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**Report to: Audit & Scrutiny Committee**

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**Date of Meeting: 26 October 2023**

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**Subject: Internal Audit Progress Report**

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**Report by: Internal Audit Manager**

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**1.0 Purpose**

1.1 This report provides an update on 2022/23 and 2023/24 Internal Audit work.

**2.0 Recommendations**

2.1 It is recommended that the Committee notes the outcome from the last finalised review from 2022/23 and progress being made with completion of the 2023/24 Internal Audit Plan.

**3.0 Progress with Completion of the 2022/23 Internal Audit Plan**

3.1 At the August 2023 Audit and Scrutiny Committee Internal Audit reported that one report relating to Refugee Schemes Governance had yet to be finalised and would be reported to the next meeting of this Committee.

3.2 This review has been completed. Details on the scope of the review, and findings arising, are at Appendix 1. The assurance is provided in line with the definitions at Appendix 2.

**Progress with Completion of the 2023/24 Internal Audit Plan**

3.3 The 2023/24 Internal Audit Plan was agreed by Audit Committee on 20 April 2023. It set out 16 assignment areas to be completed by the team during the year, this includes 11 audit reports to be issued to Clackmannanshire Council (neither of these figures include those assignments or reports issued to the Clackmannanshire and Stirling Integrated Joint Board or Central Scotland Joint Valuation Board). A summary of progress is set out at Appendix 3.

3.4 Over the remainder of 2023/24 Internal Audit will continue to progress the programme of work set out at Appendix 3. As previously advised, however, this is subject to change, and resource will be directed to where it adds most value.

3.5 Our work to identify duplicate creditor payments is conducted on a six monthly basis. We have recently evaluated creditor payments from 1 April to 25 September 2023. Payment amounts, invoice reference numbers, and supplier details were matched to uncover potential duplicate payments.

These were reviewed to identify, for example: cancelled payments; credit notes; and refunds. 7 duplicates (with a gross value of £20,611) were found. This represents 0.035% of the £58,280,490 payments made in this period. Action is ongoing to recover these overpayments.

#### 4.0 Conclusions

4.1 The team have completed the 2022/23 work programme and are making reasonable progress with 2023/24 Internal Audit work. This will contribute to a balanced and evidenced based year end opinion on arrangements for risk management, governance, and control.

#### 5.0 Sustainability Implications

5.1 None Noted.

#### 6.0 Resource Implications

##### *Financial Details*

6.1 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

6.2 Finance have been consulted and have agreed the financial implications as set out in the report. Yes

##### *Staffing*

6.3 No implications other than those set out in the report.

#### 7.0 Exempt Reports

7.1 Is this report exempt? Yes  (please detail the reasons for exemption below) No

#### 8.0 Declarations

8.1 The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please double click on the check box )
- Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all
  - Our families; children and young people will have the best possible start in life
  - Women and girls will be confident and aspirational, and achieve their full potential
  - Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies** (Please detail)

## 9.0 Equalities Impact

9.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes  No  N/A

## 10.0 Legality

10.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

## 11.0 Appendices

11.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

- Appendix 1: Internal Audit Plan 2022/23 Assignment Outcomes Summary of Key Findings from Assignments Complete to Final Report 2022/23 Not Previously Reported to Committee
- Appendix 2: Definition of Internal Audit Assurance Categories
- Appendix 3: Internal Audit Plan 2023/24 Progress at 10 October 2023

## 12.0 Background Papers


12.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes  (please list the documents below) No

### Author(s)

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### Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director Partnership and Performance	



## INTERNAL AUDIT PLAN 2022/23 ASSIGNMENT OUTCOMES

Summary of Key Findings from Reviews Complete to Final Report  
Not Previously Reported to Committee

Review	Directorate	Assurance
Refugee Scheme Governance	People	Substantial
Scope	Final Report Executive Summary	
<p>The United Kingdom (UK) Government has made a commitment to support and safeguard vulnerable people who seek protection in the UK through Housing Support and asylum routes. The Scottish Government has committed to supporting 'New Scots'. The people participating in Housing Support schemes are reliant on the support of local authorities to support their needs. The Council is, therefore, an active participant in Refugee Housing Support schemes, and helps those who have arrived from, for example, Afghanistan, Syria, or Ukraine.</p> <p>The main focus of this review has been on the Ukrainian schemes. These schemes are the most recent and have the greater volume of refugees (since 2021 there have been zero new cases from the Syrian scheme, nine from the Afghan scheme, and seventy three individuals from Ukraine).</p> <p>In relation to displaced people from Ukraine, the UK Government (Department of Levelling Up, Housing, and Communities) has published data on the number of applications by Ukrainian residents to enter the UK; the number of visas that have been granted; and the number of arrivals in each nation of the United Kingdom. As of 18 July 2023, the arrivals in Scotland of 25,104 represented 19.65% of the total UK arrivals of 128,206.</p> <p>This high-level review has considered:</p> <ul style="list-style-type: none"> <li>roles and responsibilities;</li> <li>applicable policies and procedures; and</li> <li>available financial information.</li> </ul>	<p>The Housing Support Team has taken the lead on supporting refugees who have arrived, and continue to arrive, under the Homes for Ukraine schemes (with assistance being provided as necessary by other Council Services, for example the Landlord Registration Team and the Education Refugee Team). We were content that:</p> <ul style="list-style-type: none"> <li>the team maintain records detailing the arrival date of each displaced person into the United Kingdom, and into Clackmannanshire;</li> <li>From 2015 to 2022, Elected Members have received and agreed reports relating to refugee schemes;</li> <li>guidance on the different refugee schemes has been developed by the Scottish and UK Governments;</li> <li>information for host sponsors and displaced people is available on the Scottish Government's website;</li> <li>a checklist and workflow spreadsheet that outline the steps to follow by the team when assisting refugees or sponsors has been prepared and followed;</li> <li>monthly returns containing data on refugees from Ukraine are submitted to the Scottish Government;</li> <li>there are arrangements to distribute (using a dedicated Imprest Fund) initial 'welcome' payments to displaced people from Ukraine; and</li> <li>arrangements are in place to recover any identified overpayments of the monthly 'thank you' payments, from the sponsor, through Council recovery processes, and compliance with the Corporate Debt and Write Off Policy.</li> </ul> <p>We did identify areas, however, where there is scope for further improvement of the existing framework of control. We have, therefore, made the following recommendations:</p> <ul style="list-style-type: none"> <li>An additional 2023 update report should be presented to Elected Members detailing progress and any significant developments of the Ukraine Displaced Persons Resettlement Scheme implementation;</li> <li>Quarterly reconciliations should be conducted between any income received and expenditure incurred in relation to refugee schemes;</li> <li>Written Cash Handling Imprest Procedures are developed for the distribution of 'thank you' payments to guests under the Ukrainian Refugee Schemes; and</li> <li>The development and issue of financial reports to the Scottish Government in compliance with the grant offer conditions (including actual expenditure to date compared with profiled expenditure and any change to estimated expenditure for the 12 month period).</li> </ul>	

## DEFINITION OF INTERNAL AUDIT ASSURANCE CATEGORIES

Level of Assurance	Definition
<b>Substantial assurance</b>	Largely satisfactory risk, control, and governance systems are in place. There is, however, some scope for improvement as current arrangements could undermine the achievement of objectives or leave them vulnerable to error or abuse.
<b>Limited assurance</b>	Risk, control, and governance systems have some satisfactory aspects. There are, however, some significant weaknesses likely to undermine the achievement of objectives and leave them vulnerable to an unacceptable risk of error or abuse.
<b>No assurance</b>	The systems for risk, control, and governance are ineffectively designed and operated. Objectives are not being achieved and the risk of serious error or abuse is unacceptable. Significant improvements are required.

## INTERNAL AUDIT PLAN 2023/24

## Progress at 10 October 2023

	Client / Directorate	Assignment	Status
<b>Annually Recurring Assignments</b>			
1.	All Directorates	National Fraud Initiative	Ongoing
2.	All Directorates	Continuous Auditing	Ongoing
3.	Place	Climate Change Act Public Body Duties Audit	Not Started
4.	All Directorates	Consultancy Work	Ongoing
5.	All Directorates	Work on Recommendations Outstanding	Ongoing
6.	Internal Audit	Public Sector Internal Audit Standards: Self Assessment	In Progress
<b>Committed Assignments</b>			
7.	Partnership and Performance / All Directorates	IT and Information Security Governance	Not Started
8.	People / All Directorates	Purchase Order Arrangements at Clackmannanshire for Adult Social Care	In Progress
9.	Partnership and Performance / People	Leisure Income Follow Up Review	In Progress
10.	Partnership and Performance / All Directorates	Freedom of Information Requests	Not Started
11.	All Directorates	Care Home Residents Monies	In Progress
12.	Partnership and Performance / All Directorates	Overtime Arrangements	Not Started

	<b>Client / Directorate</b>	<b>Assignment</b>	<b>Status</b>
13.	Place / Partnership and Performance	Energy Bills Support Scheme (EBSS)	Not Started
14.	People	School Admissions Policy	Not Started
15.	Partnership and Performance / All Directorates	Use of Purchase Cards	<b>In Progress</b>
16.	Partnership and Performance / All Directorates	Community Benefits	Not Started
<b>Other Client Work</b>			
17.	Clackmannanshire and Stirling Integration Joint Board	The Internal Audit Plan for 2023/24 was presented to the IJB Audit and Risk Committee on 28 June 2023.	Not Started
18.	Central Scotland Valuation Joint Board	The Internal Audit Plan for 2023/24 was presented to the Central Scotland Valuation Joint Board on 30 June 2023.	Not Started