.		August 2020
3.6.1	Management should ensure that the fleet management system is a comprehensive record of all Council vehicles held – consideration should be given to rationalising the management of all Council vehicles under Transport & Waste.	Medium	Service Manager – Transport & Waste	Agreed		March 2020
	Management should ensure that all vehicles are listed separately within Asset Manager.	Medium	Chief Operating Officer Finance	Agreed		August 2020
	Management should ensure that the vehicles listed within Asset Manager accurately reflect those currently owned by the Council.	Medium	Chief Operating Officer Finance	Agreed – reconciliation process to be reviewed.		August 2020

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.6.1 (cont)	Management should consider carrying out a stocktake of all vehicles owned by the Council.	Medium	Service Manager – Transport & Waste	Agreed		March 2020
	Management should ensure that all asset purchases are posted to a capital code when initially posted to the general ledger, including the correct purchase price and accurate asset description, working across service teams.	High	Chief Operating Officer Finance	Agreed – process has been reviewed and revised.		August 2020
	Management should ensure that the £6,000 de-minimis level for grouped purchases of assets is applied consistently across all Council services.	Medium	Chief Operating Officer Finance	Agreed		March 2020
	Management should ensure that assets are not recorded in two asset registers, through regular reconciliation.	Medium	Service Manager – Transport & Waste	Agreed		March 2020

Grading of Recommendations

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
High	Recommendations which are fundamental to the system and upon which Management should take immediate action.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.

Levels of Assurance – Definitions

In order to provide management with an assessment of the adequacy and effectiveness of their systems of internal control, the following definitions are used.

Opinion	Definition
Substantial Assurance	There is a sound system of internal control designed and operating in a way that gives a reasonable likelihood that the objectives will be met.
Reasonable Assurance	Whilst there is a sound system of internal control, there are minor weaknesses, which may put some of the objectives at risk or there is evidence of non-compliance with some of the controls, which may put some of the objectives at risk.
Moderate Assurance	The system of internal control is broadly reliable, however there are a number of weaknesses, which put some of the objectives at risk or there is evidence that the level of non-compliance with controls put some of the objectives at risk.
Limited Assurance	Weaknesses in the system of internal control are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk.
No Assurance	Control is generally weak leaving the system open to error or abuse, or there is significant non-compliance with basic controls, which leaves the system open to error or abuse.

EAST LOTHIAN COUNCIL – INTERNAL AUDIT PAYROLL DEDUCTIONS

1. EXECUTIVE SUMMARY

1.1 Introduction

A review of the internal controls surrounding the administration of Payroll Deductions was undertaken as part of the Audit Plan for 2019/20. A summary of our main findings is outlined below.

1.2 Areas where Expected Controls were Met

- The Council has adequate arrangements in place to ensure that Tax and National Insurance are correctly calculated and deducted from employees' earnings in accordance with legislation.
- Pension contribution rates for 2019/20 had been correctly updated on the iTrent payroll system and properly applied to the pensionable pay for both teachers and Local Government employees.
- A clear audit trail exists on the iTrent system for Payroll deductions including details of the types of deductions applied for each employee and the corresponding amounts.
- Adequate supporting documentation is held on file for all significant Payroll deductions.
- Appropriate procedures are in place to ensure that employees' tax codes are correctly updated on the iTrent payroll system following notification from HM Revenue and Customs.

1.3 Areas with Scope for Improvement

- There was a lack of detailed procedures in place to provide clear guidance to staff responsible for administering Payroll deductions. *Risk – failure to adopt a consistent approach.*
- The existing arrangements in place for checking standing data on the iTrent payroll system require review, to ensure that evidence of independent checks are retained on file. *Risk – errors and irregularities may occur and remain undetected.*
- The process for updating membership fees for one Trade Union requires review – in a number of cases, deductions had not been correctly calculated according to the employee's level of earnings. *Risk – incorrect payroll deductions may be made.*

1.4 Summary

Based on our review of Payroll Deductions, Internal Audit can provide reasonable assurance on the adequacy and effectiveness of the systems of internal control. Detailed findings and recommendations are contained in our main audit report.

Duncan Stainbank
Service Manager – Internal Audit

November 2019

ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.1.1	Management should ensure that detailed procedures are in place to provide clear guidance to staff responsible for administering Payroll deductions.	Medium	Payroll Manager	Agreed – the Payroll Section are currently creating process maps for iTrent and this will be extended to include Payroll deductions.		June 2020
3.2.1	Management should ensure that evidence is retained on file of the checks that are carried out to confirm that iTrent is correctly calculating Tax and National Insurance.	Medium	Payroll Manager	Agreed		March 2020
3.2.2	A person independent of processing should check that the annual pension contribution rates have been correctly updated on the iTrent system – evidence of the checks should be retained on file.	Medium	Payroll Manager	Agreed		March 2020
3.2.3	Consideration should be given to setting up the Unison Trade Union membership fees as parameters on the iTrent system to ensure that the deductions are correctly calculated according to the level of earnings.	Medium	Payroll Manager	Agreed – currently liaising with MHR with a view to getting this set up.		December 2019

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.3.5	Management should ensure that adequate evidence is held on file from the pension provider where employees are paying Additional Voluntary Contributions (AVCs).	Medium	Payroll Manager	Agreed		December 2019
	Management should review the Direct Earnings Attachment (DEA) calculations on the iTrent system to ensure that deductions are being correctly calculated according to the level of net earnings.	Medium	Payroll Manager	Agreed – the system will be reviewed when earnings are combined.		December 2019
	Adequate monitoring of PVG fees should be undertaken to ensure they are correctly deducted over the period specified on the mandate.	Medium	Payroll Manager	Agreed – the monitoring has started.		November 2019
	Management should undertake a review of all employees who are members of the Unite Trade Union to confirm that the deductions reflect the current contribution rates.	Medium	Payroll Manager	Agreed		November 2019
	Management should undertake a review of all employees who are members of the Unison Trade Union to confirm that the deductions are being correctly calculated according to the level of earnings.	Medium	Payroll Manager	Agreed		January 2020

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.4.1	Management should ensure that appropriate checking procedures are in place to confirm that the iTrent system is aggregating National Insurance where there are changes to an employee's pay frequency.	Medium	Payroll Manager	Agreed – the system will be monitored, however steps are being undertaken to remove separate pay frequencies.		November 2019

Grading of Recommendations

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
High	Recommendations which are fundamental to the system and upon which Management should take immediate action.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.

Levels of Assurance – Definitions

In order to provide management with an assessment of the adequacy and effectiveness of their systems of internal control, the following definitions are used.

Opinion	Definition
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Moderate Assurance	The system of internal control is broadly reliable, however there are a number of weaknesses, which put some of the objectives at risk or there is evidence that the level of non-compliance with controls put some of the objectives at risk.
Limited Assurance	Weaknesses in the system of internal control are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk.
No Assurance	Control is generally weak leaving the system open to error or abuse, or there is significant non-compliance with basic controls, which leaves the system open to error or abuse.

EAST LOTHIAN COUNCIL – INTERNAL AUDIT RISK MANAGEMENT

1. EXECUTIVE SUMMARY

1.1 Introduction

As part of the Audit Plan for 2019/20, a review was undertaken of Risk Management. A summary of our main findings is outlined below.

1.2 Areas where Expected Controls were Met

- The Council has a Risk Management Strategy in place and is to be reviewed every three years – the updated Strategy was approved by the Audit and Governance Committee in January 2017.
- The Corporate Risk register is approved annually by the Cabinet.
- Service risk registers are approved annually by the Audit & Governance Committee.
- The Corporate Risk Management Group oversees risk management across the Council.

1.3 Areas with Scope for Improvement

- Low level risks are not always reviewed and updated. *Risk – risks are not managed.*
- In some cases timescales for completion/review frequency are set for a number of years. *Risk – risks are not mitigated timeously.*
- Risks are not always being updated to reflect changes between the annual reviews. *Risk – risks are not adequately mitigated.*
- Implementation of planned risk control measures are not always being completed by the target dates identified and are rolled forward for a further year. *Risk – risks are not adequately mitigated.*
- Planned controlled measures in one case were not appropriate or adequate. *Risk – risks are not adequately mitigated.*

1.4 Summary

Based on our review of Risk Management, Internal Audit can provide reasonable assurance on the adequacy and effectiveness of the systems of internal control. Detailed findings and recommendations are contained in our main audit report.

Duncan Stainbank
Service Manager – Internal Audit

November 2019

ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.2.2	Management should ensure that the correct members of staff are consulted in developing and agreeing risk control measures.	Medium	Service Manager – Sport Countryside & Leisure	Agreed		Completed
3.3.1	Management should consider splitting planned risk control measures into shorter term time scales, when graded levels of mitigation can be provided from phases of a solution.	Medium	Service Manager – Protective Services	Agreed		November 2019
3.4.1	Management should ensure that all Risk Registers are submitted for approval on an annual basis.	Medium	Service Manager – Protective Services	Agreed		November 2019
3.4.2	Management should ensure that all risks are subjected to a review where necessary and update in line with the Corporate Risk Strategy.	Medium	Service Manager – Protective Services	Agreed The new software will send regular reminders to the risk owner.		November 2019

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/MANAGED	AGREED DATE OF COMPLETION
3.4.3	Management should ensure that as part of the review consideration should be given to validity of planned control measures.	Medium	Service Manager – Protective Services/Service Managers	Agreed		November 2019
3.4.4	Management should ensure that risks are updated to reflect changes to either the risk or the control measures during the course of the year.	Medium	Service Manager – Protective Services/Service Managers	Agreed		November 2019

Grading of Recommendations

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
High	Recommendations which are fundamental to the system and upon which Management should take immediate action.
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**EAST LOTHIAN COUNCIL – INTERNAL AUDIT
IR35 (Off-payroll Workers in the Public Sector)**

1. EXECUTIVE SUMMARY

1.1 Introduction

As part of the Audit Plan for 2019/20, a review was undertaken of the arrangements in place within the Council for ensuring compliance with IR35 (Off-payroll Workers in the Public Sector) requirements. A summary of our main findings is outlined below.

1.2 Areas where Expected Controls were Met

- The Council has appropriate processes and procedures in place to ensure compliance with IR35 requirements, including a detailed IR35 assessment form which contains a process flowchart, engagement checklist and a comprehensive list of questions which require to be completed by the engaging manager.
- IR35 documentation in place is up to date and easily accessible by staff.
- For new suppliers, arrangements are in place for identifying engagements, which may fall within the scope of IR35 – the Council’s Supplier Request Form contains a section on “Off-payroll Workers in the Public Sector/Intermediaries (IR35) Legislation”, which requires to be completed in all cases.
- IR35 assessments are carried out by the Council’s Procurement Team using the HMRC’s “Check Employment Status for Tax” (CEST) online tool and the assessment outcome is provided to the engaging manager.
- Where the assessment outcome is that the engagement is “in scope” or “employed for tax purposes”, clear processes are in place to ensure that tax and NI calculations are properly applied and that payments to suppliers are made net of deductions.

1.3 Areas with Scope for Improvement

- In most cases, agency workers are not having an IR35 assessment completed as required by the procurement framework agreements. *Risk – failure to advise agencies of the IR35 status for each engagement may result in incorrect tax and NI deductions being made and in additional costs to the Council.*
- In some cases, there was a failure to ensure that IR35 assessments were completed prior to the engagement commencing. *Risk – failure to advise suppliers of their IR35 status prior to engaging the worker, may lead to disputes and non-compliance.*
- The guidance in place to assist staff in completing the IR35 assessment form requires review and updating, in particular in relation to those sections of the form which will have a major bearing on the assessed outcome. *Risk – failure to properly complete the assessment form, may lead to the assessed outcome not being appropriate to the engagement being undertaken.*
- Regular monitoring of, and reporting to Management on, the Council’s compliance with IR35 requirements should be recommenced. *Risk – failure to identify and address areas of weakness or non-compliance.*

1.4 Summary

Based on our review of IR35 (Off-payroll Workers in the Public Sector), Internal Audit can provide moderate assurance on the adequacy and effectiveness of the systems of internal control. Detailed findings and recommendations are contained in our main audit report.

Duncan Stainbank
Service Manager – Internal Audit

November 2019

ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.1.1	Management should review the informal de-minimis threshold currently being applied, ensuring that any agreed de-minimis level is appropriate to the legislation and formally reflected in the procedures.	Medium	Commercial Programme Manager for Procurement	Agreed		January 2020
3.2.1	Consideration should be given to providing refresher training to relevant members of staff within service areas, on the Council's responsibilities under IR35. Refresher training should include guidance for services to ensure IR35 assessments are completed for each new engagement for existing suppliers.	Medium	Commercial Programme Manager for Procurement	Agreed, training will be reviewed in conjunction with HR and then delivered.		March 2020
3.3.1	Consideration should be given to undertaking periodic reviews of existing suppliers' IR35 status.	Medium	Commercial Programme Manager for Procurement	Agreed		March 2020
3.4.1	Management should review and update the guidance that is in place to assist staff in completing the IR35 assessment form, in particular in relation to those sections of the form which will have a major bearing on the assessed outcome.	Medium	Commercial Programme Manager for Procurement	Agreed		March 2020

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
3.4.1 (cont)	<p>Management should ensure that all IR35 assessments are undertaken, and the outcome communicated to the supplier, prior to the engagement commencing.</p> <p>Management should review both assessments if two separate assessments exist for what appears to be the same engagement and only retain and process payments on one agreed assessment.</p>	Medium	Commercial Programme Manager for Procurement	<p>Agreed, will be covered in the training to be delivered.</p> <p>Agreed</p>		<p>March 2020</p> <p>January 2020</p>
3.4.3	Management should ensure that an IR35 assessment has been completed for each assignment/role being undertaken by an agency worker.	High	Commercial Programme Manager for Procurement	Agreed, a framework for ensuring assessments are carried out will be put in place. Operationally this will require input from HR and service areas.		January 2020
3.7.1	Management should ensure that there is regular monitoring of, and reporting on, the Council's compliance with IR35 requirements.	Medium	Commercial Programme Manager for Procurement	Agreed, delivery within the current procurement review.		March 2020

Grading of Recommendations

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
High	Recommendations which are fundamental to the system and upon which Management should take immediate action.
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INTERNAL AUDIT PROGRESS REPORT 2019/20

APPENDIX 2

AUDIT REPORTS	SCOPE OF THE AUDIT	TARGET COMPLETION DATE	STATUS
Purchase Cards	We will review the internal controls in place for the use of purchase cards, including the arrangements for monitoring expenditure.	September 2019	Completed
Payroll Deductions	We will review the procedures in place for ensuring the accuracy and completeness of payroll deductions, including Tax, NI and pension contributions.	November 2019	Completed
Domiciliary Care	We will review the in-house delivery of domiciliary care services to Adult Services clients.	November 2019	In Progress
IR35	We will check to confirm that adequate arrangements are in place for ensuring compliance with IR35 regulations, in respect of workers who supply their services through an intermediary body.	November 2019	Completed
Risk Management	We will select a sample of High risks from both the Council's Corporate Risk Register and service area Risk Registers and will review the adequacy and effectiveness of the risk control measures in place.	November 2019	Completed
Non-Domestic Rates (NDR)	We will continue our audit work on Non-Domestic Rates (NDR) – in 2019/20, we will review the arrangements in place for the recovery of NDR arrears.	February 2020	
Direct Payments	We will review the arrangements in place for the administration and monitoring of direct payments made to Children's Services and Adult Services clients.	February 2020	

AUDIT REPORTS	SCOPE OF THE AUDIT	TARGET COMPLETION DATE	STATUS
Records Management	We will review the arrangements operating within service areas for records management including the storage, retention and disposal of records.	February 2020	
Roads Contracts	We will examine the arrangements in place for the procurement, tendering and monitoring of work awarded by Road Services.	February 2020	Commenced
Procurement	As part of our annual review of procurement, we will examine work being awarded to suppliers to ensure compliance with the Council's Corporate Procurement Procedures.	February 2020	Commenced
Property Maintenance Stores	We will review the arrangements operating at the Property Maintenance stores.	February 2020	
Review of Performance Indicators	Internal Audit will continue to review the systems in place for the preparation and reporting of Performance Indicators.	February 2020	
National Fraud Initiative	Time has been allocated for reviewing data matches identified by the 2018/19 National Fraud Initiative (NFI) exercise.	February 2020	In Progress
Online Payments	We will review the internal controls surrounding the online payments system (SchoolPay), which was recently introduced in East Lothian schools.	June 2020	
Schools	We will review the financial arrangements operating within one secondary school to ensure compliance with the financial procedures in place.	June 2020	

AUDIT REPORTS	SCOPE OF THE AUDIT	TARGET COMPLETION DATE	STATUS
Council Tax	We will continue our audit work on Council Tax – for 2019/20, our review will focus on the procedures in place for Council Tax collection and refunds.	June 2020	
Transformation Programme	We will examine the implementation of the Council's Transformation Programme to ensure that the financial savings identified have been achieved.	June 2020	
Treasury Management	We will review the Council's approach to Treasury Management to ensure compliance with the CIPFA Code of Practice on Treasury Management.	June 2020	
Fostering and Kinship Care Allowances	We will review payments made to foster and kinship carers to ensure compliance with Council policies and procedures.	June 2020	
General Data Protection Regulations (GDPR)	We will review the arrangements in place within the Council for ensuring compliance with the provisions of GDPR.	June 2020	
Fleet Management	We will review the arrangements in place for the replacement, purchase and disposal of vehicles to ensure compliance with existing policies and procedures.	June 2020	
Following the Public Pound	As part of our rolling programme of work on Following the Public Pound, in 2019/20 we will review the monitoring arrangements in place for a sample of organisations receiving Council funding.	June 2020	