

REPORT TO: Audit and Governance Committee
MEETING DATE: 15 June 2021
BY: Service Manager – Internal Audit
SUBJECT: Internal Audit Report – June 2021

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 2020/21 annual audit plan.

2 RECOMMENDATION

- 2.1 That the Audit and Governance Committee note:
- i. the main findings and recommendations from the Internal Audit reports issued during the period from February 2021 to June 2021 as contained in Appendix 1;
 - ii. the findings from Internal Audit's follow-up work;
 - iii. Internal Audit's progress against the annual audit plan for 2020/21 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: Payroll Systems, Payroll Overtime, Performance Indicators and Cybersecurity (see Agenda Item 10)
- 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:
- Payroll Systems – Moderate Assurance
 - Payroll Overtime – Moderate Assurance
 - Performance Indicators – Moderate Assurance

- 3.4 Internal Audit follows-up on recommendations made in previously issued audit reports to ensure that they have been implemented as agreed by Management. Detailed spreadsheets are maintained to monitor progress being made and this report provides a summary of the current status for six audits that were reported in previous years. Our findings are detailed below.

Payroll Deductions

- 3.5 Internal Audit's report on Payroll Deductions was issued in November 2019. Our follow-up review has highlighted that nine of the ten recommendations made have been fully implemented. The remaining recommendation in relation to procedures for payroll deductions (recommendation 3.1.1) has been superseded by the overall recommendation for payroll procedures made in the Payroll audit. Therefore all outstanding recommendations from this report have been closed.

Homecare Services

- 3.6 Internal Audit's report on Homecare Services was issued in February 2020. Our follow-up review has highlighted that all of the twenty two recommendations made have been implemented.

Direct Payments

- 3.7 Internal Audit's report on Direct Payments was issued in February 2020. Our follow-up review has highlighted that of the twenty recommendations made, eighteen have been implemented and two not yet implemented. The two outstanding recommendations relate to completion of a Direct Payments Policy which has not been prioritised for completion due to competing priorities over the last year, however completion is now targeted by October 2021.

Fostering & Kinship Care

- 3.8 Internal Audit's report on Fostering & Kinship Care was issued in June 2020. Our follow-up review has highlighted that all of the six recommendations made have been implemented.

EU Exit

- 3.9 Internal Audit's report on EU Exit was issued in November 2020. Our follow-up review has highlighted that all of the five recommendations made have been implemented.

Residential and Non Residential Care Charging

- 3.10 Internal Audit's report on Residential and Non Residential Care Charging was issued in November 2020. Our follow-up review has highlighted that all of the twenty three recommendations made have been implemented.

Progress Report 2020/21

- 3.11 A progress report attached as Appendix 2 is prepared to assist the Committee in their remit to evaluate Internal Audit's work and measure progress against the annual audit plan for 2020/21.

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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Appendix 1 Executive Summary: Payroll

Conclusion: Moderate Assurance

The internal controls in place for Payroll are broadly reliable, however there are a number of controls that require to be implemented or improved to provide a fully effective control process, including the introduction of detailed procedures to provide clear guidance to staff responsible for administering the Payroll function, a review of the Payroll Section's staffing levels and workload, the existing arrangements in place for processing leavers and the arrangements in place to ensure that reconciliations are properly carried out between the net pay figure and the BACs payments in the general ledger.

Background

We note that payroll costs represent a significant expense for local authorities and in 2019 the Council switched its computerised payroll system from Chris21 (Comprehensive Human Resource Integrated Solution) to iTrent, a new integrated HR and payroll system.

The Electronic Document and Records Management System (EDRMS) is used by both Human Resources (HR) and Payroll for their business processes. The process history screen on EDRMS provides a clear audit trail of all tasks undertaken by both HR and Payroll staff. The Council had approximately 950 new starts, 1,800 change of contracts and 790 leavers for the period from 01/04/2019 to 19/11/2020.

Summary of findings & recommendations

The following key findings and recommendations are highlighted, which have all been **agreed by Management**:

- There was a lack of detailed procedures in place to provide clear guidance to staff responsible for administering the Payroll function. *Management advised that work is currently being undertaken on the guidance and have agreed to produce detailed procedures **by September 2021**.*
- The iTrent system is not currently being used to its full potential – although the system has the facility to automatically calculate Teachers' pay for new starts, change of contracts and leavers, payments are being manually calculated due to the system generating over and under payments. *Management have been liaising with the software provider and have resolved the matter subject to successful testing. The facility should be operational **by September 2021**.*
- A review of the Payroll Section's staffing levels and workload should be undertaken, taking into consideration the number of pay runs expected to be operating in the future. *Management have agreed to undertake the review **by August 2021**.*
- In a number of instances, forms for starters, change of contracts and leavers had not been submitted to Human Resources timeously. *Management have agreed to issue further guidance highlighting the need to submit forms timeously **by June 2021**.*
- The existing arrangements in place for leavers require review to ensure that leave entitlement has been properly calculated and the last pay is correctly calculated for sessional contracts. *Management have agreed to review the arrangements in place for leavers **by June 2021**.*
- Reconciliations have not been undertaken between the net pay figure and the BACs payments in the general ledger since September 2019 and require to be brought up to date. *Management have advised that additional reporting and coding of overpayments will assist with this process and have agreed to bring the reconciliations up to date **by September 2021**.*

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	17	-	17
Prior report (March 2016)	-	10	-	10

Materiality

The Council had an average of 3,638 Full Time Equivalent employees during 2019/20 and spent approximately £152.8 million on payroll costs for the year ended 31 March 2020.

Headlines

Objectives	Conclusion	Comments
1. Adequate policies and procedures are in place for administering the Payroll function.	Limited	The Payroll Section do not currently have a comprehensive procedures manual in place to provide clear guidance to staff with responsibility for administering the Payroll function. The iTrent system is not currently being used to its full potential, although the system has the facility to automatically calculate Teachers' pay, payments are being manually calculated due to the system generating over and under payments (some of the issues arose after the term start date was brought forward in August 2020). A review of the staffing levels and workload in the Payroll Section is required.
2. Adequate arrangements are in place for setting up new starts on the iTrent payroll system.	Reasonable	Adequate separation of duties exists for the setting up of new starts on the iTrent payroll system. For the sample of 30 cases examined, we found that the employee's pay details had been properly set up on iTrent and the first pay had been correctly calculated. In three cases however, the Employee Appointment Form had not been submitted by service areas to HR timeously and the employee had commenced work with the Council prior to pre-employment checks being validated.
3. Adequate procedures are in place to ensure that all changes are correctly processed on the iTrent payroll system.	Moderate	We selected a sample of 30 change of contracts processed in the period from 01/04/2019 to 19/11/2020 and found that the forms had been completed by a Service Manager or an appropriate officer, however in eight cases the forms had been completed after the effective date of change. We found that the employee's pay had been correctly calculated to reflect the change in 29 cases, however for the remaining case a Probationer Teacher who had been appointed as a Class Teacher was overpaid in August 2019. A further 18 overpayments to Probationer Teachers were identified and a total of £4,225 is now being recovered.
4. Adequate arrangements are in place to ensure that leavers are correctly processed on the iTrent payroll system.	Moderate	For the sample of 30 leavers selected, we found that in 27 cases the annual leave entitlement had been correctly calculated on the Leavers Form, however for the remaining three cases small errors were found in the calculation. We note that in seven cases, the Leavers Forms had not been completed and authorised timeously prior to the employee leaving the Council. We found that the employee's last pay had been correctly calculated in 27 cases, however in two cases the last pay had not been correctly calculated for sessional contracts and in one case an error arose after a manual adjustment for sick pay had not been properly actioned through EDRMS.
5. All exception reports are reviewed and properly actioned on iTrent.	Reasonable	Exception reports are generated for each pay run which include error and warning messages and we found that staff members review these reports to ensure that errors are identified and corrective action is taken where necessary.
6. Reconciliations are carried out between the iTrent payroll system and the general ledger.	Moderate	We note that iTrent generates payroll export files for each pay run and for the two months examined the totals for each pay run had been correctly posted into the general ledger. However differences were noted between the net pay figure and the BACs payments in the general ledger and we found that reconciliations between these figures had not been undertaken since September 2019.

Areas where expected controls are met/good practice

No.	Areas of Positive Assurance
1.	Adequate arrangements are in place to ensure that all exception reports are reviewed and properly actioned on the iTrent payroll system.
2.	The process history screen on EDRMS (Electronic Document and Records Management System) provides a clear audit trail of all tasks undertaken by both Human Resources (HR) and Payroll staff.
3.	For new starts, employees' pay details had been properly set up on the iTrent payroll system and the first pay had been correctly calculated.

Recommendation Grading/Overall Opinion Definitions

Recommendation	Definition
High	Recommendations relating to factors fundamental to the success of the control objectives of the system. The weaknesses may give rise to significant financial loss/misstatement or failure of business processes.
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	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.

Executive Summary: Payroll Overtime

Conclusion: Moderate Assurance

The internal controls in place for Payroll Overtime Payments are broadly reliable, however there are a number of controls that require to be implemented or improved to provide a fully effective control process, including a review of the Management of Overtime Policy and the Managers Guidance Note on the completion of overtime claim forms, the lack of a consistent approach for overtime working on a Sunday and the failure by employees to properly complete overtime claim forms and specify the reasons for overtime being undertaken.

Background

We note that Audit Scotland have highlighted that there is an increased risk of normal controls being relaxed around expenses and overtime during the Coronavirus pandemic. This review of Payroll Overtime Payments forms part of Internal Audit's review of areas of increased risk.

The Management of Overtime Policy defines overtime as "any additional hours, which take an employee over the normal Council full time hours i.e. 35/37 hours. Employees graded up to and including grade 13 working overtime will be paid plain time up to the 37th hour and then time and a half for all hours beyond the 37th hour".

Summary of findings & recommendations

The following key findings and recommendations are highlighted, which have all been **agreed by Management**:

- A review of the Management of Overtime Policy should be undertaken which includes replacing the requirement for overtime to be pre-authorised by a Director/Head of Service with the Service Manager/budget holder. *Management have agreed to undertake a review of the policy by August 2022.*
- The Council operates two different terms and conditions for employees working overtime on a Sunday – one where employees can claim double time and one where employees are only entitled to time and a half after working more than 37 hours per week. *Management have agreed to undertake a review of the terms and conditions for both Craft Operatives and Local Government employees by March 2022.*
- In a number of instances, there was a failure by service areas to properly complete overtime claim forms, the Payroll Section were required to manually adjust the claim forms prior to processing the claims on the iTrent payroll system. *Management advised that service areas will be provided with appropriate training as part of moving towards the new electronic overtime claim forms and further guidance will be issued on the completion of overtime claim forms as part of this process by August 2021.*
- The overtime claim forms did not always clearly record the reasons for the overtime being undertaken by the employee. *Management advised that the new electronic overtime claim forms on myHR will require staff to record the reasons for the overtime being undertaken and have agreed to provide training to service areas by December 2021.*

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	9	-	9
Prior report (February 2018)	2	3	-	5

Materiality

The Council had an average of 3,638 Full Time Equivalent employees during 2019/20 and spent approximately £2.1 million on overtime for the year ended 31 March 2020 and spent approximately £2 million on overtime for the year ended 31 March 2021.

Headlines

Objectives	Conclusion	Comment
1. Adequate policies and procedures are in place for managing overtime.	Moderate	The Council has in place a Management of Overtime Policy – the Policy sets out the Council’s approach to approved overtime working and provides guidance to both Managers and employees. The Policy applies to all employees with the exception of Teachers, Craft Operatives and Chief Officers groups. A review of the Management of Overtime Policy should be undertaken which includes replacing the requirement for overtime to be pre-authorised by a Director/Head of Service with the Service Manager/budget holder. The Managers Guidance Note on the completion of overtime claim forms should be updated to provide more comprehensive guidance to Managers and employees.
2. Adequate arrangements are in place to ensure that overtime payments are appropriately authorised.	Moderate	We selected a sample of 30 overtime claims in 2020/21 from various service areas across the Council and checked to ensure that the overtime claims had been appropriately authorised. We found that all the overtime claims had been authorised by the Service Manager or an appropriate officer, however in some instances the authorisation email from the Service Manager had not been retained with the overtime claim forms in the Payroll Section. The overtime claim forms did not always clearly record the reasons for the overtime being undertaken by the employee. In a number of instances, there was a failure by service areas to properly complete overtime claim forms, the Payroll Section were required to manually adjust the claim forms prior to processing the claims on the iTrent payroll system.
3. Appropriate arrangements are in place in the Payroll Section for checking and processing overtime claims.	Moderate	We selected a sample of 30 overtime claims processed in 2020/21 and checked to ensure that appropriate arrangements are in place within the Payroll Section for checking and processing overtime claims. We found that in six cases there was a lack of a clear audit trail to confirm who had processed and validated the overtime claims in the Payroll Section. For the 30 cases selected, we found that in 22 cases the overtime payments had been correctly calculated, however for the remaining eight cases small errors were found in the overtime payments made.
4. Appropriate overtime rates are paid to employees in accordance with their contracts of employment.	Moderate	For the 30 cases examined, we found that appropriate overtime rates had been paid – time and a half (1.5x) was paid for employees working more than 37 hours per week and double time (2.0x) was paid for hours worked on public holidays. The Council operates two different terms and conditions for employees working overtime on a Sunday, one where employees can claim double time and one where employees are only entitled to time and a half after working more than 37 hours per week.
5. Appropriate arrangements are in place for monitoring overtime budgets within service areas.	Reasonable	From our review, we found that adequate arrangements are in place for monitoring overtime budgets within service areas. For the 30 cases selected, the Service Managers confirmed that there was appropriate spending levels within budgets for the overtime claimed. We found that Human Resources (HR) issue regular overtime reports to Senior Management and service areas within the Council.

Areas where expected controls are met/good practice

No.	Areas of Positive Assurance
1.	The Council has in place a Management of Overtime Policy – the Policy sets out the Council’s approach to approved overtime working and provides guidance to both Managers and employees.
2.	Adequate procedures are in place to ensure that overtime claims are appropriately authorised by the Service Manager or an appropriate officer.
3.	Appropriate arrangements are in place for monitoring overtime budgets within service areas.

Recommendation Grading/Overall opinion definitions

Recommendation	Definition
High	Recommendations relating to factors fundamental to the success of the control objectives of the system. The weaknesses may give rise to significant financial loss/misstatement or failure of business processes.
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	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.

Executive Summary: Performance Indicators 2019-20

Conclusion: Moderate Assurance

Our review of Performance Indicators found that internal controls and procedures established by Management were operating satisfactorily in some areas, with the indicators being based on information prepared by the Council, including Local Financial Returns (LFRs). Our audit focused on a sample of indicators based primarily on those indicators where there had been significant changes from the previous year. In some cases we found that there were satisfactory reasons and explanations for the improved performance, however in other cases errors were identified in the calculation of the indicators or the reported indicators did not appear consistent with other information held by the Council. In these cases, further work will be required going forward to ensure the accuracy of the indicators for future years.

Background

As part of the Audit Plan for 2020/21, a review was undertaken of the systems in place for the preparation and reporting of performance indicators. Our review has focused on the Local Government Benchmarking Framework (LGBF) indicators for 2019/20. The Framework covers seven service areas: Children's Services; Corporate Services; Adult Social Care; Culture and Leisure Services; Economic Development and Planning; Environmental Services and Housing Services. For 2019/20, we selected a sample of nine indicators for review, which comprised of four Adult Social Care indicators, three Corporate Services (HR) indicators and two Housing Services indicators. Improvement recommendations have been made for one Adult Social Care indicator and three Corporate Services (HR) indicators.

Summary of findings & recommendations

The following key findings and recommendations are highlighted, which have all been **agreed by Management**:

- Indicator SW 1 – Home Care costs per hour for people aged 65 or over, requires review to ensure that all information being provided is on a comparable basis. *Management have agreed that this will be reviewed jointly by staff in Finance and Health & Social Care by July 2021.*
- Appropriate checking arrangements should be put in place to confirm the accuracy of the figures submitted for indicator CORP 3c – the gender pay gap. *Management have agreed that checking arrangements will be in place for the next submission of these figures in August 2021.*
- It is likely that indicators CORP 6a – sickness absence days per teacher and CORP 6b – sickness absence days per employee (non-teacher) have been understated as a result of implementation of a new HR Payroll system. Management should ensure that absence data is accurately and completely entered to the HR Payroll system and that absence data is regularly monitored to ensure capture of accurate data. *Management have agreed that this will be completed on an ongoing basis.*

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	3	-	3
Prior Report (Feb 2020)	-	3	-	3

Materiality

The Local Government Benchmarking Framework (LGBF) is a high level benchmarking tool designed to support senior management teams and elected members to ask questions about key Council services. The Framework includes over 70 indicators, which are reported on annually and the data supports comparisons between similar Councils and over time.

Headlines

Objectives	Conclusion	Comment
<p>1. Appropriate processes are in place to ensure the accuracy of the Adult Social Care indicators reviewed.</p>	<p>Moderate</p>	<p>For indicators SW 1 (Home Care costs per hour for people aged 65 or over) and SW 5 (net cost of Residential Care Services per Older Adult (aged 65+) per week), cost data used to calculate the indicators is based on the Local Financial Return (LFR) prepared by the Council. For SW 1 the Improvement Service use data on the number of Home Care hours that is submitted by the Council as part of the Scottish Government quarterly monitoring survey. For 2019/20 there was a change in the methodology used, which impacted on the reported indicator and the reported indicator for Home Care of £15.21 per hour in 2019/20 would appear to be understated – it is significantly below the Scottish average of £26.13 per hour and is also lower than the rate the Council pays it’s contracted care at home suppliers.</p>
<p>2. Appropriate processes are in place to ensure the accuracy of the Corporate Services (HR) indicators reviewed.</p>	<p>Moderate</p>	<p>Errors have been identified in the calculation of indicator CORP 3c (the gender pay gap), for both 2018/19 and 2019/20. For indicators CORP 6a – sickness absence days per teacher and CORP 6b – sickness absence days per employee (non-teacher), there were significant reductions in the reported absences in 2019/20 when compared to previous years. The Council introduced a new HR Payroll system in April 2019, which introduced changes to the way that sickness absence is recorded and for 2019/20 information relating to sickness absence came directly from the new system. It was noted that issues were encountered with the embedding of the new system and there were instances where the non-recording of sickness absence was identified as a potential problem. We note that service areas requiring additional support were provided with face to face training and that HR anticipate improved recording as the new system is embedded further.</p>
<p>3. Appropriate processes are in place to ensure the accuracy of the Housing Services indicators reviewed.</p>	<p>Reasonable</p>	<p>We found that appropriate explanations were available for the two Housing Services indicators reviewed:</p> <p>HSN 2 – the % of rent due in the year that was lost due to voids, reduced from 1.19% in 2018/19 to 0.53% in 2019/20. We are advised that there are multiple factors that led to the improvement in the reported figure, including a reduction in the number of void properties in the year, a reduction in the average void turnaround time, a change in the guidance (that allowed a period of time to be excluded from the void rent loss following the death of a tenant) and a change in the way the rent loss was calculated.</p> <p>HSN 5a – the % of Council dwellings that are energy efficient, increased from 58.52% in 2018/19 to 82.81% in 2019/20. This indicator is based on progress towards meeting the Energy Efficiency Standard for Social Housing (ESSH) and we are advised that there are a number of reasons for the improvement in the reported indicator, including investment in energy measures as part of the Capital Housing Modernisation Programme, improvements in the monitoring and modelling of energy performance in line with the ESSH technical guidance and improved data collection through stock condition surveys, which allows for real time information on energy performance.</p>

Areas where expected controls are met/good practice

No	Areas of Positive Assurance
1.	For SW 5 – the net cost of Residential Care Services per Older Adult (aged 65+) per week, the Council's reported indicator for 2019/20 of £407 per week was broadly consistent with the Scottish average of £401 per week.
2.	For SW 8 – the number of days people spend in hospital when they are ready to be discharged, per 1,000 population (aged 75+), there has been an improvement each year since 2015/16 and the reduction in the reported number of bed days continued in 2019/20.
3.	Appropriate explanations were obtained for the improved performance in respect of both indicator HSN 2 – the % of rent due in the year that was lost due to voids and indicator HSN 5a – the % of Council dwellings that are energy efficient.

A Recommendation Grading/Overall opinion definitions

Recommendation	Definition
High	Recommendations relating to factors fundamental to the success of the control objectives of the system. The weaknesses may give rise to significant financial loss/misstatement or failure of business processes.
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	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.

INTERNAL AUDIT PROGRESS REPORT 2020/21

APPENDIX 2

AUDIT REPORTS	SCOPE OF THE AUDIT	TARGET COMPLETION DATE	STATUS
Housing Rents	We will examine the processes and controls in place for the billing and reconciliation of housing rents.	November 2020	Completed
Payroll Systems	We will review the procedures in place for ensuring the accuracy and completeness of payroll information and overall payments being made to staff following the implementation of the new payroll system in 2019/20. This review will be subject to discussion with Audit Scotland to prevent duplication of assurance resources.	June 2021	Completed
Council Tax	We will now focus Council Tax audit work on granting of reliefs and recovery processes.	June 2021	Deferred to September
Non-Domestic Rates	We will now focus our audit work on granting of new Non-Domestic Rates reliefs and recovery processes.	June 2021	Deferred to September
EU Exit	We will review the actions identified to mitigate the risks of EU exit and examine the reported progress on implementation of these actions.	November 2020	Completed
Section 75 (Developer Contributions)	Section 75 payments (developer contributions) bring significant funds to the Council for infrastructure projects. We will examine all control aspects of the Section 75 process.	November 2020	Completed

AUDIT REPORTS	SCOPE OF THE AUDIT	TARGET COMPLETION DATE	STATUS
Homelessness Assessment & Housing Allocation	We will review the processes in place for the assessment of homelessness, provision of preventative advice and allocation of temporary accommodation and housing rents following recent changes.	June 2021	Deferred to September
Cyber Security	We will examine the evidence of compliance with appropriate cyber security standards including ISO27001, International Standard for Information Security and the Scottish Government Cyber Resilience Strategy for Scotland, Public Sector Action Plan.	June 2021	Completed
School Excursions	Review of the control processes in place to ensure security of funding and reduction of risk for the arrangements for School Excursions.	June 2021	Deferred to November
COVID Lessons Learned	Internal Audit will review progress on implementation of mitigation actions as part of a lessons learned exercise for the COVID-19 pandemic.	February 2021	Completed
Residential & Non Residential Care Charges	We will review the controls in place for charging for residential & non-residential care to ensure that all charges are being made and collected in accordance with policy.	November 2020	Completed
Fleet Management	We will review the arrangements in place for the replacement, purchase, disposal and maintenance scheduling of vehicles through the new fleet management system.	February 2021	Completed

AUDIT REPORTS	SCOPE OF THE AUDIT	TARGET COMPLETION DATE	STATUS
Following the Public Pound	This audit rolled over from the 2019/20 audit plan and will review controls around a selection of organisations receiving Community Partnership Funding.	June 2021	Deferred to September
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.	February 2021	Completed
Scottish Housing Regulator (SHR) Annual Assurance Statement	Work required to provide assurance on the regulatory requirements set out in the Scottish Housing Regulators Chapter 3 of the Regulatory Framework.	November 2020	Completed
Review of Performance Indicators	Internal Audit will continue to review the systems in place for the preparation and reporting of Performance Indicators.	June 2021	Completed

