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<b>Report To:</b>	<b>Audit Committee</b>	<b>Date:</b>	<b>22 October 2024</b>
<b>Report By:</b>	<b>Head of Legal, Democratic, Digital &amp; Customer Services</b>	<b>Report No:</b>	<b>FIN/59/24/FS/AP</b>
<b>Contact Officer:</b>	<b>Francis Scott</b>	<b>Contact No:</b>	<b>01475 712090</b>
<b>Subject:</b>	<b>INTERNAL AUDIT PROGRESS REPORT – 30 JUNE to 31 AUGUST 2024</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 30 June 2024 to 31 August 2024 is attached at Appendix 1 since its content is essential to the understanding of the Council's control environment. This includes an update in relation to the 2022/23 NFI exercise.
- 1.4 Appendix 2 provides an update on all outstanding Red and Amber actions as at 31 August 2024. Appendix 2 also provides a summary of outstanding Green actions as at 31 August.

## **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the Committee note the progress made by Internal Audit in the period from 30 June 2024 to 31 August 2024.
- 2.2 It is recommended that the Committee approve the proposal to add audits of Cyber Information Security and Governance of External Organisations to utilise the previously unallocated 25 days in the 2024/25 audit plan.
- 2.3 It is recommended that the Committee specifically notes the update of the progress of the Green actions, and the current position in relation to the NFI exercise.

Lynsey Brown  
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 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 was one internal audit report finalised since the last progress update to Audit Committee, which was the last report of the 2023/24 Internal Audit Plan:

- UK Shared Prosperity Fund

3.4 This report contained 3 recommendations categorised as follows:

Red	Amber	Green
0	2	1

3.5 The current status of the 2023/24 audit plan is as follows:

Stage	Number of Reports
Final Report	11
Draft Report	0
Fieldwork Complete – report N/A	3
Fieldwork Complete	0
Fieldwork in Progress	0
Planning	0
Not Started	0
Deferred	3
<b>Total</b>	<b>17</b>

3.6 In relation to internal audit action plans there were five actions due for completion by 31 August 2024. Two actions are now complete, the completion date relating to the other three actions have been revised. The current status report is attached at Appendix 2.

3.7 A periodic review has been undertaken of the Green actions and at 31 August 2024, 17 of these actions remain outstanding of which 7 are not yet due for completion.

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

3.9 The 2024/25 Internal Audit Plan was approved by the Audit Committee in June 2024. Audits are at the planning and early fieldwork stage, but no audit reports have been completed to date. An update on the progress of this plan is in section 4 of Appendix 1.

3.10 Within the original 2024/25 audit plan, 25 audit days were unallocated. It is proposed to add the following two additional audits to the 2024/25 audit plan to utilise this budget:

- Cyber Information Security (10 days)
- Governance of External Organisations (15 days)

3.11 The 2022/23 NFI exercise continues to progress, with approximately 85% of matches being investigated to date. An update on these matches and the value of fraud and errors discovered is noted at section 6 of Appendix 1. Preparatory work for the submission of data for the 2024/25 exercise is underway, and in line with required timescales.

#### 4.0 PROPOSALS

4.1 It is recommended that Committee agree to note the progress made by Internal Audit in the period from 30 June 2024 to 31 August 2024.

4.2 It is recommended that the Committee approve the proposal to add audits of Cyber Information Security and Governance of External Organisations to utilise the previously unallocated 25 days in the 2024/25 audit plan.

4.3 It is recommended that the Committee notes the update of the progress of the Green actions, and the current position in relation to the 2022-23 NFI exercise.

#### 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 The CMT have been consulted on the contents of this report.

## **7.0 BACKGROUND PAPERS**

7.1 File of completed internal audit reports: Available from the Head of Legal, Democratic Digital & Customer Services.



**Audit Committee Report  
Report on Internal Audit Activity from  
30 June 2024 to 31 August 2024**

<b>Section</b>	<b>Contents</b>
1	Audit work undertaken in the period
2	Summary of main findings from reports issued since previous Audit Committee
3	Audit Plan for 2023-2024 – progress to 31 August 2024
4	Audit Plan for 2024-2025 – progress to 31 August 2024
5	Corporate Fraud Activity
6	National Fraud Initiative update
7	Ad hoc activities undertaken since the previous Audit Committee
8	Special Investigation - Item to be taken in private (separate paper)

## 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 two 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 review.

Reports finalised since previous Audit Committee	Grading			Total Number of Issues
	Red	Amber	Green	
UK Shared Prosperity Fund	0	2	1	3
<b>Total</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</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 report issued after 30 June 2024.

### UK Shared Prosperity Fund (August 2024)

2.2 This audit was conducted between March 2024 and April 2024 in accordance with the 2023/24 Internal Audit Plan, as agreed by the Audit Committee.

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 the Council in relation to local management of the UK Shared Prosperity Fund (UK SPF).

2.4 The review focused on the high-level processes and procedures in relation to the UK SPF and concentrated on identified areas of perceived higher risk, such as not adequately monitoring the delivery of projects and not adequately implementing the agreed assurance framework for locally funded projects.

2.5 The overall control environment opinion for this audit review was **Satisfactory**. In terms of good practice, we found during our fieldwork that relevant officers demonstrated a clear commitment to effectively managing the UK SPF whilst also progressing other regeneration programmes. In addition, those officers are taking appropriate steps to implement the Glasgow City Region Assurance Framework. However, isolated areas of control weakness were identified such as the need to address:

- more regular submission to elected members of comprehensive progress reports regarding local UK SPF projects; and
- concluding all outstanding UK SPF funding agreements involving internal project providers.

2.6 The review identified 2 Amber findings and 1 Green finding, and an action plan is in place to address these issues by 31 October 2024.



**INVERCLYDE COUNCIL – REPORT ON INTERNAL AUDIT ACTIVITY  
FROM 30 JUNE 2024 TO 31 AUGUST 2024**

**APPENDIX 1**

**3 Audit Plan for 2023/2024 – Progress to 31 August 2024**

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		✓	✓	✓	✓	✓	✓	May 2024
Succession Planning		✓	✓	✓	✓	✓	✓	August 2024
Attendance Management		✓	✓	✓	✓	✓	✓	January 2024
Building Standards		✓	✓	✓	✓	✓	✓	August 2024
ASN Transport	Fieldwork deferred to 2024/25 Annual Audit Plan.							
Commercial Waste Income (Billing and Collection)		✓	✓	✓	✓	✓	✓	October 2023
<b>Limited Scope Financial Reviews</b>								
Non-Domestic Rates		✓	✓	✓	✓	✓	✓	March 2024
<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		✓	✓	✓	✓	✓	✓	August 2024
<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	Complete							
Client Accounts – Quarterly Checks	Complete							
Catering – Quarterly Stock Checks	Not undertaken in 23/24 – substantive audit included in 24/25 audit plan.							
Education Establishment Placing Requests	Complete – ad hoc checks performed as required.							
<b>Regularity Audits</b>								
Education CSA		✓	✓	✓	✓	✓	✓	May 2024
HSCP Imprests		✓	✓	✓	✓	✓	✓	May 2024
Corporate Purchase Cards – Quarterly Checks	Complete.							
<b>Corporate Governance</b>								
Annual Governance Statement 2022-23	Complete - Input provided by Chief Internal Auditor (CIA).							
<b>Other Work</b>								
Council Tax Reduction Scheme/Discounts/Exemptions	Checks carried out to establish the validity of discounts and exemptions.							
National Fraud Initiative	22/23 Exercise is being progressed – see section 5 and 6 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.							

**INVERCLYDE COUNCIL – REPORT ON INTERNAL AUDIT ACTIVITY  
FROM 30 JUNE 2024 TO 31 AUGUST 2024**

**APPENDIX 1**

**4 Audit Plan for 2024/2025 – Progress to 31 August 2024**

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 2023/24)	✓							
Care and Support at Home – Delayed Discharge		✓	✓	✓				
Strategic Commissioning		✓						
Vehicle Maintenance		✓						
Payroll	✓							
<b>Limited Scope Financial System Reviews</b>								
Budgetary Control		✓	✓	✓				
<b>Value for Money Reviews</b>								
ASN Transport (b/f from 2023/24)	✓							
<b>Compliance Reviews</b>								
Records Management	✓							
<b>Corporate Fraud Reviews</b>								
Discretionary Payments								
<b>Regularity Audits</b>								
Education Control Self-Assessment		✓	✓	✓				
Cost of Living Payments	✓							
Catering Stock Control	✓							
Corporate Purchase Cards – Quarterly Checks								
<b>Corporate Governance</b>								
Annual Governance Statement 2023/24								
<b>Other Work</b>								
National Fraud Initiative	22/23 Exercise is being progressed – see sections 5 and 6 of report for more information.							
Additional Audit(s)	Cyber Information Security (10 days) + Governance of External Organisations (15 days)							
Completion of 2023/24 Audit Plan	Reports finalised: UK Shared Prosperity Fund							
Inverclyde IJB	20 days allocated to IJB audit plan.							

## 5 Corporate Fraud Activity

- 5.1 The undernoted table sets out progress to date on corporate fraud activity in the period 30 June 2024 to 31 August 2024:

<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
1786	1515	1369	1	145	£87,938
The significant uplift in the value of fraud/error from the previous update relates to an increased number of errors identified for Creditors (duplicate records by reference, amount and creditor reference - £39,156, and duplicate records by amount and creditor reference - £30,686).					
A summary of the category of matches and outcomes across all areas is included in section 6 of this appendix.					
The Council Tax Single Person Discount recheck exercise was refreshed in November 2023 and the results to date are as follows:					
Matches received	Number investigated	No issues	Fraud	Error	Value of Fraud/Error
9803	2006	1940	36	30	£72,667
HMRC data match information (871 matches) is being withdrawn on 31 October 2024, however there will be a facility to archive outstanding data matches for future review.					
The HMRC data sets relate to Council Tax Reduction matching with HMRC Property Ownership, HMRC Earnings and Capital, and Single Person Discount matching with HMRC Household Composition data.					
<b>Employee Expenses – 2023-2024</b>					
Review of all travel claims processed by Payroll during April, July and October 2023 has been completed with a small number of issues identified and addressed directly with employees/supervisors concerned. Two further issues were identified as follows:					
<ul style="list-style-type: none"> <li>• Submission of valid VAT receipts with claim forms</li> <li>• Timeliness of claims</li> </ul>					
These issues have been discussed with HR and further guidance has now been issued to all staff and publicised via ICON to improve compliance with procedures.					

- 5.2 The team continues to investigate whistleblowing and other enquiries in relation to DWP benefit, blue badge, and Council Tax discounts and exemptions. Between 30 June 2024 and 31 August 2024 these enquiries have resulted in the identification of overpayments of council tax discounts and exemptions of £36,506.

**INVERCLYDE COUNCIL – REPORT ON INTERNAL AUDIT ACTIVITY  
FROM 30 JUNE 2024 TO 31 AUGUST 2024**
**APPENDIX 1**

5.3 The team also progressed Whistleblowing and Corporate Fraud Referrals as follows:

<b>File Ref</b>	<b>Description</b>	<b>Status</b>
<b>Whistleblowing Enquiries</b>		
01/07/2024 and 04/09/2024	Allegations regarding an individual operating a painting and decorating business while claiming Universal Credit.	Referred to DWP.
<b>Corporate Fraud Referrals</b>		
09/07/2024	Allegation regarding individual advertising the sale of football shirts from a residential property.	Referred to Trading Standards.
11/08/2024	Allegation re living together with undeclared partner while claiming DWP benefits.	Referred to DWP.
12/08/2024 and 15/08/2024	Complaint re council employee	Referred to Head of Legal Services as relates to ongoing litigation.
24/08/2024	Allegation re householder claiming Council Tax Single Person Discount while living with partner.	Ongoing investigation by Corporate Fraud.
12/09/2024	Allegation re property being occupied and lived in by named individual but declared as empty for Council Tax purposes.	Ongoing investigation by Corporate Fraud.

**INVERCLYDE COUNCIL – REPORT ON INTERNAL AUDIT ACTIVITY  
FROM 30 JUNE 2024 TO 31 AUGUST 2024**
**6 National Fraud Initiative Exercise 2022-23**

Area	Matches Received	Matches Processed	Outcome			Value of fraud or error
			No issue	Fraud	Error	
Housing Benefit to Housing Benefit	1	1	1	0	0	
Housing Benefit to Housing Tenants	3	3	3	0	0	
Housing Benefit to Taxi Drivers	6	6	6	0	0	
Housing Benefit to DWP Deceased	14	14	14	0	0	
Payroll to Payroll	73	8*	7	1*	0	TBC
Payroll to Pensions	2	2	0	0	0	
Payroll to Creditors	18	1	1	0	0	
Housing Benefit to Waiting List	4	4	4	0	0	
Blue Badge	327	209	97	1	111*	*
Council Tax Reduction Scheme to Payroll	102	97	96	0	1	£1,693.06
Council Tax Reduction Scheme to Pensions	72	58	55	0	3	£3,111,87
Council Tax Reduction Scheme to Council Tax Reduction Scheme	1	1	0	0	1	£1,400.94
Council Tax Reduction Scheme to Housing Tenants	1	1	1	0	0	
Council Tax Reduction Scheme to Taxi Drivers	64	64	64	0	0	
Council Tax Reduction Scheme to Housing Benefit Claimants	1	1	1	0	0	
Council Tax Reduction Scheme to DWP Deceased	24	24	24	0	0	
Duplicate Creditors	797	790	762	0	28	£81,597.82
VAT Overpaid	60	60	60	0	0	
Procurement - Payroll to Companies House	41	30	30	0	0	
Council Tax Reduction Scheme to HMRC Data	159	137	136	0	1	£134.50
Business Rates to Business Rates	16	14	14	0	0	
<b>Total</b>	<b>1786</b>	<b>1520</b>	<b>1374</b>	<b>1</b>	<b>145</b>	<b>£87,938.19</b>

**Notes**

- **Payroll – Payroll** – (73 matches/8 processed). Previous postholder responsible for NFI has retired with new person in post. Additional training has been provided in recent months regarding review of data matches.
- **Payroll – Payroll** – Fraud outcome relates to Education enquiry with the outcome and any potential saving to be confirmed.
- **Blue Badge** – 111 errors noted refers to post-Covid period when Blue Badges relating to deceased's persons were not being routinely cancelled by ICIL staff (Inverclyde Centre for Independent Living). New processes and staff training now in place (e.g. "Tell Us Once Scheme") whereby ICIL are routinely notified of recent deaths which allows for badges to be cancelled timeously.
- **Blue Badge** – Notional saving of £650 calculated for each fraudulent Blue Badge. For 111 errors and 1 fraud noted above, this provided notional saving of £72,800.

**7 Ad hoc activities undertaken since the previous Audit Committee**

- 7.1 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.
- 7.2 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 5.2 to 5.4 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 AUGUST 2024**

**Summary: Section 1 Summary of Management Actions due for completion by 31/08/2024**

There were five actions due for completion by 31 August 2024. Two actions are complete, the completion date for three actions have been revised.

**Section 2 Summary of Current Management Actions Plans at 31/08/2024**

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

**Section 3 Current Management Actions at 31/08/2024**

At 31 August 2024 there were 10 current audit action points.

**Section 4 Analysis of Missed Deadlines**

At 31 August 2024 there were 3 audit action points where the original due date had been missed.

**Section 5 Summary of Action Plan Points by Audit Year**

**Section 6 Summary of GREEN Actions at 31 August 2024**

At 31 August 2024 there are 17 GREEN audit action points that have not yet been implemented, 7 of which are not yet due for completion.



**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 31.08.2024**

**SECTION 1**

<b>Directorate</b>	<b>No. of Actions Due</b>	<b>No. of Actions Completed</b>	<b>Deadline missed Revised date set*</b>	<b>No response received*</b>
Environment and Regeneration	2	1	1	
HSCP	1	0	1	
Education and Communities	2	1	1	
<b>Total</b>	<b>5</b>	<b>2</b>	<b>3</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 31.08.2024**

## SECTION 2


**CURRENT ACTIONS BY DIRECTORATE**

<b>HSCP</b>	
Due for completion – December 2024	1
<b>Total Actions</b>	<b>1</b>
<b>Environment and Regeneration</b>	
Due for completion – September 2024	1
Due for completion – November 2024	1
Due for completion – December 2024	1
<b>Total Actions</b>	<b>3</b>
<b>Education Communities and Organisational Development</b>	
Due for completion – November 2024	1
Completion date to be advised	2
<b>Total Actions</b>	<b>3</b>
<b>All Directorates</b>	
Due for completion – December 2024	1
Due for completion – March 2025	2
<b>Total Actions</b>	<b>3</b>
<b>Total current actions:</b>	<b>10</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 31.08.2024**


**SECTION 3**

	<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	31-Dec-2024 *	<b>Head of Finance, Planning and Resources, HSCP</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> The Procurement Manager will develop appropriate guidance for purchase card users regarding the processing and receipting of transactions which include VAT.  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>		31-Jan-2024	30-Sep-2024 *	<b>Corporate Procurement Manager</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 31.08.2024**

**SECTION 3**

	<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>Develop a project plan to implement new/upgraded IT system with improved absence management module with opportunities for self-service</p>		30-Jun-2024	31-Aug-2024	<b>Head of OD, Policy and Communications</b>
<p><b>Security, retention and disposal of attendance management files (Amber)</b></p> <p>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.</p>		3 months after implementation of Chris21 self-service module		<b>ECMT</b>
<p>Any existing duplicate paper files in relation to attendance management are destroyed.</p>		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)  
CURRENT MANAGEMENT ACTIONS AS AT 31.08.2024**

**SECTION 3**

<b>P</b>	<b>Procurement Manual Compliance – Regulated Procurement (Report Issued - March 2024)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Managing regulated procurement exercises (Amber)</b></p> <p>Management will review the procurement manual to more fully reflect the actual allocation of procurement tasks undertaken by Procurement staff and relevant Service officers including appropriate input from the Designated Procurement Officer (DPO) group.</p> <p>Management will introduce a formal programme of sample checks on regulated contracts following the issue of award letters.</p>		30-Nov-2024	30-Nov-2024	<b>Corporate Procurement Manager</b>

<b>P</b>	<b>Education Control Self-Assessment 2023/24 (Report Issued – April 2024)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Management of special leave (Amber)</b></p> <p>Management will ensure that: additional training on special leave is provided and will include training on specific categories of special leave to be entered into the SEEMIS system; and reports will be developed for special leave granted for scrutiny by senior management.</p>		30-Jun-2024	30-Nov-2024 *	<b>School Business Co-ordinators</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 31.08.2024**

**SECTION 3**

	<b>Succession Planning (Report Issued – July 2024)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Staff training in relation to succession planning (Amber)</b></p> <p>Organisational Development Team will develop training on succession planning which will be completed by all relevant staff and introduced as part of the induction course for new managers.</p>		31-Mar-2025	31-Mar-2025	<b>Head of OD, Policy and Communications</b>
<p><b>Documentation of succession plans (Amber)</b></p> <p>Senior management will ensure that all services have a completed succession plan in place which includes analysis of key positions and goals and aspirations of the talent pool.</p>		31-Dec-2024	31-Dec-2024	<b>Chief Executive, Corporate Director (Education, Communities and Organisational Development), Chief Officer HSCP, Director (Environment and Regeneration)</b>
<p><b>Monitoring and reviewing of the effectiveness of succession planning (Amber)</b></p> <p>Senior management should ensure that all services review and update their succession plan for effectiveness on a regular basis.</p>		31-Mar-2025	31-Mar-2025	<b>Chief Executive, Corporate Director (Education, Communities and Organisational Development),</b>

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



\* See Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT  
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CURRENT MANAGEMENT ACTIONS AS AT 31.08.2024**

**SECTION 3**

Description	Status	Original Due Date	Due Date	Assigned To
Once reviewed and updated for effectiveness, the succession plan should be reported to senior management and elected members on a regular basis.				<b>Chief Officer HSCP, Director (Environment and Regeneration), Head of OD Policy and Communications</b>

	<b>UK Shared Prosperity Fund (Report Issued – August 2024)</b>
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Description	Status	Original Due Date	Due Date	Assigned To
<p><b>Providing elected members with regular updates on UK SPF (Amber)</b></p> <p>Management will submit six-monthly progress reports to elected members regarding local UK SPF projects. These reports will include appropriate financial and outcome related information. The reports will also be co-ordinated with UK SPF progress reports submitted to Glasgow City Region.</p>		31-Aug-2024	31-Aug-2024	<b>Head of Regeneration, Planning &amp; Public Protection</b>
<p><b>Organising Funding Agreements for UK SPF projects (Amber)</b></p> <p>Management will prepare a timetable for concluding all outstanding UK SPF funding agreements. This exercise will continue to include appropriate input from Council solicitors.</p>		31-Oct-2024	31-Dec-2024	<b>Head of Regeneration, Planning &amp; Public Protection</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)  
ANALYSIS OF MISSED DEADLINES**

**SECTION 4**

Report	Action	Original Date	Revised Date	Management Comments
<b>Corporate Purchase Cards (October 2023)</b>	<p><b>VAT guidance for users of corporate purchase cards (Amber)</b> 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>	<b>31.01.24</b>	<b>30.06.24 31.08.24 30.09.24</b>	Guidance for purchase card users has been drafted, however this has yet to be fully distributed to all purchase card holders and their supervisors. Date revised to 30 <sup>th</sup> September for all this to be fully implemented.
<b>Client Accounts – Quarterly Checks 2022/23 (September 2023)</b>	<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>	<b>30.04.24</b>	<b>31.12.24</b>	Management have started a review into the overall cash holding within the HSCP as part of the overall Business Support review. The aim would be to centralise the vast majority of all cash collection (with the exception of petty cash) in order to streamline the process. The review will also look for more use of online payments where possible.
<b>Education Control Self-Assessment 2023/24 (April 2024)</b>	<p><b>Management of special leave (Amber)</b> Management will ensure that:</p> <ul style="list-style-type: none"> <li>• additional training on special leave is provided and will include training on specific categories of special leave to be entered into the SEEMIS system; and</li> <li>• reports will be developed for special leave granted for scrutiny by senior management.</li> </ul>	<b>31.05.24</b>	<b>31.08.24 30.11.24</b>	Training has been completed and evidence provided. Report not developed as more time needed to collate absence data for analysis. Revised date of 30 <sup>th</sup> November 2024.



**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 August 2024.

Audit Year	Total Agreed Actions	Total Actions Completed	Total Current Actions Not Yet Due*		
			Red	Amber	Green
2017/2018	53	50	0	0	3
2018/2019	45	45	0	0	0
2019/2020	43	43	0	0	0
2020/2021	37	35	0	0	2
2021/2022	23	22	0	0	1
2022/2023	49	46	0	0	3
2023/2024	35	19	0	8	8
<b>Total</b>	<b>285</b>	<b>260</b>	<b>0</b>	<b>8</b>	<b>17</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 RED and AMBER actions are included in Section 3 of the follow up report.

An update on the progress of GREEN actions was last provided in April 2023. A further review has been undertaken and is included in section 6.

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (GREEN ONLY)  
SUMMARY OF GREEN ACTIONS AT 31 AUGUST 2024**

## SECTION 6

Agreed Action/Responsibility	Original Action Date	Current Action Date	Comment
<b>2017/18 Social Work IT System (SWIFT) Replacement System</b>			
Management will consider at an early stage how best to formally document checks undertaken by officers when introducing the system which will replace the Social Work IT System (SWIFT) financials modules.  <b>HSCP Finance Manager</b>	31.03.2020	N/A	The entire replacement project has been paused and will not recommence until July 2025.
Management will document the user requirements for regular and accurate management information when introducing the system which will replace the Social Work IT System (SWIFT) financials modules.  <b>HSCP Finance Manager</b>	31.03.2020	N/A	The entire replacement project has been paused and will not recommence until July 2025.
Provided that the system which will replace the Social Work IT System (SWIFT) has the capability then management will consider carrying out a pilot study with one volunteer care home supplier to introduce payment notices as an alternative to processing its invoices.  <b>HSCP Finance Manager</b>	31.03.2021	N/A	The entire replacement project has been paused and will not recommence until July 2025.
<b>2020/21 Corporate Procurement Off-Contract Spend</b>			
Management will update the Procurement Manual.  <b>Corporate Procurement Manager</b>	30.04.2021	30.06.2023 31.03.2025	A revised action plan date has been set to enable completion of a review involving the Designated Procurement Officer (DPO) group. In turn, the latter review will inform a comprehensive refresh of the Procurement Manual. This exercise will include comparison of some local authorities Procurement Manuals.

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (GREEN ONLY)  
SUMMARY OF GREEN ACTIONS AT 31 AUGUST 2024**

## SECTION 6

Agreed Action/Responsibility	Original Action Date	Current Action Date	Comment
<b>2020/21 Homelessness</b>			
<p>Management will develop a formal plan to organise the annual disposal of homelessness case files which have reached the prescribed retention period, including records which are held electronically.</p> <p><b>Service Manager (Addictions and Homelessness)</b></p>	31.03.2022	31.12.2024	Files have been brought up to date and a plan is now in place, so risk level has reduced. The action will be monitored as a GREEN action.
<b>2021/22 Self Directed Support</b>			
<p>New procedures regarding payments run for Self-Directed Support Option 1 will be issued in line with implementation and development of the replacement the Social Work IT System (SWIFT) system.</p> <p><b>HSCP Finance Manager</b></p>	31.03.2024	30.09.2025	Revised date set to allow for development of the replacement SWIFT system.
<b>2022/23 Employee Expenses</b>			
<p>Where resources and capacity allow, HR will examine the self- service solution contained within Chris21 for travel and subsistence claims as part of the "New Ways of Working Project" which currently runs until June 2023.</p> <p><b>Head of OD, Policy and Communications</b></p>	30.06.2023	31.03.2025	Funding from the Digital Modernisation Fund is being used to progress an upgrade to the CHRIS21 system. Maximising system functionality and self-service options is a key part of this project. This will include options for employee expenses.
<b>2022/23 FOI Arrangements</b>			
<p>Finalise the completion of the review of the Council's Publication Scheme and Guide to Information.</p> <p>Send a reminder to each Service that information held by them, wherever appropriate, should be published promptly and proactively, without the need for individuals to submit formal</p>	30.04.2023	31.12.2024	Revised date set due to vacancy involving the Information Governance Solicitor post.

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (GREEN ONLY)  
SUMMARY OF GREEN ACTIONS AT 31 AUGUST 2024**

## SECTION 6

Agreed Action/Responsibility	Original Action Date	Current Action Date	Comment
information requests.  <b>Legal Services Manager</b>			
All FOI Guidance and Workpro Guidance for officers to be reviewed and updated and thereafter uploaded to intranet.  <b>Legal Service Manager</b>	30.04.2023	31.12.2024	Revised date set due to vacancy involving the Information Governance Solicitor post.
<b>2023/24 – UK Shared Prosperity Fund (SPF)</b>			
Management will develop a single document which consolidates all UK SPF income and expenditure information. This exercise will include obtaining appropriate advice from relevant Finance staff.  <b>Head of Regeneration, Planning &amp; Public Protection</b>	31.08.2024	31.03.2025	Revised action plan date set to better align with year-end reporting requirements for the UK SPF.
<b>2023/24 – Corporate Purchase Card Checks</b>			
The Procurement Manager in conjunction with the Head of Physical Assets will consider whether deploying a software solution to record and process corporate purchase card transactions is a suitable project for consideration by the Digital Modernisation Project Board. This exercise would include appropriate consultation with relevant Finance staff.  <b>Procurement Manager</b>	31.03.2024	31.03.2025	A revised action plan is required as this subject is being examined as part of a larger exercise involving the Purchase Care Governance Group. There may be potential to realise additional savings from the increased use of purchase cards whilst maintaining necessary controls and accountability.
<b>2023/24 - HSCP Imprest</b>			
Explore use of online banking to source bank statements. Discussions will	30.09.2024	N/A	Not yet due.

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (GREEN ONLY)  
SUMMARY OF GREEN ACTIONS AT 31 AUGUST 2024**

## SECTION 6

Agreed Action/Responsibility	Original Action Date	Current Action Date	Comment
commence to explore whether this option is available to HSCP staff.  <b>HSCP Client Finance Team Leader</b>			
Issue guidance related to VAT receipts.  <b>HSCP Client Finance Team Leader</b>	31.05.2024	30.11.2024	VAT advice has been received early October 2024. Procedures will be updated and re-issued accordingly.
Discussions to continue with Homelessness Service to explore use of purchase cards for rental payments and rail cards.  <b>HSCP Client Finance Team Leader</b>	30.06.2024	30.11.2024	Discussions on-going with the Service, this includes reviewing the options available from the rail card provider and the processing arrangements within Homelessness.
<b>2023/24 – Procurement Manual Compliance – Regulated Procurement</b>			
Management will in conjunction with the Designated Procurement Officer (DPO) group:  <ul style="list-style-type: none"> <li>• assess in greater depth the regulated procurement training needs of Service officers. This will allow for the procurement tasks which those officers currently or could undertake in future and capture their existing knowledge and experience.</li> <li>• consider the extent to which Service officers require additional training in the practical application of the Procurement Manual.</li> <li>• consider lessons learned from procurement exercises and how best to reflect those experiences within future training plans.</li> <li>• assess whether each Designated Procurement Officer requires to nominate a depute.</li> </ul>	28.02.2025	N/A	Not yet due.

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (GREEN ONLY)  
SUMMARY OF GREEN ACTIONS AT 31 AUGUST 2024**

## SECTION 6

<b>Agreed Action/Responsibility</b>	<b>Original Action Date</b>	<b>Current Action Date</b>	<b>Comment</b>
<p>Management will in conjunction with the Designated Procurement Officer (DPO) group assess the extent to which single person dependencies exist within each Service when officers undertake regulated procurement exercises and how training could address any such issues.</p> <p><b>Procurement Manager</b></p>			
<b>2023/24 – Attendance Management</b>			
<p>All attendance management written procedural documentation will be reviewed and updated following the exercise to review the system configuration.</p> <p><b>Head of OD, Policy &amp; Communications</b></p>	<p>Within 6 months of implementation of upgraded CHRIS21 Module</p>	<p>N/A</p>	<p>Not yet due.</p>
<b>2023/24 – Non-Domestic Rates</b>			
<p>Income processing and reconciliations processes are updated to reflect current process. A programme of regular review of procedures is put in place to ensure procedures are maintained up to date.</p> <p><b>Controls Administrator</b></p>	<p>31.12.2024</p>	<p>N/A</p>	<p>Not yet due.</p>