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|-------------------------|--|--------------------|------------------------|
| Report To: | Audit Committee | Date: | 7 May 2024 |
| Report By: | Interim Head of Legal & Democratic Services | Report No: | FIN/23/24/AP/LA |
| Contact Officer: | Vicky Pollock | Contact No: | 01475 712139 |
| 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 External Audit actions at 31 March 2024.

2.0 RECOMMENDATIONS

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

Vicky Pollock
Interim Head of Legal & Democratic Services

3.0 BACKGROUND AND CONTEXT

- 3.1 External Audit report findings and action plans to relevant 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 three actions due for completion by 31 March 2024, all of which are completed.
- 3.4 There were 12 current external audit actions due over the period 31 March 2024 and 1 April 2027. 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 and the Corporate Management Team have reviewed the responses and completion dates.

7.0 BACKGROUND PAPERS

7.1 2022/23 External Audit Annual Report.

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS
AT 31 MARCH 2024

Summary: Section 1 Summary of Management Actions due for completion by 31/03/2024

There were three actions due for completion by 31 March 2024, all of which are completed.

Section 2 Summary of Current Management Actions Plans at 31/03/2024

At 31 March 2024 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 31/03/2024

At 31 March 2024 there were 12 current audit action points.

Section 4 Analysis of Missed Deadlines

At 31 March 2024 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 31.03.2024

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 | 2 | 2 | | | |
| Environment and Regeneration | 0 | | | | |
| Health and Social Care Partnership (HSCP) | 0 | | | | |
| Education and Communities | 1 | 1 | | | |
| 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 31.03.2024

SECTION 2



CURRENT ACTIONS BY DIRECTORATE





| | |
|-------------------------------------|-----------|
| Chief Executive | |
| Due for completion March 2024 | 2 |
| Due for completion June 2024 | 3 |
| Due for completion September 2024 | 1 |
| Total Actions | 6 |
| 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: | 12 |

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

CURRENT MANAGEMENT ACTIONS AS AT 31.03.2024

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 | | | | |
| 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. 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. |  | 31-Mar-2024 | 31-Mar-2024 | Chief Executive/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**

CURRENT MANAGEMENT ACTIONS AS AT 31.03.2024

SECTION 3


| Description | Status | Original Due Date | Due Date | Assigned To |
|---|---|-------------------|-------------|--|
| <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) |
| <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</p> |  | 30-Jun-2024 | 30-Jun-2024 | Finance Manager (Environment & Technical) |





| 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 31.03.2024

SECTION 3




| Description | Status | Original Due Date | Due Date | Assigned To |
|--|---|-------------------|-------------|---|
| <p>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> | | | | |
| 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> |





| 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 31.03.2024

SECTION 3




| Description | Status | Original Due Date | Due Date | Assigned To |
|--|---|-------------------|-------------|--|
| <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 |
| <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</p> |  | 01-Apr-2027 | 01-Apr-2027 | Head of OD, Policy and Communications |





| 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 31.03.2024

SECTION 3

| Description | Status | Original Due Date | Due Date | Assigned To |
|--|--|--------------------------------|--------------------------------|---|
| from 2027 and in the mid term review of the Partnership Plan in 2028. | | | | |
| <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 |
| <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-Sep-2024 | 30-Apr-2024 30-Sep-2024 | Head of Physical Assets 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 |
|---------------|---------------|----------------------|---------------------|----------------------------|
| | | | | |