

Report To: Audit Committee **Date:** 12.01.2021

Report By: Corporate Director Environment Regeneration and Resources **Report No:** AC/01/21/SA/APr

Contact Officer: Andi Priestman **Contact No:** 01475 712251

Subject: INTERNAL AUDIT PROGRESS REPORT – 28 SEPTEMBER TO 27 NOVEMBER 2020

1.0 PURPOSE

- 1.1 The purpose of this report is to enable members to monitor the performance of Internal Audit, to discharge their scrutiny and performance monitoring roles and gain an overview of the overall control environment throughout the Council.
- 1.2 The Monitoring Report from 28 September to 27 November 2020 is attached as an Appendix 1 Appendix to this report since its content is essential to the understanding of the Council's control environment.

2.0 SUMMARY

- 2.1 There were 3 internal audit reports finalised since the last Audit Committee meeting in October 2020:
- Corporate Procurement – Off Contract Spend
 - Sundry Debtors – Limited Scope Finance Review
 - Garden Waste Permit Income

- 2.2 These reports contained 15 issues categorised as follows:

Red	Amber	Green
0	3	12

- 2.3 The fieldwork for the 2019/20 plan is complete.
- 2.4 The fieldwork for the 2020/21 is underway and the status is as follows:

Stage	Number of Reports
Final Report	2
Draft Report	0
Fieldwork Complete	0
Fieldwork in Progress	6
Planning	0
Not started/deferred	6
Total	14

2.5 In relation to Internal Audit follow up, there were 10 actions due for completion by 31 October 2020 of which 5 have been reported as completed by management and completion dates in relation to 5 actions have been revised. The current status report is attached at Appendix 2. Appendix 2

2.5 The CMT has reviewed and agreed the current status of actions.

3.0 RECOMMENDATIONS

3.1 It is recommended that Members agree to note the progress made by Internal Audit in the period from 28 September to 27 November 2020.

Scott Allan
Corporate Director Environment, Regeneration and Resources

4.0 BACKGROUND

- 4.1 In February 2021, the Audit Committee approved the current Internal Audit Annual Plan which detailed a programme of activity to be undertaken during 2020-21.
- 4.2 Internal Audit regularly reports findings and action plans to relevant Council Officers and the Audit Committee as part of the annual audit plan. A follow up process is in place to allow follow up of current internal audit actions to be co-ordinated and updated by Internal Audit on a monthly basis with regular reporting to CMT and the Audit Committee.

5.0 CURRENT POSITION

- 5.1 There were 3 internal audit reports finalised since the last Audit Committee meeting in October 2020:

- Corporate Procurement – Off Contract Spend
- Sundry Debtors – Limited Scope Finance Review
- Garden Waste Permit Income

- 5.2 The fieldwork for the 2019/20 plan is complete.

- 5.3 The fieldwork for the 2020/21 plan is underway and the current status of the plan is as follows:

Stage	Number of Reports
Final Report	2
Draft Report	0
Fieldwork Complete	0
Fieldwork in Progress	6
Planning	0
Not started/deferred	6
Total	14

- 5.4 In relation to Internal Audit action plans, there are 13 current action points being progressed by officers. There were 10 actions due for completion by 31 October 2020 of which 5 actions have been reported as completed by management and dates in relation to 5 items have been revised. The current status report is attached at Appendix 2.
- 5.5 The CMT has reviewed and agreed the current status of actions.

6.0 IMPLICATIONS

Finance

6.1 There are no direct financial implications arising from this report.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
N/A					

Legal

6.2 There are no direct legal implications arising from this report.

Human Resources

6.3 There are no direct HR implications arising from this report.

Equalities

6.4 There are no direct equalities implications arising from this report.

Repopulation

6.5 There are no direct repopulation implications arising from this report.

7.0 CONSULTATIONS

7.1 Relevant officers have been consulted in the preparation of this report.

8.0 LIST OF BACKGROUND PAPERS

8.1 File of completed internal audit reports: Available from Andi Priestman, Chief Internal Auditor.



**Audit Committee Report
Report on Internal Audit Activity from
28 September to 27 November 2020**

Section	Contents	Page
1	Audit work undertaken in the period	1-2
2	Summary of main findings from reports issued since previous Audit Committee	2-4
3	Audit Plan for 2020-2021 – progress to 27 November 2020	5
4	Corporate Fraud Activity	6-7
5	Ad hoc activities undertaken since the previous Audit Committee	7

1 Audit work undertaken in the period

Reports issued since last update

1.1 In each audit, one of 4 overall opinions is expressed:

Strong	In our opinion there is a sound system of internal controls designed to ensure that the organisation is able to achieve its objectives.
Satisfactory	In our opinion isolated areas of control weakness were identified which, whilst not systemic, put some organisation objectives at risk.
Requires improvement	In our opinion systemic and/or material control weaknesses were identified such that some organisation objectives are put at significant risk.
Unsatisfactory	In our opinion the control environment was considered inadequate to ensure that the organisation is able to achieve its objectives.

1.2 Detailed findings and recommendations reported to management are currently graded using the following criteria:

Red	<ul style="list-style-type: none"> In our opinion the control environment is insufficient to address the risk and this could impact the Council as a whole. Corrective action must be taken and should start immediately. Overseen to completion by Corporate Management Team.
Amber	<ul style="list-style-type: none"> In our opinion there are areas of control weakness which we consider to be individually significant but which are unlikely to affect the Council as a whole. Corrective action must be taken (some exceptions may be agreed with IA) within reasonable timeframe. Overseen to completion by Head of Service.
Green	<ul style="list-style-type: none"> In our opinion the risk area is well controlled or our audit highlighted areas for minor control improvement and/or areas of minor control weakness. Process improvements/efficiencies may be actioned at management discretion in consultation with Internal Audit (IA). Managed by service owner.

1.3 There were 3 audit reviews finalised since the October Audit Committee, which are identified below, together with a summary of the gradings of the issues identified. In Section 2 we have provided a summary of the main findings from the review.

Reports finalised since previous Audit Committee	Grading			Total Number of Issues
	Red	Amber	Green	
Corporate Procurement – Off Contract Spend	0	2	2	4
Sundry Debtors – Limited Scope Finance Review	0	0	8	8
Garden Waste Permit Income	0	1	2	3
Total	0	3	12	15

Other activities

Risk Management

- 1.4 Risk Management is the subject of separate reporting to Audit Committee and a full report is submitted separately on an annual basis.

Internal Audit Action Plan Follow Up

- 1.5 The current status of Internal Audit Action plans is set out as an attachment at Appendix 2 to this report.

2 Summary of main findings from reports issued since previous Audit Committee

- 2.1 We have provided below a summary of the key findings from the final reports issued after 25 September 2020.

Corporate Procurement – Off Contract Spend

- 2.2 When providing services to local residents the Council procures various goods, services and works from various external organisations. For 2019/20 the Council's total procurement expenditure was £114.5m. It is essential that all relevant officers can readily demonstrate compliance with the Council's standing orders relating to contracts, the corporate procurement manual and corresponding legislation. In addition, those officers must also demonstrate best value when making procurement decisions. However, these requirements come into focus whenever officers incur expenditure which has not been adequately market tested or is not subject to appropriate contractual terms. Such expenditure is known as off-contract spend and adequate arrangements must be in place to both identify and minimise its occurrence as far as possible.
- 2.3 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks faced by Inverclyde Council in relation to off-contract spend.
- 2.4 The review focused on the high level processes and procedures in relation to off-contract spend and concentrated on identified areas of perceived higher risk, such as not adequately identifying all off-contract spend and not adequately ensuring compliance with all relevant procurement policies and relevant regulations.
- 2.5 The overall control environment opinion for this audit review was **Satisfactory**. There were 2 AMBER issues identified as follows:

Monitoring and minimising off-contract spend (Amber)

In order to minimise the occurrence of off-contract spend managers must be aware of its extent and causes. However, we have identified some issues regarding off-contract spend as follows:

- management information is only being produced annually and some months after the financial year end;
- more specific and timely information is required regarding expenditure which exceeds the regulated threshold of £50,000 and has not been subject to tendering procedures; and
- no detailed information is produced about expenditure which continues to be incurred under expired contracts.

Officers may be unable to fully comply with all relevant procurement legislation and to obtain best value without regularly identifying and challenging off-contract spend.

2 Summary of main findings from reports issued since previous Audit Committee (Continued)

Using the Financial Management System (FMS) to manage off-contract spend (Amber)

Before paying a new supplier on FMS a creditor record is created. Service based officers submit authorised supplier creation forms to Finance for processing. However, these forms are not vetted by Corporate Procurement staff therefore they cannot readily identify the early use of off-contract suppliers. Also, neither the supplier creation form nor the payment request form contains necessary guidance on expected procurement practice.

In addition, when purchase requisitions are raised on FMS there is no data field for staff to record approved contract numbers. We understand that an unused data field within FMS could, at no cost, be used to record approved contract numbers. In turn, Corporate Procurement officers could more easily identify orders which are placed with off-contract suppliers.

There may be delays in identifying and challenging off-contract spend when Corporate Procurement staff are not able to vet newly created suppliers on FMS or identify and challenge orders placed with off-contract suppliers prior to the commitment being placed.

- 2.6 The review identified 4 issues, two of which we consider to be individually significant and an action plan is in place to address all issues by 30 June 2021.

Sundry Debtors – Limited Scope Finance Review

- 2.7 The sundry debtors process is the mechanism for the collection and recording of sums of money due by Inverclyde Council which are not accounted for by the revenues systems used for Council Tax and NDR. Sundry debtors cover a wide range of services by Inverclyde Council to the public which include services such as home care, wraparound care, community alarms, commercial rents, music tuition and landlord registration. During 2019/20 there were approximately 15,800 sundry debtors invoices raised with a total value of £11.47 million.
- 2.8 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks faced by Inverclyde Council in relation to Sundry Debtors.
- 2.9 The review focused on the high level processes and procedures in relation to sundry debtors and concentrated on identified areas of perceived higher risk, such as the validity, completeness and accuracy of sundry debtor invoices and the proper recording of income. Specific areas reviewed included Wraparound Service, Commercial Rents and Community Alarms.
- 2.10 The overall control environment opinion for this audit review was **Satisfactory**. There were 8 GREEN issues identified which if implemented will enhance the control environment.
- 2.11 There were no significant issues identified and an action plan is in place to address all issues identified by 31 January 2021.

2 Summary of main findings from reports issued since previous Audit Committee (Continued)

Garden Waste Permit Income

- 2.12 As part of the budget savings round for 2020/21 the Council decided to introduce a charge for collecting garden waste. This chargeable service is available to approximately 22,000 properties across Inverclyde. For 2020 the charge has been set at £30 per brown bin and is budgeted to yield £237,000, net of costs. To date over 10,600 permits have been sold to local residents or approximately 48% of eligible properties. It is therefore important that adequate and effective arrangements are in place to manage the income due from garden waste permits.
- 2.13 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks faced by Inverclyde Council in relation to the income due from garden waste permits.
- 2.14 The review focused on the high level processes and procedures in relation to garden waste permits and concentrated on identified areas of perceived higher risk, such as not completely and accurately collecting all income due from the issue of these permits and not adequately managing the fraud risks associated with providing this service.
- 2.15 The overall control environment opinion for this audit review was **Satisfactory**. There was one AMBER issue identified as follows:

Monitoring income and refunds arising from the sale of garden waste permits (Amber)

The income collected from the sale of garden waste permits must agree to the number of permits issued. Also, customer refunds which are processed through the financial ledger must match service records. However, at the time of the audit, a reconciliation of permit sales income and refunds to relevant records was not being carried out. By early October 2020, a total of 10,687 permits had been issued and 62 refunds had been processed to date.

In addition, audit testing identified that for a small number of cases, officers had processed refunds before customers had returned their unused permits. However, we understand that in all those cases customers have subsequently returned their unused permits.

It is more difficult to fully control the income from the sale of garden waste permits when appropriate reconciliations are not undertaken.

Invalid refunds may be processed when reimbursements of garden waste permit fees are not subject to appropriate reconciliations.

- 2.16 The review identified 3 issues, one of which we consider to be individually significant and an action plan is in place to address all issues by 31 January 2021.

3 Audit Plan for 2020/2021 – Progress to 27 November 2020

Planned Audit Coverage	Not started	Planning	TOR Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report	Report Finalised	Reported to Audit Committee
Risk-Based Reviews								
Homelessness	✓							
Corporate Procurement – Off Contract Spend		✓	✓	✓	✓	✓	✓	January 2021
Taxi Licensing	✓							
Overtime		✓	✓	✓				
Garden Waste Permits Income		✓	✓	✓	✓	✓	✓	January 2021
Limited Scope Financial Reviews								
Cash and Banking	✓							
Creditors		✓	✓	✓				
Project Assurance Reviews								
Greenock Ocean Terminal	✓							
Parent Pay		✓	✓	✓				
Project Post-Implementation Reviews								
Alcohol and Drugs Partnership Redesign	✓							
CLD 3 Year Plan	✓							
Regularity Audits								
Employee Expenses – Quarterly Checks		N/A	N/A	✓				
Client Accounts – Quarterly Checks		N/A	N/A	✓				
Corporate Purchase Cards – Quarterly Checks		N/A	N/A	✓				
Corporate Governance								
Annual Governance Statement 2019-2020	Complete - Input provided by CIA.							
Other Work								
Council Tax Reduction Scheme/Discounts/Exemptions	Checks are carried out to establish the validity of discounts and exemptions – see section 4							
National Fraud Initiative	Work on the 2018/19 Data Matching Exercise is complete. Work has started on the 20/21 Exercise. An update will be provided to the February 2021 meeting.							
SPOC Liaison with DWP	Ongoing – see paragraph 4 for detailed activity.							
Inverclyde IJB	20 days allocated to IJB audit plan. One audit is complete.							

4 Corporate Fraud Activity

4.1 The undernoted table sets out progress to date on corporate fraud activity in the period 28 September to 27 November 2020:

National Fraud Initiative Exercise					
In relation to the 2018/2019 Exercise, relevant matches have now been investigated by Internal Audit and Services and the exercise is now complete.					
The recheck exercise was refreshed in 2020 and the status of matches is as follows:					
Matches received	Number Investigated	No issues	Fraud	Error	Value of Fraud/Error
2581	679	679	0	0	£0
In relation to the 2020/21 exercise, relevant datasets have now been uploaded to the NFI system and matches are due to be released to participating organisations from 31 January 2021.					
Employee Expenses Quarterly Checks – 2020-2021					
A new Travel and Subsistence policy was approved in September 2019. Checks to ensure compliance with the new policy have now started.					
Corporate Purchase Cards Quarterly Checks – 2020-2021					
Quarterly checks are underway. No significant issues have arisen to date.					
Client Money Accounts Quarterly Checks – 2020-2021					
The new policy was introduced in May 2020. Testing has been completed for transactions recorded from June to September and no significant issues were identified. Some minor audit trail issues were identified which will be covered through training with relevant officers.					

4.2 The status of NFI cases being reviewed by Corporate Fraud since the last Audit Committee are set out below:

NFI Enquiries					
Number of Enquiries	Fraud Established	No Fraud	Referred to Finance	Referred to External Agency	Ongoing
35	0	0	13	0	22

SPOC Liaison 28/9/20 to 27/11/20		
DWP Referrals	0 this period	37 to date
LAIEF requests actioned	1 this period	61 to date

Whistleblowing/Referrals		
Files closed/being investigated since the last Audit Committee are as follows:		
File Ref	Description	Status
20/21 20/72	Potential Theft of Council Stock	Ongoing investigation
20/21 20/82	Potential Theft of Council Equipment	Ongoing investigation

4 Corporate Fraud Activity (Continued)

4.5 In addition, the status of other enquiries received between 28/9/20 and 27/11/20 is as follows:

Blue Badge Enquiries					
Number of Enquiries	Misuse Identified		No misuse	Ongoing	
13	12		0	1	
Council Tax Referrals (Whistleblower/Services)					
Number of Enquiries	Fraud Established	No Fraud	Referred to Finance	Referred to External Agency	Ongoing
1	0	0	1	0	0
Other Enquiries (Services)					
Number of Enquiries	Fraud		No Fraud	Ongoing	
1	0		1	0	

5 Ad hoc activities undertaken since the previous Audit Committee

5.1 From time to time, management will request the assistance of Internal Audit in certain activities that are in addition to the annual Operational Plan. Examples of such activities include investigations of alleged irregularities, review of changes in system procedures etc.

5.2 Contingency has been made available in the Operational Plan for such ad hoc activities. Since the previous Audit Committee, ad hoc activity undertaken in the period is as follows:

- Providing relevant information in relation to FOI requests.
- Investigations as set out at sections 4.2 to 4.5 of the report.
- Provision of ongoing advice and support to service processes impacted by the pandemic and input through CRMT on cyber security and anti-fraud alerts for employees and wider community as appropriate.

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
AT 31 OCTOBER 2020

Summary: Section 1 Summary of Management Actions due for completion by 31/10/2020

There were 10 actions due for completion by 31 October 2020 of which 5 were reported as completed by management and dates in relation to 5 actions have been revised.

In addition there was one action with a completion date of 30 November 2020 which has been reported as completed by management.

Section 2 Summary of Current Management Actions Plans at 31/10/2020

At 31 October 2020 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 31/10/2020

At 31 October 2020 there were 12 current audit action points.

Section 4 Analysis of Missed Deadlines

At 31 October 2020 there were 6 audit action points where the agreed deadline had been missed.

Section 5 Summary of Action Plan Points by Audit Year

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 31.10.2020**

SECTION 2

Directorate	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*
Health and Social Care Partnership (HSCP)	6	1	5#	
Education, Communities and Organisational Development	1	1		
Environment, Regeneration & Resources	3	3		
Total	10	5	5	

* These actions are included in the Analysis of Missed Deadlines – Section 4

In relation to the 5 items where action dates have been revised, audit follow up identified that sufficient progress has been made in implementing 3 of the agreed actions such that the residual risk has been reduced and the risk category is now GREEN but will still be subject to audit follow up. These are set out in the undernoted table:

Agreed Action	Status Update
Refugee Integration Scheme (August 2020)	
<p>Financial Management and Monitoring of the Refugee Integration Scheme (Amber) Management will:</p> <ul style="list-style-type: none"> • establish formal arrangements for claiming Home Office grants; • undertake spot checks to confirm that all relevant grants were claimed from the Home Office; • confirm the accuracy of unspent grant monies for the two refugee resettlement schemes which operated up until 31st March 2020; • establish more detailed budgetary control arrangements for the current Home Office resettlement scheme; • undertake a review of the roles and responsibilities for financial tasks currently undertaken by the Refugee Integration Team and Finance staff; and • formal arrangements will be detailed within version controlled procedures. 	<p>Home office guidance will be followed. Finance officer attending home office training on 8 December.</p> <p>Checks carried out during budget monitoring meetings to ensure all relevant grants have been claimed. All income in relation to Education has been transferred over.</p> <p>A request has been made to Home Office regarding unspent grant monies - Awaiting Home Office response.</p> <p>A review of the roles and responsibilities for financial tasks currently undertaken by the Refugee Integration Team and Finance staff has been completed. Additional finance p/t post is being requested to further develop and monitor budgetary control arrangements as new families are welcomed in 2021.</p>

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 31.10.2020**

SECTION 2

Agreed Action	Status Update
Refugee Integration Scheme (August 2020)	
<p>Adequacy of Partnership Working Arrangements (Amber) Management will:</p> <ul style="list-style-type: none"> • reconvene the Migration Steering Group (MSG) as soon as reasonably practicable; • examine the various issues which were identified during the audit; and • create MSG sub-groups in order to examine complex issues and to draft appropriate action plans. 	<p>MSG meetings reconvened on 24 August 2020. New TOR are being prepared. CMT agreed the service remit and values on 24 September 2020.</p> <p>MSG agreed themed working groups to be established for accommodation; health; education; employment; training.</p> <p>Issues from the audit highlighted at MSG and tasks underway.</p>
<p>Adequacy of Management Information (Amber) Management will:</p> <ul style="list-style-type: none"> • clarify with CMT the appropriate report cycle to prepare reports regarding the refugee strategy for relevant Council committees; • explore the benefits of access to the current Welfare Rights case management system for relevant staff within the Refugee Integration Team; • develop a management information suite to be regularly produced by the Refugee Integration Co-ordinator and Finance staff in order to fully oversee the refugee integration scheme; • further utilise the SWIFT system for case management; • confirm that the replacement SWIFT system will, to the extent possible, allow for the Refugee Integration Team's information processing requirements. 	<p>It was agreed at CMT on 24 September 2020 that New Scot and MSG will collaborate to produce an annual report to CMT, HSPC Committee and P&R Committee.</p> <p>Exploration of systems access is underway. Relevant management information requirements will then be determined.</p> <p>Confirmation has been received that the SWIFT replacement system will allow for the team's information processing requirements.</p>

In addition there was one action due for completion by 30 November 2020 which has been completed as follows:

Governance of Community Organisations (May 2020)	
Creation and Monitoring of Outcomes (Amber)	
Management will ensure that:	
<ul style="list-style-type: none"> • a revised Service Level Agreement is put in place for all community groups which should include key performance indicators, targets and outcomes that are in line with the locality planning priorities set out in the LOIP; and • monitoring of agreed outcomes is included within the governance arrangements on a quarterly basis. 	

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
SUMMARY OF CURRENT MANAGEMENT ACTION PLANS AS AT 31.10.2020**

SECTION 2

CURRENT ACTIONS BY DIRECTORATE

HSCP	
Due for completion November 2020	1
Due for completion January 2021	2
Due for completion June 2021	1
Total Actions	4
Education, Communities and Organisational Development	
Due for completion February 2021	1
Completion date to be advised	2
Total Actions	3
Environment, Regeneration and Resources	
Due for completion December 2020	2
Due for completion January 2021	1
Due for completion March 2021	1
Due for completion April 2021	1
Total Actions	5
Total current actions:	12

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.10.2020**

SECTION 3

HSCP

Action	Owner	Expected Date
Stock and Inventory Control (March 2019)		
<p>Adequacy of Stock Controls within Inverclyde Centre for Independent Living (Amber) Funding has been secured to procure a new stock control system which will be used for ICIL equipment. As an interim measure, managers have carried out a manual stock check and a year-end stock check will be carried out by end of March.</p>	<p>Service Manager (Innovation and ICIL)</p>	<p>30.06.2021*</p>
HSCP Contract Management (July 2019)		
<p>Adequacy of Contract Management Framework documentation (Amber) The finalised guidance will be formally reviewed for its effectiveness within a year of its being applied in practice.</p>	<p>Service Manager (Quality and Development)</p>	<p>30.11.2020</p>
Refugee Integration Scheme (August 2020)		
<p>Adequacy of Policy and Procedural Documentation (Amber) Management will:</p> <ul style="list-style-type: none"> • develop a local policy regarding the integration of refugees in conjunction with the Migration Steering Group (MSG); • review and update operational procedures; and • ensure both the policy and operational procedures are consistent with relevant Scottish Government policies and Home Office Funding Instructions and approved by the relevant Council Committees. 	<p>Service Manager (Children & Families & New Scots Service)</p>	<p>31.01.2021*</p>
<p>Adequacy of information governance and management arrangements (Amber) Management will:</p> <ul style="list-style-type: none"> • develop appropriate data sharing protocols with the Council services and external organisations which the Refugee Integration Team deals with; and • develop a data retention plan for the personal information held by the Refugee Integration Team. 	<p>Service Manager (Children & Families & New Scots Service)</p>	<p>31.01.2021*</p>

* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.10.2020**

SECTION 3

Education, Communities and Organisational Development

Action	Owner	Expected Date
Education Control Self Assessment (January 2020)		
Inefficient Use of ICT Systems (Amber) Once the pilot has been completed, the corporate transition will be implemented for the remaining schools. Staff will be given corporate e-mail address access and use of corporate printers.	Head of Education	To be advised*
	Head of Education	To be advised*
Governance of Community Organisations (May 2020)		
Adequacy of Monitoring Arrangements (Amber) Management should ensure that: <ul style="list-style-type: none"> • appropriate contingency arrangements are put in place in the event that the Development Officer is absent for an extended period of time, including development of operational guidance; • the monitoring process is updated to reflect revised KPIs and activities; and • once outcomes have been agreed, a wider range of sample checks are carried out within the quarterly review with management oversight. 	Service Manager, CLD, Community Safety & Resilience and Sport	30.11.2020*

* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.10.2020**

SECTION 3

Environment Regeneration and Resources

Action	Owner	Expected Date
Corporate Procurement – Off Contract Spend (October 2020)		
<p>Monitoring and minimising off-contract spend (Amber) Management will:</p> <ul style="list-style-type: none"> • within available resources, seek to introduce six monthly expenditure to contracts data matching exercises in order to identify off-contract spend and if possible, undertake these exercises every three months; • produce and review management information regarding expenditure which has never been tendered for and exceeds the regulated threshold of £50,000. This information will focus on expenditure which has not been reported to the relevant Service Committee; • produce and review management information regarding expenditure which continues to be incurred under expired contracts; • seek to agree with the Corporate Management Team a course of action for managing and regularly reporting on off-contract spend which exceeds the threshold for tendering goods and services, namely £25,000; and • examine the extent to which some of the above actions can be automated and also assess the costs and benefits of producing this information. This exercise will include reviewing the role of Designated Procurement Officers in respect of these issues. 	Procurement and Building Services Manager	30.04.2021
<p>Using the Financial Management System (FMS) to manage off-contract spend (Amber) Copies of all new supplier creation forms will be passed to Corporate Procurement on a monthly basis.</p>	Finance Manager (Education and Exchequer)	31.12.2020
<p>Guidance on the use of contracts and Corporate Procurement contact information will be added to new supplier creation forms and CRI payment request forms.</p>	Finance Manager (Environment and Technical)	31.12.2020
<p>FMS team will explore the use of an additional data field and liaise with Corporate Procurement as to the data to be captured.</p>	Finance Manager (Environment and Technical)	31.03.2021

* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
 REPORT TO AUDIT COMMITTEE ON
 STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
 CURRENT MANAGEMENT ACTIONS AS AT 31.10.2020**

SECTION 3

Environment Regeneration and Resources

Action	Owner	Expected Date
Garden Waste Permits Income (October 2020)		
Monitoring income and refunds arising from the sale of garden waste permits (Amber) Management will introduce appropriate and straightforward arrangements to reconcile the income and refunds arising from the sale of garden waste permits.	Environmental Services Manager	31.01.2021

* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Stock and Inventory Control (March 2019)	Adequacy of Stock Controls within Inverclyde Centre for Independent Living (Amber) Funding has been secured to procure a new stock control system which will be used for ICIL equipment. As an interim measure, managers have carried out a manual stock check and a year-end stock check will be carried out by end of March.	31.12.19 31.03.20	30.06.21	The procurement exercise is now complete. The new system will be implemented by June 2021.
Education CSA (January 2020)	Inefficient Use of ICT Systems (Amber) Once the pilot has been completed, the corporate transition will be implemented for the remaining schools.	14.08.20	To be advised	The pilot exercise was undertaken however the rollout to remaining schools was halted as a result of responding to COVID-19. A revised schedule will be discussed and implemented with ICT. However, currently ICT work is currently focussed on responding to supporting the Council operations due to Covid situation.
Education CSA (January 2020)	Staff will be given corporate e-mail address access and use of corporate printers.	14.08.20	To be advised	The pilot exercise was undertaken however the rollout to remaining schools was halted as a result of responding to COVID-19. A revised schedule will be discussed and implemented with ICT once which is dependent on Education and ICT having capacity to carry out individual audits of needs in each establishment. This requires full access to the buildings and the current Covid situation is making this more difficult to carry out.

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SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Governance of Community Organisations (May 2020)	<p>Adequacy of Monitoring Arrangements (Amber) Management will ensure that:</p> <ul style="list-style-type: none"> • appropriate contingency arrangements are put in place in the event that the Development Officer is absent for an extended period of time, including development of operational guidance; • the monitoring process is updated to reflect revised KPIs and activities; and • once outcomes have been agreed, a wider range of sample checks are carried out within the quarterly review with management oversight. 	<p>30.06.20 30.11.20</p>	28.02.21	Service Level Agreements are now in place for all community organisations. Monitoring of outcomes is ongoing and work is being finalised to ensure the quarterly monitoring processes include both quantitative and qualitative measures for relevant KPIs and activities.
Refugee Integration Scheme (August 2020)	<p>Adequacy of Policy and Procedural Documentation (Amber) Management will:</p> <ul style="list-style-type: none"> • develop a local policy regarding the integration of refugees in conjunction with the Migration Steering Group (MSG); • review and update operational procedures; and • ensure both the policy and operational procedures are consistent with relevant Scottish Government policies and Home Office Funding Instructions and approved by the relevant Council Committees. 	31.10.20	31.01.21	Draft policy will be shared with the MSG at the next meeting on 26 November. Relevant action will then be taken to review and update operational procedures.

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SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Refugee Integration Scheme (August 2020)	<p>Adequacy of information governance and management arrangements (Amber) Management will:</p> <ul style="list-style-type: none"> • develop appropriate data sharing protocols with the Council services and external organisations which the Refugee Integration Team deals with; and • develop a data retention plan for the personal information held by the Refugee Integration Team. 	31.10.20	31.01.21	Work is ongoing with Information Governance team to establish relevant protocols and data retention plan for the Refugee Integration Scheme.

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
SUMMARY OF ACTION PLAN POINTS BY AUDIT YEAR**

SECTION 5

The following table sets out the total number of agreed actions raised by audit year together with their completion status as at 31 October 2020.

Audit Year	Total Agreed Actions	Total Actions Completed	Total Current Actions Not Yet Due*		
			Red	Amber	Green
2014/2015	77	77	0	0	0
2015/2016	52	52	0	0	0
2016/2017	66	66	0	0	0
2017/2018	53	49	0	0	4
2018/2019	45	39	0	1	5
2019/2020	43	26	0	6	11
2020/2021	11	0	0	5	6
Total	347	309	0	12	26

*This part of the table sets out the total number of current actions not yet due at the date of the follow up report. The AMBER actions are included in Section 3 of the follow up report.