

Internal Audit

Final Follow Up Report 2023/24



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1 INTRODUCTION

- 1.1 The 2023/24 Internal Audit Plan included provision for the follow up and evaluation of risks identified in all previously issued Internal Audit reports.
- 1.2 This Interim Follow Up Report forms part of Internal Audit team's cycle of twice-yearly reporting on outstanding issues and demonstrates the Council's commitment to maintaining compliance with the Public Sector Internal Audit Standards. These require that the Chief Audit Executive, *'establish a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action'*. As part of this process, the following areas have also been considered:
- Where issues have been noted as part of the follow up process the Chief Internal Auditor may consider revising the initial overall audit opinion,
 - The results of monitoring management actions may be used to inform the risk based planning of future audit work; and,
 - The review extends to all aspects of audit work, including consulting engagements.

2 SCOPE and OBJECTIVES

- 2.1 The scope of the audit is to review those risks previously identified by Internal Audit and establish whether the agreed control measures have been implemented, and the associated risks substantially addressed.
- 2.2 The objective of the review is to provide assurance to key stakeholders including the Audit & Risk Management Committee and the Senior Management Team that management actions have been effectively implemented. Where this is not the case, auditors may establish the reasons for non-compliance, including consideration of the extent to which senior management have accepted the risk of inaction.
- 2.3 It would be impractical for auditors to detail all outstanding actions. However, a summary of reports with outstanding actions is provided in *Tables 2 and 3* at the end of this document.
- 2.4 The purpose of this follow up report is therefore as follows:-
- To provide a summary of outstanding audit issues, focussing on high risk issues and providing revised timescales where known. This includes detail of areas where significant progress has been made since the last follow up report.
 - To provide a listing of outstanding reports with an update on progress; and
 - Inform the Annual Internal Audit Report and opinion. Outstanding high risks are highlighted in this report and are of material significance in the annual audit report and opinion.

3 METHODOLOGY

- 3.1 Auditors have evaluated the extent to which officers have mitigated individual risks allocated to them.
- Where risks have been fully managed and closed off by management, auditors have sought to validate a sample of these actions on a risk-prioritised basis and ensure that they mitigate the risk, focusing on risks that were classified as 'High'.
 - Where risks remain, detail is provided in *Tables 2 and 3*. It is the responsibility of internal audit to highlight risks identified in the course of our work and it is management's decision whether to take action to mitigate these risks.

4 FINDINGS - ALL RISKS DUE FOR COMPLETION

- 4.1 *Table 1* provides a summary of the risks and improvement actions across the Council that were outstanding for implementation as of November 2023, by risk rating. The risk rating (High/Medium/Low) answers the question, '*in internal audit's professional opinion, what is the risk that the issue identified could impair the achievement of the system's objectives?*'

Table 1 - Individual Audit Report Action Points by Risk Rating

Risk rating	Completed Actions	Outstanding/In progress	Total Per Original Reports ¹
High	9	2	11
Medium	41	39	80
Low	23	21	44
Total	73	62	135

¹ There were 135 issues raised in the original reports and 73 issues have since been closed.

- 4.2 The above total of 62 outstanding risks is a decrease on the figure of 69 that was previously reported in the 2023/24 Interim Follow Up Report. The number of high-risk outstanding issues has reduced from 3 to 2, despite 8 high risks being raised in the year, due to the majority of these being closed off on a timely basis. Auditors can conclude that there has been a sustained focus in closing off high risks as they arise but would ask for continued focus on closing off the remaining high-risk areas.
- 4.3 Since the last report the following high risks have been addressed by services:
- a. Total Mobile - the data risks associated with the use of personal mobile phones by trade operatives has been addressed by the provision of Council devices.

- b. Headstones & Memorials - 93% of memorials did not appear to have been inspected in the past 21 years and so limited assurance was provided over the implementation of the Headstones and Memorials procedures and a High risk raised. A detailed plan to address this is now in place and an external contractor has been appointed.
- c. School Transport – ASN Contract Monitoring was only occurring on a reactive basis. Proactive monitoring is now occurring to provide greater assurance over adherence to contracts.
- d. Interim Care Home Funding – a risk relating to delays in obtaining rates from Care Homes has been addressed by establishing a process to ensure escalation to the Strategic Commissioning Manager after two attempts by Shared Services Finance to get confirmation of rates from Care Homes, and to escalate to Care Home providers' head office where necessary.
- e. Interim Care Home Funding – to address risks associated with individuals not completing financial forms the process has been refreshed to instruct the issuing of two letters from Shared Services finance to the individual, with recourse to issue final full cost invoice if financial information is not presented on a timely basis.

4.4 A list of reports with outstanding actions is included in *Table 2* at the end of this document. Members will note that some of these actions date back a number of years.

4.5 Where low risks date back more than two years and the action has not been completed, these may be closed off by auditors, in consultation with management. The risk has effectively been accepted in the short term and management have the information to take these improvements forward if resources allow. Two such risks were closed off in the period, relating to the documentation of procedures.

4.6 The majority of outstanding risks are classified as Medium risk and so it is reasonable for services to deprioritise these when unexpected additional pressures or priorities arise. Nonetheless, it should be noted that these risks have agreed actions that may generate efficiencies, reduce risk or otherwise help the service achieve its objectives.

4.7 Services have confirmed their intention to progress and close the outstanding items. Pressures on services, vacancies in certain teams and the optimism bias has made it difficult in some instances for services to provide a realistic timeline to auditors for completion. Auditors acknowledge the complex and uncertain environment that the Council is operating in, with multiple significant challenges and risks relating to finance, workforce and the Cost-of-Living crisis.

5 CONCLUSION

5.1 Our follow up work has identified that 62 total risks remain outstanding which represents a decrease on the figure of 69 that was previously reported in the 2023/24 Interim Follow Up Report. The number of high-risk outstanding issues has reduced from 3 to 2. Auditors can conclude that there has been a sustained

focus in closing off high risks as they arise but would ask for continued focus on closing off the remaining high-risk areas.

- 5.2 Responding to the requirement of the Public Sector Internal Audit Standards, the Audit and Risk Manager has not revised any opinions previously reported to members. All residual issues will be considered in the 2024/25 follow up work and the annual audit report and opinion. Outstanding audit actions will also inform future audit work, including the specification of future internal audit plans.



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Table 2 – List of Outstanding Audit Reports with Revised Target Dates

The table below details the number of issues raised in the original Internal Audit reports, the number now closed and the total number of issues remaining open.

Code	Audit	Area	Original report	Closed	Open Actions			Total Open	Revised target date	Comments
					High	Medium	Low			
CFO-IA-2223-HSCP	Interim Care Home Funding	HSCP	4	3	1	-	-	1	31/08/2024	Four out of the five actions have been completed including two high risks. The remaining action relates to improving communication between Social Work and Shared Services when guardianship is awarded. To address this a refresh of the guidance for practitioners regarding interim funding is planned. This will include refreshing procedures where interim funding relates to pending applications for guardianship. Refresher awareness sessions are scheduled for July and August.

Code	Audit	Area	Original report	Closed	Open Actions			Total Open	Revised target date	Comments
					High	Medium	Low			
EPB-AR-1819-PPPM	Procurement Practices	L&RS	5	4	1	-	-	1	TBC	One action is outstanding relating to Contract Monitoring. Whilst the specific action related to Property Maintenance, work is planned to review the Council's Contract and Supplier Management Process with a view to developing a clear and consistent Council wide approach which will aim to maximise, quality, value for money, and ensuring efficiently delivered services form the Council's Contracts. As part of this, a Contract & Supplier Management Lead is in the Legal & Regulatory Structure. However, this post is currently vacant.
EPB-AR-1819-CS	Review of Cyber Security	F&DS	10	3	-	7	-	7	31/03/2025	A detailed update will be provided the service. It is expected that further progress on these actions will be made in 2024/25.
CFO-IA-2324-DM	Dampness & Mould	A&F	6	1	-	3	2	5	31/10/2024	The action relating to monitoring of Dampness and Mould reports is complete. The other actions are in progress in line with target dates that have been set.

Code	Audit	Area	Original report	Closed	Open Actions			Total Open	Revised target date	Comments
					High	Medium	Low			
CFO-IA-2122-TM	Treasury Management	F&DS	5	2	-	2	1	3	TBC	Actions in progress relate to the monitoring of brokerage arrangements, capital expenditure governance improvements, and the development of a Capital Strategy.
CFO-IA-CDR-2223	Glasgow City Deal	LP&D	3	-	-	2	1	3	31/03/2025	The action relating to training and resources is largely complete, with consideration being given to externally provided training. Actions relating to salary reclaims and risk management are in progress.
CFO-IA-2223-FRD	Flood Risk and Drainage	R&NS	2	-	-	2	-	2	30/11/2024	These actions are in progress. Some of the risk mitigation will be provided by a system solution which is expected to be in place by November 2024.
CFO-IA-2223-HAM	ICT Hardware Asset Management	F&DS	4	2	-	2	-	2	31/03/2025	Risks are expected to be addressed in 2024/25. These relate to disposal reconciliations and the asset management system.

Code	Audit	Area	Original report	Closed	Open Actions			Total Open	Revised target date	Comments
					High	Medium	Low			
EPB-AR-1516-SS	Review of Shared Services	F&DS	11	9	-	2	-	2	30/09/2024	Some work has been undertaken on the two outstanding issues which relate to Service Level Agreements and Performance Indicators. This work is at an early stage and is required to be progressed and completed.
CFO-IA-2324-ASB	Housing - Anti-Social Behaviour	CS	4	2	-	2	-	2	30/04/2025	Two of the four actions have been completed. The remaining actions relate to Policy and Procedures and to Data Protection Compliance.
CFO-IA-2223-WFP	Workforce Planning	HSCP	2	-	-	2	-	2	30/09/2024	Review of Workforce Plan complete - updated Workforce Plan to be presented to IJB in September 2024

Code	Audit	Area	Original report	Closed	Open Actions			Total Open	Revised target date	Comments
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CFO-IA-2122-MHP	Memorials and Headstone Procedures	R&NS	4	1	-	1	2	3	31/03/2025	<p>The high risk issue has been closed - A third party has been contracted to carry out surveys within the following cemeteries over a 4 year period, to start in Summer 2024 - Old Aisle, Campsie and Old Kilpatrick Churchyard, Cadder Cemetery and Churchyard and New Kilpatrick Cemetery. Remaining cemeteries will be surveyed by Council staff. Inspections information will be recorded by the APSE MIST app that enables a full record including photographs to be taken of individual headstones. Phase 1 will be completed by 24/25 financial year end and will extend over the 4 years. The contractor to be used has experience in structural inspections and the Council will use their expertise in this regard.</p> <p>Remaining actions relating to records management and documented procedures are expected to be completed by March 2025.</p>

Code	Audit	Area	Original report	Closed	Open Actions			Total Open	Revised target date	Comments
					High	Medium	Low			
CFO-IA-2324-HSCP BDP	HSCP Bad Debt Provision	HSCP	4	1	-	1	2	3	30/09/2024	Actions to be completed relate to Governance Arrangements, Reporting & Oversight and Benchmarking.
CFO-IA-1920-Leases IFRS 16	Leases IFRS 16	F&DS	3	1	-	1	1	2	31/03/2025	The compliance date has been set as being for financial statements from 2024/25 year end onwards.
CFO-IA-2223-IA	Insurance Arrangements	F&DS	3	1	-	1	1	2	TBC	Actions in progress relate to the development of an Insurance Strategy and Performance Reporting.
CFO-IA-2223-HL	Homelessness	CS	2	-	-	1	1	2	31/03/2025	Actions relating to policy & procedures and management information are in progress.
CFO-IA-2324-BUP	Back Up Arrangements	F&DS	2	-	-	1	1	2	30/09/2024	This will be progressed in the coming months.
CFO-IA-1819-LTA	Review of Council ALEO Arrangements - EDLCT	DCE	4	3	-	1	-	1	TBC	The Service Level Agreement and the Services Agreement with the Leisure Trust require to be reviewed and refreshed.
CFO-IA-2223-TM	Total Mobile Consultancy Audit	A&F	5	4	-	1	-	1	27/09/2024	Remaining action pertains to the limitations of the Total Mobile System. This work is ongoing.

CFO-IA-1920-HSCPFOKC	HSCP Financial Outturn and Key Controls	HSCP	7	6	-	1	-	1	31/12/2024	<p>The outstanding risk relates to data cleansing of the service register. From the Carefirst Steering Group a short life working group has been established to take this forward with the HSCP's Chief Finance and Resources Officer being the lead.</p> <p>The Strategic Commissioning Team are reviewing the service register in sections, with Supported Accommodation and Supported Accommodation being first. The various elements that require amendments have been passed to the Carefirst Team. Following this Residential data will be reviewed and updated. Any changes that can be facilitated through the Council will be progressed but any more fundamental changes to the Carefirst set up which requires input from the software providers OLM will not be progressed at this time given the move to implement a change in the system as the top priority regarding Carefirst.</p>
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Code	Audit	Area	Original report	Closed	Open Actions			Total Open	Revised target date	Comments
					High	Medium	Low			
EPB-AR-1516-PCI	PCI DSS Compliance	F&DS	3	2	-	1	-	1	30/09/2024	The remaining issue relates to the review and submission of the self-assessment (SA) of PCI DSS compliance and development of the associated action plan. ICT Infrastructure has developed since SA was originally completed and so a review will be performed of the current SA and then the revised SA will be submitted.
EPB-AR-1516-CMM	Complaints Management	FDS	9	8	-	1	-	1	30/09/2024	The final action associated with this report relates to the development of a customer feedback process for customers who have submitted a complaint to the Council. This requirement is part of the Complaints Handling Procedure (CHP) and therefore requires to be implemented. The Council are in the process of procuring a new Customer Relationship Management System (CRM). The implementation of the CRM will help support this action being concluded.

Code	Audit	Area	Original report	Closed	Open Actions			Total Open	Revised target date	Comments
					High	Medium	Low			
CFO-IA-2122-HW	Highways Code of Practice	R&NS	2	1	-	1	-	1	31/10/2024	The Service is working with colleagues within the Business & Digital Change Team to modernise to a Web Based version with greater functionality with consideration being given to the generation of suitable reports covering all relevant road categorisation and the inspection frequency.
CFO-IA-2223-GL	General Ledger	F&DS	1	-	-	1	-	1	30/10/2025	Remaining action relating to the mover process has an interim solution that is not fully effective. A system solution is expected to fully address the risk.
CFO-IA-2324-M365	Microsoft 365 Project	F&DS	4	3	-	1	-	1	TBC	Three of the four actions have been completed. The fourth action relating to monitoring and reporting is in progress.
CFO-IA-2122-HRC	Housing Building Regulatory Compliance	A&F	4	1	-	1	2	3	02/12/2024	Agreed actions in progress include an assessment of Legionella Risk, system reconciliations, and documented procedures.
CFO-IA-2223-TS	Trading Standards	CS	6	5	-	-	1	1	29/11/2024	Low risk issue to be completed

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CFO-IA-2324-FLT	Fleet Management	R&NS	6	5	-	-	1	1	01/10/2024	Low risk issue to be completed
CFO-IA-2223-DD	Digital Devices	Educa tion	2	-	-	-	2	2	TBC	Low risk issues to be completed
CFO-IA-2324-NDR	Non-Domestic Rates	F&DS	2	1	-	-	1	1	31/07/2024	Low risk issue to be completed
CFO-IA-2324-RES	Reserves Management	F&DS	1	-	-	-	1	1	31/07/2024	Low risk issue to be completed
CFO-IA-2223-TMP	Tree Management Policy	R&NS	5	4	-	-	1	1	31/08/2024	The report action plan is substantially complete. One remaining action is to update the website to align to the latest Tree Management Plan.
Grand Total			135	73	2	39	21	62		