
Report To:	Audit Committee	Date:	9 January 2023
Report By:	Head of Legal, Democratic, Digital & Customer Services	Report No:	AC/02/24/IS/APr
Contact Officer:	Andi Priestman	Contact No:	01475 712251
Subject:	EXTERNAL AUDIT ACTION PLANS - CURRENT ACTIONS		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to advise Members of the status of current actions from External Audit Action Plans at 31 October 2023.

2.0 RECOMMENDATIONS

2.1 It is recommended that Members note the progress in relation to the implementation of external audit actions.

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

3.0 BACKGROUND AND CONTEXT

- 3.1 External Audit regularly report findings and action plans to relevant Council Officers and the Audit Committee as part of their annual audit plan.
- 3.2 The Chief Internal Auditor co-ordinates follow up reporting on current actions arising from External Audit Action Plans with regular reporting to CMT and the Audit Committee.
- 3.3 There were no actions due for completion by 31 October 2023. The follow up report has been updated for new actions arising from the recent Annual Report to Members on the 2022/23 audit and the wider dimensions work carried out by External Audit.
- 3.4 There are 15 current external audit action being progressed by officers. These are set out in the status report at Appendix 1.

4.0 PROPOSALS

- 4.1 The Audit Committee is asked to note the progress in relation to the implementation of external audit actions.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) 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 Finance

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

There is a risk that failure to implement agreed audit actions in a timely manner could result in an inability to provide a reasonable level of assurance over the Council's system of internal control to those charged with governance.

5.4 Human Resources

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

5.5 Strategic

This report relates to strong corporate governance.

6.0 CONSULTATIONS

6.1 Relevant Officers were asked to provide updates to the report as appropriate.

7.0 BACKGROUND PAPERS

7.1 External Audit reports.

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS
AT 31 OCTOBER 2023

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

There were no actions due for completion by 31 October 2023.

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 15 current audit action points.

Section 4 Analysis of Missed Deadlines

At 31 October 2023 there were no audit action points where the agreed deadline has been missed.

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 31.10.2023

SECTION 1

Area	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*	No action proposed
Chief Executive	0				
Environment and Regeneration	0				
Health and Social Care Partnership (HSCP)	0				
Education and Communities	0				
Total	0				

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

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

SUMMARY OF CURRENT MANAGEMENT ACTIONS AS AT 31.10.2023



SECTION 2




CURRENT ACTIONS BY DIRECTORATE

Chief Executive	
Due for completion December 2023	3
Due for completion March 2024	2
Due for completion June 2024	3
Due for completion September 2024	1
Total Actions	9
Education and Communities	
Due for completion March 2024	1
Due for completion June 2024	1
Due for completion April 2027	1
Total Actions	3
Environment and Regeneration	
Due for completion April 2024	1
Due for completion June 2024	1
Due for completion April 2026	1
Total Actions	3
Total current actions:	15

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REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS
CURRENT MANAGEMENT ACTIONS AS AT 31.10.2023**

SECTION 3



Description	Status	Original Due Date	Due Date	Assigned To
Annual Report to Members on the 2021/22 Audit (November 2022)				
Local Development Plan (B/f) The preparation of the LDP will commence in February 2023 and be completed by April 2026.		30-Apr-2026	30-Apr-2026	Director, Environment & Regeneration
Annual Report to Members on the 2022/23 Audit (November 2023) – Financial Statements				
Duplicate suppliers identified through capital additions walkthrough (Priority 2 Recommendation) Recommendation: We recommend that management conducts a review of all supplier codes to ensure no more duplicates exist. Management Response: All new supplier requests are checked by the Creditors Supervisor against existing suppliers to minimise duplication of Suppliers. In addition, regular reviews are conducted to identify duplicate suppliers. There can however be legitimate reasons for a supplier having more than one code. All relevant staff will be reminded of the need to ensure duplicate suppliers exist only when unavoidable and of the need for checks to be carried out to identify duplicate payments.		31-Dec-2023	31-Dec-2023	Finance Manager (Corporate Services and Strategic Finance)

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

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 31.10.2023

SECTION 3

Description	Status	Original Due Date	Due Date	Assigned To
<p>Central Corporate Risk Register (Priority 2 Recommendation) Recommendation: We recommend that the Council introduces a Corporate Risk Register which features any risks above a centrally-agreed threshold score, in order that the Council and its Committees are able to assure themselves regarding the sufficiency of response to risks arising.</p> <p>Management Response: Whilst the thematic committees now receive risk registers which highlight risks relating to each committee's remit and strategic objectives, the refreshed Corporate Risk Register will be presented to Audit Committee then Policy & Resources Committee in January/February 2024 and will be prepared in line with the Strategy which is anticipated to be approved in November 2023. The Corporate Risk Register will then be reported to both Committees on an ongoing basis moving forward.</p>		31-Mar-2024	31-Mar-2024	Chief Executive/Head of Legal, Democratic, Digital & Customer Services
<p>Segregation of duties in journal entries processing (Priority 2 Recommendation) Recommendation: We would recommend that management considers enforcing through the ledger system the segregation of duties in the processing of journal entries. Where this is considered impractical, management should establish a periodic retrospective review of a report of all journals posted during the period, and these should be signed off by a senior member of</p>		31-Dec-2023	31-Dec-2023	Finance Manager (Environment & Technical)



Action Status

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	In Progress		Completed

**INVERCLYDE COUNCIL INTERNAL AUDIT
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STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 31.10.2023

SECTION 3



Description	Status	Original Due Date	Due Date	Assigned To
<p>Finance as appearing regular and in line with the normal course of business.</p> <p>Management Response: Procedure will be amended to ensure all journal entries are authorised ensuring segregation of duties.</p>				
<p>Timeliness of preparation and review of bank reconciliations (Priority 3 recommendation) Recommendation: Management should ensure that all bank reconciliations are prepared and reviewed within one month of the relevant month-end.</p> <p>Management Response: All relevant staff will be reminded of the requirement to prepare and review bank reconciliations within one month of the period end.</p>		31-Dec-2023	31-Dec-2023	Finance Manager (Corporate Services and Strategic Finance)
<p>Formal process for Head of Service impairment reviews (Priority 3 recommendation) Recommendation: We recommend the impairment review process is amended to include the requirement for Heads of Service to provide a positive return confirming whether any impairment indicators have arisen during the year.</p> <p>Management Response: Instruction in year end pack will be amended and Officers will ensure returns are received, including nil returns, from all Heads of Service in future.</p>		30-Jun-2024	30-Jun-2024	Finance Manager (Environment & Technical)





Action Status

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	In Progress		Completed

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS
CURRENT MANAGEMENT ACTIONS AS AT 31.10.2023**

SECTION 3



Description	Status	Original Due Date	Due Date	Assigned To
<p>Continuing to improve integrity of Fixed Asset Register (Priority 2 recommendation) Recommendation We recommend that a further data integrity and cleansing exercise is undertaken in 2023/24 to ensure the integrity of entries across all fields in the FAR.</p> <p>Management Response: Data integrity review of FAR will be added to the Year End timetable and carried out on an annual basis.</p>		30-Jun-2024	30-Jun-2024	Finance Manager (Environment & Technical)
<p>Infrastructure Assets (Priority 2 recommendation) Recommendation: We recommend that should Management wish to meet this requirement they will need to carry out a retrospective review of the methodology used to account for the infrastructure assets and update the methodology accordingly to ensure compliance with the guidance. This weakness did not impact upon our planned audit approach.</p> <p>Management Response: It is intended to continue to use both statutory overrides for the 2023/24 annual accounts. Officers will continue to review methodology to ensure compliance however this is considered a national issue. Officers will therefore keep abreast of national developments.</p>		30-Jun-2024	30-Jun-2024	Finance Manager (Environment & Technical)



Action Status			
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**INVERCLYDE COUNCIL INTERNAL AUDIT
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CURRENT MANAGEMENT ACTIONS AS AT 31.10.2023

SECTION 3




Description	Status	Original Due Date	Due Date	Assigned To
Annual Report to Members on the 2022/23 Audit (November 2023) – Wider Dimension and Best Value				
<p>Fraud, Bribery and Corruption procedures and other policies out of date (Priority 2 recommendation) Recommendation: We recommend that all out-of-date policies are prioritised for updating and review / approval by Council or appropriate Committee as soon as is practicable.</p> <p>Management Response: The Corporate Quality Improvement Group has approved a corporate template for all policies and CMT are currently confirming all policies and their next review dates with an update due to go to Policy & Resources Committee in February 2024. A timetable for updating all policies will be approved as part of that report, with a suitable prioritisation.</p>		31-Mar-2024	31-Mar-2024	<p>Head of Legal, Democratic, Digital & Customer Services</p> <p>March 2024 (for completion of timetable for updating of policies) All policies on new review timescales - March 2025</p>
<p>Reporting on Best Value achievement and delivery (Priority 2 recommendation) Recommendation: We recommend implementation of a process to report on overall best value achievement and delivery.</p> <p>Management Response: An approach to reporting and evaluation of best value at a council level will be devised and incorporated into the Inverclyde Council Performance Management Framework by March 2024, with implementation of the approach in 2024-25.</p>		31-Mar-2024	31-Mar-2024	Head of OD, Policy and Communications

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

**INVERCLYDE COUNCIL INTERNAL AUDIT
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STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 31.10.2023

SECTION 3

Description	Status	Original Due Date	Due Date	Assigned To
<p>Locality plans (Priority 2 recommendation) Recommendation: We recommend that locality plans are updated in line with the new partnership and council plan.</p> <p>Management Response: The review of Inverclyde's locality planning model which will include refreshing locality plans will follow the conclusion of the Community Council review.</p>		30-Jun-2024	30-Jun-2024	Corporate Director (Education, Communities & Organisational Development)
<p>Equality group involvement in plan (Priority 2 recommendation) Recommendation: We recommend that a specific equality group within the council is identified and involved in the strategy setting process.</p> <p>Management Response: Equality groups will be involved in the development of the next Council Plan from 2027 and in the mid term review of the Partnership Plan in 2028.</p>		01-Apr-2027	01-Apr-2027	Head of OD, Policy and Communications
<p>Workforce planning (Priority 3 recommendation) Recommendation: We recommend that workforce plans are refreshed on a timely basis.</p> <p>Management Response: Refreshed workforce plans within Environment and Regeneration will be produced by June 2024.</p>		30-Jun-2024	30-Jun-2024	Director, Environment & Regeneration



Action Status

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	In Progress		Completed

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CURRENT MANAGEMENT ACTIONS AS AT 31.10.2023

SECTION 3

Description	Status	Original Due Date	Due Date	Assigned To
<p>Asset Management Strategy (Priority 3 recommendation) Recommendation: We recommend timely review and update of both strategies.</p> <p>Management Response: The Corporate Asset Management Strategy is scheduled to be updated and adopted by April 2024.</p> <p>The ICT Strategy is due to be updated and adopted by September 2024.</p>		30-Apr-2024	30-Apr-2024	Head of Physical Assets
		30-Sep-2024	30-Sep-2024	Head of Legal, Democratic, Digital & Customer Services

Action Status

	No response received		Missed original due date
	In Progress		Completed

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS
ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
There are no current actions where the original action date has been missed.				