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<b>Report To:</b>	<b>Audit Committee</b>	<b>Date:</b>	<b>9 January 2024</b>
<b>Report By:</b>	<b>Head of Legal, Democratic, Digital &amp; Customer Services</b>	<b>Report No:</b>	<b>AC/01/24/IS/APr</b>
<b>Contact Officer:</b>	<b>Andi Priestman</b>	<b>Contact No:</b>	<b>01475 712251</b>
<b>Subject:</b>	<b>INTERNAL AUDIT PROGRESS REPORT – 2 OCTOBER TO 1 DECEMBER 2023</b>		

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## **1.0 PURPOSE AND SUMMARY**

1.1  For Decision  For Information/Noting

1.2 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.

1.3 The Monitoring Report from 2 October to 1 December 2023 is attached at Appendix 1 since its content is essential to the understanding of the Council's control environment.

## **2.0 RECOMMENDATIONS**

2.1 It is recommended that Members agree to note the progress made by Internal Audit in the period from 2 October to 1 December 2023.

Iain Strachan  
Head of Legal, Democratic, Digital & Customer Services

### 3.0 BACKGROUND AND CONTEXT

3.1 In April 2023, the Audit Committee approved the Internal Audit Annual Plan which detailed a programme of activity to be undertaken during 2023-24.

3.2 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.

3.3 There were 2 internal audit reports finalised since the last progress update to Audit Committee:

- Corporate Purchase Cards – Quarterly Checks
- Attendance Management

3.4 These reports contained 9 issues categorised as follows:

Red	Amber	Green
1	6	2

3.5 The 2023/24 audit plan is now underway and the current status is as follows:

Stage	Number of Reports
Final Report	3
Draft Report	0
Fieldwork Complete – report N/A	0
Fieldwork Complete	0
Fieldwork in Progress	6
Planning	2
Not Started	4
Deferred	1
<b>Total</b>	<b>16</b>

3.6 In relation to the audit of ASN Transport, detailed planning has been undertaken, however fieldwork will be deferred to 2024/25 due to an internal review currently being undertaken by management.

3.7 In relation to internal audit action plans there were 5 actions due for completion by 31 October 2023. Four actions are now complete and the completion date relating to one action has been revised. The current status report is attached at Appendix 2.

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

### 4.0 PROPOSALS

4.1 It is recommended that Members agree to note the progress made by Internal Audit in the period from 2 October to 1 December 2023.

## 5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation is agreed:

SUBJECT	YES	NO
Financial		X
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)	X	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

### 5.2 Financial Risk

There are no financial implications arising directly from this report.

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					

### 5.3 Legal/Risk

Where delays arise in delivering the Internal Audit Plan, there is a risk that this may result in an inability to provide a reasonable level of assurance over the Council's system of internal control to those charged with governance. The main basis for providing assurance is coverage of the planned risk-based audits. Every endeavour is therefore made to ensure that no material slippage occurs in risk-based audits by concentrating resources on these audits.

### 5.4 Human Resources Risk

There are no human resources implications arising directly from this report.

### 5.5 Strategic

This report helps ensure strong governance, and its findings will help support delivery of the Council Plan adopted by Inverclyde Council on 20 April 2023, and in particular outcome theme 3: Performance, with the Council seeking to provide high quality and innovative services that deliver value for money.

## **6.0 CONSULTATION**

6.1 Relevant officers have been consulted on the report.

## **7.0 BACKGROUND PAPERS**

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



**Audit Committee Report  
Report on Internal Audit Activity from  
2 October to 1 December 2023**

<b>Section</b>	<b>Contents</b>	<b>Page</b>
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**1 Audit work undertaken in the period**

**Reports issued since last update**

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

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

<b>Red</b>	<ul style="list-style-type: none"> <li>In our opinion the control environment is insufficient to address the risk and this could impact the Council as a whole.</li> <li>Corrective action must be taken and should start immediately.</li> <li>Overseen to completion by Corporate Management Team.</li> </ul>
<b>Amber</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Corrective action must be taken (some exceptions may be agreed with IA) within reasonable timeframe.</li> <li>Overseen to completion by Head of Service.</li> </ul>
<b>Green</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Process improvements/efficiencies may be actioned at management discretion in consultation with Internal Audit (IA).</li> <li>Managed by service owner.</li> </ul>

1.3 There were 2 audit reviews finalised since the progress update to 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 reviews.

Reports finalised since previous Audit Committee	Grading			Total Number of Issues
	Red	Amber	Green	
Corporate Purchase Cards – Quarterly Checks	0	2	1	3
Attendance Management	1	4	1	6
<b>Total</b>	<b>1</b>	<b>6</b>	<b>2</b>	<b>9</b>

**Internal Audit Action Plan Follow Up**

1.4 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 29 September 2023.

**Corporate Purchase Cards – Quarterly Checks (October 2023)**

- 2.2 This audit was conducted between April and August 2023 in accordance with the 2023/24 Internal Audit Plan, as agreed by the Inverclyde Council Audit Committee.
- 2.3 Corporate purchase cards are commonly used by various organisations as a means of paying for a wide range of goods and services. Purchase cards provide designated users across Services with a simple and familiar method of payment. In turn, purchase cards reduce the need to raise purchase orders and facilitate online purchasing. However, the delegated nature of this method of payment requires the consistent application of robust and appropriate internal controls within each Service.
- 2.4 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 use of corporate purchase cards.
- 2.5 The review focused on the high-level processes and procedures in relation to corporate purchase cards and concentrated on identified areas of perceived higher risk, such as not adequately recording expenditure and not completely validating monthly purchase card statements.
- 2.6 The overall control environment opinion for this audit review was Satisfactory. There were 2 AMBER issues identified as follows:

VAT guidance for users of corporate purchase cards (Amber)

The cost of most goods and services includes 20% Value Added Tax (VAT) and the Council can reclaim this tax when corporate purchase cardholders correctly record transactions and obtain valid VAT receipts. Cardholders must have an adequate understanding of how to correctly process and evidence transactions which include VAT.

The audit identified that there is no detailed guidance within the corporate purchase card procedures regarding the required treatment of transactions which include VAT. Through audit testing of 48 transaction logs, we found that 7 of them contained entries where VAT had not been correctly identified and which amounted to £1,603.11.

In the absence of appropriate purchase card guidance, there is a risk that the Council does not reclaim VAT incurred on eligible transactions.

Consistently recording and validating corporate purchase card transactions (Amber)

Corporate purchase card holders must validate all transactions shown on their monthly statements and maintain a log of transactions. However, through audit testing of 30 transaction logs, we found 19 of them were not signed-off by supervisors, partly due to the lack of a standard transaction log. Only 11 transaction logs prompted for sign-off by cardholders and their supervisors. In addition, through our testing of 30 monthly purchase card statements, we found that 17 statements were not signed-off by supervisors, a requirement of the procedures.

It is more difficult to promote and evidence the consistent validation of monthly purchase card statements in the absence of a standard transaction log aligned to the purchase card procedures.

Purchase card transactions may not be adequately authorised or flagged for investigation whenever monthly statements are not signed-off by supervisors.



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

- 2.7 The review identified 3 issues, 2 of which we consider to be individually significant and an action plan is in place to address all issues by 31 March 2024.

**Attendance Management (November 2023)**

- 2.8 Supporting Employee Attendance is important to ensure that all absences from work are appropriately managed and those who absent are supported accordingly. Inverclyde Council's Supporting Employee Attendance policy aims to ensure that all services are delivered efficiently and effectively and as an employer, Inverclyde Council has a duty to respond to actual and potential problems arising from absence levels in relation to service delivery and staff wellbeing. The policy aims to place emphasis on the comprehensive range of services established to help employees return to work and to ensure that all employees are treated fairly and consistently.
- 2.9 Compliance with Inverclyde Council's Supporting Employee Attendance Policy and Procedure requires managers to actively monitor and report the attendance level of their staff on an ongoing basis which enables emerging trends to be identified to allow early action to be taken to prevent absence or health issues from developing into potentially longer-term problems.
- 2.10 Inverclyde Council's average non-attendance target is currently 9 days. For 2021/22, the total number of work days lost per FTE employee was 8.29 days and for 2022/23 the total number of work days lost per FTE employee was 10.4 days.
- 2.11 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 over the key risks faced by Inverclyde Council in relation to attendance management.
- 2.12 The audit was carried out between June and September 2023 in accordance with the 2023/24 Annual Audit Plan and focussed on the high-level processes and procedures in relation to attendance management and concentrated on identified areas of perceived higher risk such as ensuring that absences were completely and accurately handled in a timely manner in line with the Supporting Employee Attendance Policy and Procedure and that management actions required under the Supporting Employee Attendance Policy and Procedure were carried out completely and accurately and in a timely manner.
- 2.13 The overall control environment opinion for this audit review was **Requires Improvement** due to systemic control weaknesses in the attendance management process. One Red and 4 Amber issues were identified as follows:

**Inefficient process for the notification, recording and monitoring of absences (Red)**

As part of the Supporting Employee Attendance Policy and Procedure, management should actively monitor, record and report any absences as soon as they occur to ensure that attendance management is appropriately managed.

However, through walkthroughs of the current process for notification and recording of an absence within 4 services across the Council, it was identified that due to system constraints within Chris21, a multi-step manual process is in place to notify, record and monitor absences which is not efficient or timely and impacts on the completeness and accuracy of absence management information.

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

Specific issues were identified as follows:

- The relevant manager/team leader/supervisor emails details of the absence to the relevant absence co-ordinator within the Service who in turn completes an absence start form for the employee which is then sent to Payroll for updating on Chris21.
- Due to how the system has been configured, the information from the absence start form cannot be input to Chris21 without the finish form as the system currently prevents the user from progressing to the next field without an end date. At the time of the audit there were 76 absence start forms which had not been processed on Chris21. This impacts the ability to assess the entitlement to Statutory Sick Pay or Occupational Sick Pay for the absent employee and the audit identified that there have been some cases where there has been an overpayment of pay due to delays in receiving relevant forms for staff who have less than 26 weeks of service or are no longer entitled to Statutory Sick Pay or Occupational Sick Pay. We were unable to identify the extent of overpayments as a log is not maintained but management have advised that the volume of cases is low.
- For an absence of more than 7 days, the employee must produce a Statement of Fitness For Work form from their GP which instructs Payroll Services to assess payment of statutory sick pay or occupational sick pay. The audit identified that often Payroll Services have to pursue the Finish form from services where no Statement of Fitness Form Work form has been sent into Payroll Services after 7 days of absence which delays the process and can result in overpayments arising.
- For long term absences, Payroll staff record these absences using the next corresponding 4 weekly pay run date as the end date to work out Statutory or Occupational Sick Pay due for each absent member of staff. The end date entered is a predicted date and not an actual end date which Payroll staff continue to amend when each additional Statement of Fitness for Work is received from the services until a finish form is received to end the absence.

Inefficiencies in this process has led to duplication of effort. Where there is a delay from services, there is a risk that the absence recording process is not carried out in a timely manner which may impact on the accuracy of entitlement to statutory sick pay and overpayments may occur. In addition, service managers cannot rely on absence information being up to date.

Where the manual process in place for notifying and recording an absence involves the handling of personally sensitive data by multiple staff members, there is a risk that the process may not be compliant with GDPR requirements.

**Attendance Management Training (Amber)**

To comply with this policy and related procedure, service managers and team leaders must attend mandatory attendance management training. Inverclyde Council's senior management's mandatory training matrix includes a one-day face to face training course on Supporting Employee Attendance which should be repeated every 3 years. In addition, all relevant managers should complete the Council's Supporting Employee attendance e-learning training course which became available on Inverclyde Learns in 2021.

However, to date, a total of 15 managers across all Council's services have completed the e-learning training and 14 managers are in the process of completing this module. There was an older e-learning module from 2013-2021 but the completion rates across the services are no longer available.

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

Supporting Attendance management face to face training is also offered through the course booker and advertised by the Organisational Development team. Face to face supporting attendance management training has been undertaken for Heads of Establishments within Education Services and is ongoing for new managers within Care at Home.

Where training in relation to attendance management has not been carried out, there is a risk that managers may not carry out processes in a consistent manner resulting in non-compliance with the Council's Supporting Employee Attendance policy.

Where training in relation to attendance management has not been carried out, there is a risk that managers may not carry out processes in a consistent manner resulting in non-compliance with the Council's Supporting Employee Attendance policy.

**Access to Occupational Health Services – Service Self-Referral Process (Amber)**

It is a condition of employment that an employee may be required where it is considered necessary or advisable to attend an appointment with the Council's Occupational Health Advisor. The current referral process is carried out by HR and from October 2022 until June 2023, there were 676 referrals made by HR to the Occupational Health Service.

In October 2022, a new external Occupational Health service provider was engaged by Inverclyde Council which would allow managers to self-refer absences where an occupational health referral has been identified. HR's role would then revert to providing advice and support to Services.

However, information requires to be provided to the external provider regarding employee hierarchies across services for update to the new system. Work has started such that some Services are now able to self-refer but the exercise is not yet fully complete as information is outstanding from services within HSCP.

Where there are delays in obtaining information from services, referral processes continue to be undertaken by HR which are inefficient.

**Generating absence reports for follow up actions (Amber)**

As part of the attendance management process, managers require to monitor staff absences and follow up on any required actions.

There is a facility available within Chris21 for managers to generate absence reports. However, none of the managers within the 4 services reviewed currently have access to generate absence reports from Chris21.

In addition, the audit identified that both Education Services staff and Homecare Services staff use their own recording systems to monitor all absences as they cannot rely on Chris21 to provide up to date information on current absences and ensure absences are closed in a timely manner and relevant actions are undertaken.

However, within Education Services, it was identified that some Heads of Establishment do not always follow up on the outstanding actions within the open absence report in a timely manner. In April 2023, Education Services introduced a new internal procedure in relation to the return to work process where a control is currently being trialled within one school where the Head of Establishment updates a spreadsheet to confirm that the return to work process has been completed.

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

Where managers are unable to access CHRIS21 to generate absence reports, management cannot be confident that the absence records held are complete, accurate and up to date.

Where Heads of Establishment do not follow up on the outstanding actions in a timely manner, there is a risk that the return to work interviews may not be completed in a timely manner to address any absence concerns and maintain good staff attendance.

**Security, retention and disposal of attendance management files (Amber)**

As part of the audit, walkthroughs were carried out within 4 services. The audit identified that within all 4 services, hard copy files in relation to attendance management are maintained which is not necessary as electronic versions are also maintained by the relevant service or on Chris21.

In addition, for one service, hard copy attendance management documentation relating to staff is held within a lever arch file which was left out on a desk overnight within the service's general office and not held securely. This has now been addressed.

Furthermore, the Council's retention and disposal of electronic/paper documents policy states that absence management files held by services should be retained for one year before being disposed of securely. However through audit testing it was identified that retention policies were not being adhered to by services and both hard and electronic records were being retained for longer than one year.

Where attendance management files are not disposed of on a regular basis, there is a risk that attendance management files are held by services for longer than is necessary which is costly for the Council in terms of physical storage and server space and is not compliant with the Council's Retention and Disposal of documents and Records (paper and electronic) policy and the Data Protection Act.

- 2.14 The review identified 6 issues, 5 of which we consider to be individually significant and an action plan is in place to address all issues by 30 June 2024.

**INVERCLYDE COUNCIL – REPORT ON INTERNAL AUDIT ACTIVITY  
FROM 2 OCTOBER TO 1 DECEMBER 2023**

**APPENDIX 1**

**3 Audit Plan for 2023/2024 – Progress to 1 December 2023**

Planned Audit Coverage	Not started	Planning	TOR Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report	Report Finalised	Reported to Audit Committee
<b>Risk-Based Reviews</b>								
Supplier Management (b/f from 2022/23)	Deferred to 2024/25 Annual Audit Plan – replaced by Procurement Compliance audit in 2023/24							
Procurement Compliance		✓	✓	✓				
Succession Planning		✓						
Attendance Management		✓	✓	✓	✓	✓	✓	January 2024
Building Standards		✓	✓					
ASN Transport	Planning has been undertaken however due to concurrent management review, fieldwork will be deferred to 2024/25 Annual Audit Plan.							
Commercial Waste Income (Billing and Collection)		✓	✓	✓	✓	✓	✓	October 2023
<b>Limited Scope Financial Reviews</b>								
Non-Domestic Rates		✓	✓	✓				
<b>Advisory Reviews</b>								
Education – Cashless Catering Replacement System		✓	✓	Audit advice and support will be provided to the project.				
UK Shared Prosperity Fund Assurance Arrangements	✓							
<b>Project Assurance Reviews</b>								
Swift Replacement System (Social Work IT System)	Not started - Audit support will be provided at testing and implementation phases of the project.							
<b>Corporate Fraud Reviews</b>								
Employee Expenses	2023-24 checks are underway.							
Client Accounts – Quarterly Checks	2023-24 checks are underway.							
Catering – Quarterly Stock Checks	Not started.							
Education Establishment Placing Requests	Not started.							
<b>Regularity Audits</b>								
Education CSA	✓	✓	✓	✓				
Corporate Purchase Cards – Quarterly Checks	Q3 2023-24 checks are underway. Q1/Q2 report finalised – see section 2 for more information.							
<b>Corporate Governance</b>								
Annual Governance Statement 2022-23	Complete - Input provided by CIA.							
<b>Other Work</b>								
Council Tax Reduction Scheme/Discounts/Exemptions	Checks are carried out to establish the validity of discounts and exemptions – see section 4.							
National Fraud Initiative	22/23 Exercise has started – see section 4 of report for more information.							
Carry forward from 2022/23 Audit Plan	Report finalised: Debt Recovery; Corporate Purchase Cards; Client Accounts.							
Inverclyde IJB	20 days allocated to IJB audit plan. Two advisory reviews have been planned. One is complete.							

**4 Corporate Fraud Activity**

4.1 The undernoted table sets out progress to date on corporate fraud activity in the period 2 October to 1 December 2023:

<b>National Fraud Initiative Exercise</b>					
In relation to the 2022/2023 Exercise, matches relating to the relevant datasets have been received and progress is as follows:					
Matches received*	Number investigated	No issues	Fraud	Error	Value of Fraud/Error
1745	320	315	0	5	£6,205.87
The Council Tax Single Person Discount recheck exercise was refreshed in March 2023 and the results to date are as follows:					
Matches received*	Number investigated	No issues	Fraud	Error	Value of Fraud/Error
9803	1625	1475	33	13	£46,016.14
* New datasets matches have been released relating to HMRC information in November 2023 which has increased the total number of matches received.					
<b>Employee Expenses – 2023-2024</b>					
Quarterly checks are underway for 2023-24.					
<b>Client Money Accounts Quarterly Checks – 2023-2024</b>					
Quarterly checks are underway for 2023-24.					
<b>Catering – Quarterly Stock Checks – 2023-2024</b>					
Not yet started.					
<b>Education Establishment Checks 2023-2024</b>					
Not yet started.					

4.2 The team continues to investigate whistleblowing and other enquiries in relation to DWP benefit, blue badge, and Council Tax referrals. Since 1 April 2023 these enquiries have resulted in the identification of overpayments of council tax discounts and exemptions of £44,313.

4.3 The team is also working alongside Finance to establish the validity of Community Care Grants. An update on this exercise will be presented to the March Audit Committee.

4.4 The team is also progressing whistleblowing and other enquiries as follows:

<b>File Ref</b>	<b>Description</b>	<b>Status</b>
<b>Whistleblowing Enquiries</b>		
23/59	Fraudulent grant applications	Ongoing investigation
<b>Other enquiries</b>		
23/74	Potential theft of Council equipment	Closed – fraud prevented

**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 and other work as set out at sections 4.2 to 4.4 of the report.
  - Provision of ongoing advice and support to services.

**INVERCLYDE COUNCIL INTERNAL AUDIT**  
**REPORT TO AUDIT COMMITTEE ON**  
**STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)**  
**AT 31 OCTOBER 2023**

**Summary: Section 1 Summary of Management Actions due for completion by 31/10/2023**

There were 5 actions due for completion by 31 October 2023. Four actions are complete and the completion date relating to one action has been revised.

**Section 2 Summary of Current Management Actions Plans at 31/10/2023**

At 31 October 2023 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

**Section 3 Current Management Actions at 31/10/2023**

At 31 October 2023 there were 21 current audit action points.

**Section 4 Analysis of Missed Deadlines**

At 31 October 2023 there were 2 audit action points where the original due date 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 31.10.2023**

**SECTION 1**

Directorate	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	No response received*
Environment and Regeneration	2	2		
Chief Executive	1	1		
HSCP	1		1	
Education and Communities	1	1		
<b>Total</b>	<b>5</b>	<b>4</b>	<b>1</b>	

\* These actions are included in the 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)  
SUMMARY OF CURRENT MANAGEMENT ACTION PLANS AS AT 31.10.2023**

**SECTION 2**


**CURRENT ACTIONS BY DIRECTORATE**

<b>HSCP</b>	
Due for completion January 2024	1
Due for completion April 2024	1
<b>Total Actions</b>	<b>2</b>
<b>Environment and Regeneration</b>	
Due for completion November 2023	1
Due for completion January 2024	3
Due for completion April 2024	1
Due for completion May 2024	1
<b>Total Actions</b>	<b>6</b>
<b>Education Communities and Organisational Development</b>	
Due for completion December 2023	5
Due for completion January 2024	2
Due for completion March 2024	2
Due for completion June 2024	2
Completion date to be advised	2
<b>Total Actions</b>	<b>13</b>
<b>Total current actions:</b>	<b>21</b>


**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 31.10.2023**





**SECTION 3**

<b>P</b>	<b>Homelessness (Report Issued August 2021)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Adequacy of policies and procedures (Amber)</b> Management will:</p> <ul style="list-style-type: none"> <li>Update the rent management policy and procedures and obtain CMT and committee approval as appropriate;</li> <li>review the arrangements for implementation and reporting of the Rent Management Policy;</li> <li>set a date to finalise its review of Homelessness assessment, housing support and case handling procedures; and</li> <li>ensure that version control is consistently and fully applied to all Homelessness policies and procedures.</li> </ul>		31-Mar-2022	31-Jan-2024*	<b>Service Manager (Homelessness and Addictions)</b>

<b>P</b>	<b>Employee Expenses (Report Issued August 2022)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>High Mileage Claims (Amber)</b> The service will carry out a refreshed value for money study that takes into account the current situation and will make recommendations accordingly.</p>		31-Mar-2023	30-Nov-2023*	<b>Director Environment and Regeneration</b>


Action Status			
	No response received		Missed original due date
	In Progress		Completed

\* See 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 31.10.2023**





**SECTION 3**

<b>P</b>	<b>Cyber Security Arrangements (Report Issued January 2023)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Staff Training in Relation to Cyber Security (Amber)</b> Management will ensure that an exercise is completed to ensure that all existing employees on the Council ICT network have completed the relevant mandatory training courses by 30 June 2023 and staff who have not completed the relevant courses will have their network access suspended. Progress on this exercise will be overseen by the Information Governance Steering Group.</p>		30-Jun-2023	31-Oct-2023	<b>ICT Manager/Head of OD, Policy and Communications</b>

<b>P</b>	<b>Climate Change – Utilities Management (Report Issued February 2023)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Adequacy of resources to progress actions from the Net Zero Strategy (Amber)</b> Management will ensure that all scheduled work is monitored, updated and reported to Committee on a regular basis.</p>		31-Jan-2024	31-Jan-2024	<b>Head of Physical Assets</b>





Action Status			
	No response received		Missed original due date
	In Progress		Completed

\* See 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 31.10.2023**

**SECTION 3**

Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Collation and reporting of emissions results (Amber)</b> Management will ensure that:</p> <ul style="list-style-type: none"> <li>• written procedural documentation is developed for the monitoring, collation and reporting of emissions data;</li> <li>• a copy of the procedural documentation is retained and made available for all new members of staff.</li> </ul>		31-May-2023	31-Oct-2023	<b>Head of Physical Assets</b>
<p><b>Collation and reporting of emissions results (Amber)</b> Management will ensure that a process to evidence periodic review on a regular basis is introduced, which includes version control.</p>		31-May-2024	31-May-2024	<b>Head of Physical Assets</b>
<p><b>Collation and reporting of emissions results (Amber)</b> Management will ensure that an independent check is completed for all emissions calculations. Evidence of the independent check should be retained.</p>		30-Jun-2023	31-Oct-2023	<b>Head of Physical Assets</b>


Action Status			
	No response received		Missed original due date
	In Progress		Completed





\* See 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 31.10.2023**

**SECTION 3**

<b>P</b>	<b>Commercial Waste Income – Billing and Collection (Report Issued August 2023)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Managing the Collection of Commercial Waste Income (Amber)</b> Management will:</p> <ul style="list-style-type: none"> <li>following discussions with the Chief Financial Officer, seek Committee approval during January for the annual rise in commercial waste charges. If this change is agreed with Finance Services, then arrange to issue existing customers with commercial waste debtors accounts on the first working day of March and September each year;</li> <li>co-ordinate as necessary with relevant Finance staff regarding the accrual of commercial waste income into the new financial year;</li> <li>ensure that the Commercial Services Officer makes regular use of the FMS historical age report to identify unpaid accounts within two weeks of second reminder letters having been issued by Finance staff. In turn, the Commercial Services Officer will arrange for the suspension of uplifts pending payment of unpaid accounts; and</li> <li>arrange for the Service Co-ordinator to contact the Finance FMS Team to explore the option of using a spreadsheet upload into FMS as a means of raising debtors accounts.</li> </ul>		30-Apr-2024	30-Apr-2024	<b>Service Manager (Grounds &amp; Waste)</b>

Action Status			
	No response received		Missed original due date
	In Progress		Completed


\* See 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 31.10.2023**

**SECTION 3**

Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Documenting contractual relationships with commercial waste customers (Amber)</b> Management will:</p> <ul style="list-style-type: none"> <li>consult the relevant Legal Services Manager regarding the best means of documenting the contractual relationship between the Council and commercial waste customers. In addition, this exercise will ensure that the trade waste agreement form reflects any planned changes to the timetable for billing existing customers; and</li> <li>confirm that the commercial waste policy is both up to date and is also suitable to represent the terms and conditions of service for customers. An updated policy will also be published on the Council's website and routinely issued to prospective customers when they request quotations from the Commercial Services Officer.</li> </ul>		31-Jan-2024	31-Jan-2024	<b>Service Manager (Grounds &amp; Waste)</b>

<b>P</b>	<b>Client Accounts – Quarterly Checks 2022/23 (Report Issued September 2023)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Inaccurate Transaction Records – Amber</b> Management have agreed that a review will be undertaken of the overall management of the corporate appointee process with a view to streamlining and modernising the functions.</p>		30-Apr-2024	30-Apr-2024	<b>Head of Finance, Planning and Resources, HSCP</b>

Action Status			
	No response received		Missed original due date
	In Progress		Completed





**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 31.10.2023**





**SECTION 3**

<b>P</b>	<b>Corporate Purchase Cards – Quarterly Checks 2023/24 (Report Issued October 2023)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>VAT guidance for users of corporate purchase cards (Amber)</b></p> <p>The Procurement Manager will develop appropriate guidance for purchase card users regarding the processing and receipting of transactions which include VAT.</p> <p>This exercise will also include obtaining appropriate VAT advice from relevant Finance staff and issuing the subsequent guidance to all cardholders and their supervisors.</p>		30-Apr-2024	30-Apr-2024	<b>Head of Finance, Planning and Resources, HSCP</b>

<b>P</b>	<b>Attendance Management (Report Issued December 2023)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Inefficient process for the notification, recording and monitoring of absences (Red)</b></p> <p>HR management will:</p> <ul style="list-style-type: none"> <li>• Review current and potential capability of Chris 21 system.</li> </ul>		31-Oct-2023	31-Oct-2023	<b>Head of OD, Policy and Communications</b>
<ul style="list-style-type: none"> <li>• Proposal to Digital Modernisation Board for budget to implement new system/system upgrade including ICT support.</li> </ul>		28-Feb-2024	28-Feb-2024	<b>Head of OD, Policy and Communications</b>
<ul style="list-style-type: none"> <li>• Develop a project plan to implement new/upgraded IT system with improved absence management module with opportunities for self-service</li> </ul>		30-Jun-2024	30-Jun-2024	<b>Head of OD, Policy and Communications</b>
<ul style="list-style-type: none"> <li>• Reminder will be sent to Heads of Service for dissemination to services regarding the timeliness of submission of start and finish forms.</li> </ul>		31-Dec-2023	31-Dec-2023	<b>Head of OD, Policy and Communications</b>





Action Status			
	No response received		Missed original due date
	In Progress		Completed

\* See 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 31.10.2023**

**SECTION 3**







Action Status			
	No response received		Missed original due date
	In Progress		Completed





\* See 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 31.10.2023**

**SECTION 3**

<b>P</b>	<b>Attendance Management (Report Issued December 2023)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Attendance Management Training (Amber)</b></p> <p>HR management will review mandatory training courses for approval by Corporate Management Team to include attendance management as an area of focus.</p>		31-May-2024	31-May-2024	<b>Head of OD, Policy and Communications</b>
<p><b>Access to Occupational Health Services - Service Self-referral process (Amber)</b></p> <p>HSCP will provide outstanding information in order to complete the remaining hierarchies to allow the Occupational Health service provider to update the system appropriately to implement self-referrals by all Services.</p>		31-Dec-2023	31-Dec-2023	<b>Chief Officer HSCP</b>
<p>Self-Referrals in place for all directorates of the Council and HSCP.</p>		31-Mar-2024	31-Mar-2024	<b>Team Leader – Health and Safety</b>
<p><b>Generating Absence Reports for follow up actions (Amber)</b></p> <p>As part of the project implementation plan review functionality for managers access to Chris21 to generate absence reports.</p>		31-Mar-2024	31-Mar-2024	<b>Head of OD, Policy and Communications</b>
<p>Implement a corresponding timetable for generating the reports by management.</p>		30-Apr-2024	30-Apr-2024	<b>Head of OD, Policy and Communications</b>
<p>Issue a reminder to Heads of Establishment to update the return to work spreadsheet with any outstanding actions from the monthly open absence report on a regular basis.</p>		31-Dec-2023	31-Dec-2023	<b>Service Manager Education Resources</b>





Action Status			
	No response received		Missed original due date
	In Progress		Completed

\* See 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 31.10.2023**

**SECTION 3**

Description	Status	Original Due Date	Due Date	Assigned To
Heads of Establishment will report to senior management on the current position of each action on a regular basis.		30-Jun-2024	30-Jun-2024	<b>Service Manager Education Resources</b>
<b>Security, retention and disposal of attendance management files (Amber)</b> Review the Council's retention and disposal of documents and records (electronic/paper) Policy to ensure retention periods comply with relevant retention requirements eg SCARRS and re-issue to services.		31-Jan-2024	31-Jan-2024	<b>Head of Legal, Democratic, Digital and Customer Services</b>
All service-based electronic attendance management files will be reviewed and retained for one year and destroyed in accordance with the Council's retention and disposal of Documents and Records (electronic/paper) policy.			3 months after implementation of Chris21 self-service module	<b>ECMT</b>
Any existing duplicate paper files in relation to attendance management are destroyed.			3 months after implementation of Chris21 self-service module	<b>ECMT</b>

Action Status			
	No response received		Missed original due date
	In Progress		Completed

\* See 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
<b>Homelessness (August 2021)</b>	<p><b>Adequacy of policies and procedures (Amber)</b> Management will:</p> <ul style="list-style-type: none"> <li>• Update the rent management policy and procedures and obtain CMT and committee approval as appropriate;</li> <li>• review the arrangements for implementation and reporting of the Rent Management Policy;</li> <li>• set a date to finalise its review of Homelessness assessment, housing support and case handling procedures; and</li> <li>• ensure that version control is consistently and fully applied to all Homelessness policies and procedures.</li> </ul>	<p><b>31.03.22</b> <b>30.11.22</b> <b>31.03.23</b> <b>31.07.23</b> <b>31.10.23</b></p>	<b>31.01.24</b>	<p>As the team has worked through the Change Programme the rent charges and rent management policy have been delayed. This is to ensure there is agreement with Finance and Revenues and Benefits to confirm that we are able to charge an enhanced HB rate more aligned to the service provision. The paper is in the final stages of financial checks with HSCP finance and Revenues and Benefits.</p> <p>This will now be reported to CMT in December and to the next meeting of the Environment and Regeneration Committee in January 2024.</p> <p>Review of procedures is now complete.</p> <p>In relation to version control this is now complete.</p>
<b>Employee Expenses (August 2022)</b>	<p><b>High Mileage Claims (Amber)</b> The service will carry out a refreshed value for money study that takes into account the current situation and will make recommendations accordingly.</p>	<p><b>31.03.23</b> <b>31.08.23</b></p>	<b>30.11.23</b>	<p>A number of high mileage users are now using fleet resources to address reductions in mileage claims. A further report will be presented to CMT in November with options for consideration.</p>

**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 at 31 October 2023.

<b>Audit Year</b>	<b>Total Agreed Actions</b>	<b>Total Actions Completed</b>	<b>Total Current Actions Not Yet Due*</b>		
			<b>Red</b>	<b>Amber</b>	<b>Green</b>
2017/2018	53	50	0	0	3
2018/2019	45	44	0	0	1
2019/2020	43	43	0	0	0
2020/2021	36	34	0	1	1
2021/2022	24	20	0	1	3
2022/2023	49	40	0	2	7
2023/2024	28	3	3	14	8
<b>Total</b>	<b>278</b>	<b>234</b>	<b>3</b>	<b>18</b>	<b>23</b>

\*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.