

4.0 BACKGROUND

4.1 None.

5.0 IMPLICATIONS

5.1 Legal: Relevant action plans will bring processes in line with regulatory and legislative requirements where applicable.

Finance: There are no financial implications arising from this report.

Personnel: There are no personnel implications arising from this report.

Equalities: There are no equalities issues arising from this report.

6.0 CONSULTATIONS

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

7.0 LIST OF BACKGROUND PAPERS

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



**Audit Committee Report
Report on Internal Audit Activity from 8 December 2008 to
6 February 2009**

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1 Audit work undertaken in the period

Reports issued since last update

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

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

1.2 One report has been finalised since the December 2008 Audit Committee, which is identified below, together with a summary of the gradings of the recommendations made to management. In Section 2 we have provided a summary of the main findings from the review.

Reports finalised since previous Audit Committee	Grading			Total Recommendations
	Red	Amber	Green	
2008/2009 plan				
Construction Services	0	3	7	10
Total	0	3	7	10

Work in progress on the 2008/2009 internal audit plan

1.3 The status of work in progress on the 2008/2009 internal audit plan is detailed in Section 3 of this report.

Other activities

Risk Management

1.5 Risk Management is the subject of separate reporting to Audit Committee and a full report is submitted separately.

1.6 Internal Audit Action Plan Follow Up

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 since 10 December 2008

2008/2009 Plan

Construction Services

2.2 Construction Services incorporates the functions of the Building Services Unit (BSU) and Property Maintenance. Key responsibilities of the functions are as follows;

- The BSU tenders in open market competition for minor new capital works and maintenance projects, including building upgrades, alterations and improvements of properties for both Council and external clients, and are contracted to deliver minor new works services to River Clyde Homes until 2012.
- Property Maintenance are required to provide a comprehensive, proactive and reactive maintenance service, thus improving the life expectancy of the property building fabric, systems and fixtures. Providing guidance and advice on technical issues associated with properties, the Service acts as a technical interface between client services, building users and contractors, to ensure buildings are operationally compliant and fit for purpose.

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 over the key risks faced by Inverclyde Council in relation to Construction Services.

2.4 The overall control environment opinion for this audit review was **Satisfactory**. However, areas of control weakness within Property Maintenance were identified as follows:-

Work order processing

A key control over the Council's property repairs and maintenance process is the timely and accurate completion of work orders in respect of the tasks required to be carried out. Through audit testing we identified a number of control weaknesses, including;

- work orders raised after the completion of the job itself;
- invoiced costs substantially higher than the original work order estimates;
- invoices paid without evidence of challenge;
- failure to confirm best value and obtain competitive quotations for an electrical repair.

Appropriateness of variation to orders

A key control over the monitoring of expenditure against work order commitments, where a variation to an order is required, is the completion of a TC4 form highlighting the details and value of the variation, together with the approval of an authorised officer before the work proceeds. Audit testing of a sample of variations to work orders identified that TC4 forms were not completed in a number of cases, but the invoices have been paid in full.

Site visits

A key control over monitoring the quality and delivery of works order contracts is the performance of site visits by the Property Maintenance Officers which verify that the work has been completed to the required standard or is progressing as agreed. Through discussion with relevant officers, it was identified that site visits are not routinely performed.

2.5 We have made 10 recommendations, 3 of which we regard to be individually significant. An action plan is in place to address all issues identified by 31 July 2009.

3. Audit Plan for 2008/2009 – Progress to 5 December 2008

Planned Audit Cover	Planning	TOR Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Report Finalised	Reported to Audit Committee
Improvement and Performance							
Corporate Purchase Cards	✓	✓	✓	✓	✓	✓	Oct-08
Corporate Complaints	✓	✓	Deferred to 09/10 to allow Corporate Policy time to bed in.				
Cash and Banking	✓	✓	✓	✓	✓		
Debt Recovery	✓	✓	✓				
Creditors	✓	✓	✓				
Corporate Reviews							
Business Continuity Management	✓	✓	✓	✓	✓	✓	Jan-09
Managing Attendance	✓						
Regeneration and Resources							
Facilities Services	✓	✓	✓	✓	✓	✓	Oct-08
Libraries and Museums	✓	✓	✓	✓	✓	✓	Jan-09
Construction Services	✓	✓	✓	✓	✓	✓	Mar-09
Physical Investment Services	✓	✓	✓	✓			
Community Facilities	✓	✓	On hold pending decision on key Leisure sites				
HR Operations	✓	✓	✓				
Education and Social Care							
Control Self Assessment - Schools	✓	✓	✓	✓	✓	✓	Jan-09
Social Work – Business Support	✓	✓	✓	✓	✓		
Cashless Catering	✓	✓	✓	✓			
School Funds	✓	✓	✓				
Control Self Assessment – Social Care	✓	✓	✓				
Environment and Community Protection							
Roads Network – Direct Payments	✓						
Building Standards	✓						

Other Work	
Statement on the System of Internal Financial Control (co-ordination and challenge)	Input provided by CIA
External Audit Action Plans (co-ordination and challenge)	New Reporting Process in Place
Statutory Performance Indicators	2007/2008 Input Completed
Information Governance and Management	Gap analysis underway
Grant Claims	Input as required
Other responsibilities	
Risk Management (active management)	Ongoing process
Internal Audit Action Plan Follow up	New Reporting Process in Place

4 Ad hoc activities undertaken since the previous Audit Committee

- 4.1 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.
- 4.2 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:
- Review of Banking Procedures within Finance Cash and Banking Team.
 - Review of Banking Procedures within Safer Communities.
 - Review of Income Procedures within Schools.

INVERCLYDE COUNCIL INTERNAL AUDIT

**REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
31 DECEMBER 2008**

Summary: Section 1 Summary of Management Actions due for completion by 31/12/08

21 items were due for completion by 31 December 2008, 9 of which have been reported as completed and 12 of which have missed the deadline set by management.

In addition, action in relation to 3 items with no fixed deadline has been reported as completed.

Section 2 Summary of Outstanding Management Actions Plans at 31/12/08.

At 31 December 2008 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Management Actions Outstanding at 31/12/08.

At 31 December 2008 there was a total of 69 outstanding audit action points.

Section 4 Analysis of Missed Deadlines

At 31 December 2008 there was a total of 23 of the 69 outstanding items where the agreed deadline had been missed.

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

**SUMMARY OF MANAGEMENT ACTION DUE FOR COMPLETION BY 31.12.08
SECTION 1**

Area	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*
Environment and Community Protection	2			2
Regeneration and Resources	5	2	3	
Education and Social Care	7	5		2
Improvement and Performance	7	2		5
Total	21	9	3	9

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

In addition for 3 items with no fixed deadline, action has now been completed:

Audit Report	Original Action Date
Social Work Management of Contractor Performance (May 2008)	
Completeness of Due Diligence Process (Amber)	
The decision on the agreement to enter into Framework agreements for Social Care will inform Social Work Services options in respect of the APL.	31.07.08
Upon agreement with Corporate Finance processes and procedures will be implemented accordingly.	
Benchmarking for Best Value (Amber)	
Social Work Services intend to enter into framework agreements for a range of social care services. This will enable systematic cost assessment and benchmarking to occur on a regular cycle (appropriate to the social care market) for all non-tendered contracts. Market competition will be generated via this process.	31.07.08
Once the aforementioned has been agreed contracts outwith this process will undergo an independent cost assessment/benchmarking process.	
Compliance by Greenlight with contract terms and conditions (Red)	
There are a number of business indicators which suggest that Greenlight's business practices may not be as robust as expected and the Council should seek assurances that the company will continue as a going concern and that the service provided from Greenlight will not be disrupted.	30.04.07

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

**SUMMARY OF OUTSTANDING MANAGEMENT ACTION PLANS AS AT 31.12.08
SECTION 2**

ACTIONS OUTSTANDING BY SERVICE

Chief Executive	
Due for completion April 2009	2
Actions outstanding	2
Environment and Community Protection	
Due for completion January 2009	1
Due for completion March 2009	3
Due for completion April 2009	3
Due for Completion October 2009	1
Completion Date to be advised	3
Actions outstanding	11
Regeneration and Resources	
Due for completion January 2009	5
Due for completion February 2009	4
Due for completion March 2009	11
Due for completion April 2009	3
Due for completion June 2009	1
Due for completion July 2009	1
Completion Date to be advised	2
Actions outstanding	27
Education and Social Care	
Due for completion January 2009	3
Due for completion February 2009	3
Due for completion April 2009	1
Due for completion June 2009	2
Due for completion August 2009	1
Completion Date to be advised	5
Actions outstanding	15
Improvement and Performance	
Due for completion January 2009	2
Due for completion March 2009	2
Due for completion June 2009	3
Due for completion July 2009	1
Due for completion March 2010	1
Completion Date to be advised	5
Actions outstanding	14
Total outstanding actions:	69

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.08**

SECTION 3

Chief Executive

Outstanding Actions	Expected Date
Trading Activities (June 2008)	
<p>Classification of Statutory Trading Accounts (Amber)</p> <p>The Council will carry out a fundamental review of its arrangements for the Council's significant trading operations with a view to maximising operational performance further. Appropriate evidence will be retained of this review and all subsequent reviews.</p>	30.04.09
<p>Policy Framework for "Former Trading Activities" (Amber)</p> <p>The Council will carry out a fundamental review of its arrangements for the Council's significant trading operations with a view to maximising operational performance further.</p>	30.04.09

Environment and Community Protection

Outstanding Actions	Expected Date
Trading Activities 2007/2008 (June 2008)	
<p>Customer Complaints and Satisfaction Surveys (Amber)</p> <p>Roads will produce an annual report that will identify outcome of surveys and action plans for improvement.</p>	31.03.09
<p>Vehicle management will review Environmental Services complaints procedures and develop for own use.</p>	31.01.09*
<p>Vehicle Management will carry out annual internal customer satisfaction survey and develop an action plan for improvement.</p>	To be advised*

* See Analysis of Missed Deadlines at Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.08**

SECTION 3

Environment and Community Protection (Continued)

Outstanding Actions	Expected Date
Performance Management and Measurement (Amber)	
Roads will continue to report performance each year through APSE's performance networks and other family member authorities.	31.10.09
Service standards will be reviewed and reported 6 monthly through the Safe, Sustainable Communities Committee.	To be advised*
Service will develop measurable service standards to be collated through a fleet management system.	31.03.09
Service to continue to develop and report service standards and performance through APSE.	31.03.09
Non-Mainframe Systems – Vehicle Management (Amber)	
Service has proposed the acquisition of a fleet management system in its Vehicle Efficiency Review 2008. A report will be submitted for Committee approval on 17 October 2008.	01.04.09
A new fleet management system will have individual passwords, protected access with passwords changed periodically.	01.04.09
Payroll and Expenses (July 2008)	
Checking of Driving Licences and Insurance Documentation (Amber)	
A new Car User Policy will be developed for the post Single Status implementation era. This will include a proportionate response to the issue of evidencing appropriate Insurance and a valid driving licence.	30.04.09*
Thereafter all users will be instructed to comply.	Dependent on completion of above

* See Analysis of Missed Deadlines at Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.08**

SECTION 3

Regeneration and Resources

Outstanding Actions	Expected Date
Inverclyde Leisure Trust Risk Management (November 2007)	
<p>Risk register & monitoring regime (Red)</p> <p>If ILT is to meet recognised governance standards for Risk Management, a risk identification and assessment process should be developed and work should be undertaken to develop specific Corporate and operational risk registers for the organisation. In addition a monitoring regime should be developed and implemented to support continuous management of the risks.</p>	To be advised*
Contracts – Compliance with EU Procurement Regulations (April 2008)	
<p>Procedures will be developed to ensure that all costs incurred through term contracts will be taken into account when re-estimating contract values for tendering purposes. This process will detail actual expenditure rather than give an estimate of possible future expenditure.</p>	Dependent on receipt of first contract
Payroll and Expenses (July 2008)	
<p>European Working Time Directive (Amber)</p> <p>Consideration will be given to addressing the monitoring of the hours worked by employees to demonstrate compliance with the European Working Time Directive, when the new HR/payroll system is being developed.</p>	31.07.09
Facilities Services (September 2008)	
<p>Retrospective Disclosure Checks (Amber)</p> <p>A report will need to be prepared for CMT with options in respect of retrospective checks as this will involve considerable cost to the Authority and also requirement to consult with unions.</p>	30.06.09*
<p>Reporting of Performance Indicators to Committee (Amber)</p> <p>All Performance and VFM indicators will be reported to Committee when published.</p>	28.02.09*

* See Analysis of Missed Deadlines at Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.08**

SECTION 3

Outstanding Actions	Expected Date
Project Management (September 2008)	
Project Management Framework (Red)	
A project management framework will be developed which accords with proven best practice in the public and private sector.	31.03.09
Project Organisation (Amber)	
An organisation structure will established for projects. It is acknowledged that there is no single structure that will suit all types of projects, rather each project should have a structure that fits the size and nature of the project.	31.03.09
Project Planning (Amber)	
Adequate planning will undertaken at all stages of the project. This will take consideration of any changes to key factors such as the objectives/scope of the project, resources or time and adjust the other factors accordingly.	31.03.09
Project Documentation (Amber)	
As a minimum the following documentation will be prepared for all projects: - Project Plan - Risk Log - Issue Log - Action Log	31.03.09
Project Management Tools (Amber)	
The feasibility of using Microsoft Project for tracking and monitoring of projects will be investigated. Relevant action will then be taken.	31.03.09
Risk Identification and Assessment (Amber)	
A risk identification and assessment process will be established for projects.	31.03.09
Project Reporting (Amber)	
Reporting requirements will be established which are tailored to the type of project.	31.03.09

* See Analysis of Missed Deadlines at Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.08**

SECTION 3

Regeneration and Resources (Continued)

Outstanding Actions	Expected Date
Post-Implementation Reviews (Amber)	
<p>A post-implementation review (PIR) process will be established for all projects which includes:</p> <ul style="list-style-type: none"> • Measuring the benefits that have been realised and the probability of sustainability • Deciding whether the project was within scope • Assessing the final deliverables produced • Reviewing the project against schedule • Comparing the expenditure against budget • Stating the final outcome of the project 	31.03.09
Libraries and Museums (December 2008)	
Computer System Issues (Amber)	
<p>Passwords will be changed on a quarterly basis by the administrator. Logons created for staff will be deleted after staff leave service or change post.</p>	31.01.09
<p>A test will be set up to reduce password levels for counter staff and identify any problems which may arise from this action (need to ensure that appropriate functionality is retained to maintain required frontline service delivery).</p>	28.02.09
<p>Institute Museum backup storage at ICTBT.</p>	31.12.08
<p>Key tasks/duties of administrators to be listed with named deputies.</p>	28.02.09
<p>Procedure introduced to review access rights on an annual basis.</p>	31.01.09
<p>Meeting to be set up with Head of ICTBT to discuss practicalities of transferring system administrators' functions to ICTBT.</p>	31.01.09
The Watt Library: Condition of the Building (Amber)	
<p>Meeting set up with National Library of Scotland to discuss support for the Watt Library.</p>	31.01.09
<p>Action plan prepared to progress the refurbishment of the Watt Library.</p>	31.03.09
<p>Feasibility study produced by Property Services with input from library staff reviewing uses of the building (extended to include storage issues indentified at the McLean Museum and Art Gallery, see number 3 below).</p>	31.03.09

* See Analysis of Missed Deadlines at Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.08**

SECTION 3

Regeneration and Resources (Continued)

Outstanding Actions	Expected Date
Meeting to be arranged with Head of Legal & Administration and the Chief Financial Officer to discuss use of Watt Complex Cy-pres scheme for matched funding and recommendations arising from this audit (e.g. Valuation, Storage, Heritage Lottery Fund bid).	31.03.09
Project Team set up to take project forward.	30.04.09
The McLean Museum and Art Gallery: Storage Space (Amber)	
Incorporate a storage solution into the overall feasibility project for the refurbishment of the Watt Library and Museum – to include consideration / costing of the alternative options with involvement of the Physical Investment Services.	28.02.09
The McLean Museum and Art Gallery: Insurance Valuations (Amber)	
Investigate mechanism for providing professional valuation of collection every 5 years.	31.01.09
Implement valuation.	30.04.09

Education and Social Care

Outstanding Actions	Expected Date
SEEMIS (April 2008)	
Business Continuity Planning (Amber)	
<ul style="list-style-type: none"> • A Business Continuity Plan, including back up arrangements for the SEEMIS system, should be developed and documented. Supporting operational guidance should be prepared and advised to relevant staff. • Once developed, the Business Continuity Plan should be regularly tested to ensure its ongoing effectiveness and readiness. 	28.02.09*
Audit Trail Reporting (Amber)	
The audit trail reports from the SEEMIS system should be run and reviewed on a regular basis to confirm accuracy and completeness of the file.	To be advised*

* See Analysis of Missed Deadlines at Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.08**

SECTION 3

Education and Social Care (Continued)

Outstanding Actions	Expected Date
Health and Safety (Amber)	
An assessment will be carried out by Education HQ to look at the appropriateness of forming Health & Safety committees in order to fully represent the health and safety interests of all staff.	To be advised*
Cashless Catering and Free Meals (Amber)	
All users will have individual password protected access to the cashless catering system and passwords will be changed periodically.	28.02.09*
School Funds (Amber)	
Elections to School Fund committees will be held within 6 months.	30.04.09
Procedures will be reviewed by Education HQ and School Fund committees advised where separate bank accounts are necessary.	30.06.09
Procedures will be reviewed by Education HQ and School Fund committees will be advised of signatories required.	30.06.09
General Security (Amber)	
Policy and procedures will be developed setting out the operational need for routine code changes and circumstances when alarm codes must be changed.	31.01.09
Written procedures will be developed setting out the process for control and monitoring of keys in schools and the responsibilities of key holders.	To be advised*
Written procedures will be developed setting out visitor registration and badge issuing processes across all schools.	31.01.09

* See Analysis of Missed Deadlines at Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.08**

SECTION 3

Improvement and Performance

Outstanding Actions	Expected Date
Firewall Review (May 2008)	
<p>Procedural Guidance (Amber)</p> <p>ICTBT will define and document the list of key processes to be documented by senior Network and Infrastructure staff.</p>	31.03.09
<p>Change Management (Amber)</p> <p>ICTBT has drafted a Change Management procedure, as a result of recommendations from an earlier audit. This procedure has will be reviewed.</p>	To be advised*
<p>Configuration of Firewall Servers (Amber)</p> <p>ICTBT will document firewall configurations correctly.</p>	To be advised*
<p>Penetration Test Action Plan (Amber)</p> <p>A review process should be introduced to ensure the actions on the penetration test report are monitored and action taken to complete the outstanding tasks.</p> <p>ICTBT will schedule this work into the senior network and infrastructure staff's time to ensure the actions are completed.</p>	30.06.09
<p>Firewall Log Review (Amber)</p> <p>ICTBT will produce a log review policy and implement a review process.</p>	31.03.09
<p>Allowable Service Lists and Server Configuration (Amber)</p> <p>ICTBT will progress the action to address allowable service lists and service configuration via the penetration test action plan.</p>	30.06.09
<p>Rule database definition and exceptions (Amber)</p> <p>ICTBT will progress the action to address rule database definition and exceptions via the penetration test action plan.</p>	30.06.09

* See Analysis of Missed Deadlines at Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.08**

SECTION 3

Improvement and Performance (Continued)

Outstanding Actions	Expected Date
Payroll and Expenses (July 2008)	
<p>Annual Return of Payroll information to Managers in the Services (Amber)</p> <p>To be reviewed as part of the data migration part of the Human Resources/Payroll system project.</p>	31.07.09
<p>Payroll Year End Tasks (Amber)</p> <p>Payroll will monitor HMRC development and progress the procurement of third party software to provide the necessary security as part of the development of the new HR/Payroll system.</p>	31.03.10
Corporate Purchase Cards (September 2008)	
<p>Adequacy of Corporate Purchase Card Policy (Amber)</p> <p>The Corporate Purchase Card Policy will be reviewed and updated for issues identified by this review. Appropriate consultation will be sought prior to approval.</p>	To be advised*
<p>Adequacy of Corporate Purchase Card Procedures (Amber)</p> <p>Corporate Purchase Card procedures will be reviewed and updated to take account of the issues identified by the review.</p>	31.01.09
<p>Appropriateness of Authorisation Limits (Amber)</p> <p>The Corporate Procurement Team will review each cardholders monthly expenditure limit against the limit set for them by the Finance Creditors Team and where the cardholder;</p> <p>a) does not have a creditor limit then their Head of Service will be asked to set a limit for them or confirm the cardholders exclusion from the creditors system;</p> <p>b) has a monthly card limit below the creditors system limit then no further action is required;</p> <p>c) has a monthly card limit above the creditors system then the monthly limit will either be reduced or the relevant Head of Service invited to request an increase in the creditor system limit to match the monthly card limit. The Chief Financial Officer will be consulted when proposing increases in creditor system limits.</p> <p>In any case the monthly expenditure limit will not exceed those set by the revised corporate purchase card policy unless agreed in writing by the relevant Head of Service and Head of Performance Management & Procurement. Neither will the monthly expenditure limit for cardholders exceed the limit on the creditors system.</p>	31.01.09

* See Analysis of Missed Deadlines at 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	Outstanding Actions	Original Date	Revised Date	Management Comments
Inverclyde Leisure Trust Risk Management (November 2007)	Risk register & monitoring regime (Red) If ILT is to meet recognised governance standards for Risk Management, a risk identification and assessment process should be developed and work should be undertaken to develop specific Corporate and operational risk registers for the organisation. In addition a monitoring regime should be developed and implemented to support continuous management of the risks.	01.04.08	To be advised	Following on from a review of operations and processes, a risk register will be developed. Timescale for this requires to be reviewed.
SEEMIS (April 2008)	Audit Trail Reporting (Amber) The audit trail reports from the SEEMIS system should be run and reviewed on a regular basis to confirm accuracy and completeness of the file.	30.06.08	To be advised	SEEMIS has been consulted and we have been advised that a blanket auditing solution is impractical. Auditing is provided within selected areas and any extensions would require to be discussed with SEEMIS which would attract a financial cost. The financial systems have a full audit trail. Management are currently reviewing the audit trail requirements.
SEEMIS (April 2008)	Ongoing System Development (Amber) Appropriate project management principles should be adopted, including preparation of implementation plans and project milestones in relation to the range of SEEMIS developments still to be delivered. A development plan should be put in place to link the Education IT systems such as SEEMIS to the corporate and service objectives.	30.06.08	To be advised	Discussions are taking place on the strategic plans for SEEMIS and there are ongoing discussions with ICT & BT.

**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	Outstanding Actions	Original Date	Revised Date	Management Comments
SEEMIS (April 2008)	<p>Formalisation of the SA Role (Amber) The service formalises the role of the system administrator providing detailed job descriptions, key tasks and responsibilities.</p> <p>Backup arrangements are made to provide adequate cover for the system administration role.</p> <p>Removal of any segregation of duties conflict that exist as result of the dual responsibilities of the current incumbent.</p>	30.06.08	To be advised	There are ongoing discussions between Human Resources and Education to address this matter.
SEEMIS (April 2008)	<p>Business Continuity Planning (Amber)</p> <ul style="list-style-type: none"> • A Business Continuity Plan, including back up arrangements for the SEEMIS system, should be developed and documented. Supporting operational guidance should be prepared and advised to relevant staff. • Once developed, the Business Continuity Plan should be regularly tested to ensure its ongoing effectiveness and readiness. 	30.09.08	28.02.09	Limited progress due to ongoing system development of the SEEMIS system but will be prioritised form implementation by February 2009.
Payroll and Expenses (July 2008)	<p>Checking of Driving Licences and Insurance Documentation (Amber) A new Car User Policy will be developed for the post Single Status implementation era. This will include a proportionate response to the issue of evidencing appropriate Insurance and a valid driving licence.</p>	31.08.08	To be advised	This matter is being dealt with by the Vehicle Efficiency Review which is due to be reported to Committee by April 2009.

**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	Outstanding Actions	Original Date	Revised Date	Management Comments
Contracts – Compliance with EU Regulations (April 2008)	Education – Compliance with Financial Regulations and Standing Orders relating to Contracts (Amber) In the case of Consortium Study, approval will be sought to undertake a formal tendering process and contract placed in accordance with the Financial Regulations and Standing Orders relating to Contracts.	31.08.08	31.08.09	Education have reviewed this particular contract and a decision has been taken to give the contract for transportation requirements to SPT to manage. The plan is that SPT will tender and award the contract and manage any OJEU requirements.
Contracts – Compliance with EU Regulations (April 2008)	Education – Compliance with Financial Regulations and Standing Orders relating to Contracts (Amber) Procedures will be developed that clearly set out the procurement process required to ensure that the purchase of goods and services that exceed the financial threshold of £10,000 in any 12 months period are formally tendered and contracts placed, in accordance with the Financial Regulations and Standing Orders relating to Contracts.	30.09.08	31.01.09	
Trading Activities (June 2008)	Customer Complaints and Satisfaction Surveys (Amber) Vehicle management will review Environmental Services complaints procedures and develop for own use.	31.10.08	31.01.09	Management are currently reviewing the existing complaints procedures.
Trading Activities (June 2008)	Customer Complaints and Satisfaction Surveys (Amber) Vehicle Management will carry out annual internal customer satisfaction survey and develop an action plan for improvement.	31.10.08 31.12.08	To be advised	Survey based on APSE guidance has been completed. Analysis and action has not yet been completed.

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Trading Activities (June 2008)	Performance Management and Measurement (Amber) Service standards will be reviewed and reported 6 monthly through the Safe and Sustainable Communities Committee.	31.10.08 05.12.08	To be advised	Issues have arising in collating some of the data and a full review is now planned.
Facilities Services (September 2008)	Retrospective Disclosure Checks (Amber) A report will need to be prepared for CMT with options in respect of retrospective checks as this will involve considerable cost to the Authority and also requirement to consult with unions.	31.12.08	30.06.09	This action has been delayed due to current workload of the service and requirement to carry out costing work.
Facilities Services (September 2008)	Reporting of Performance Indicators to Committee (Amber) All Performance and VFM indicators will be reported to Committee when published.	31.12.08	28.02.09	PIs will be submitted to the next Regeneration and Resources Committee. Papers are due for submission 13.2.09.
Education Control Self Assessment (October 2008)	Miscellaneous Income (Amber) Money received will be separated from any correspondence on receipt, recorded in a register and immediately transferred to the appropriate officer for banking.	15.11.08	28.02.09	Operational issues have come to light in High Schools. Options are currently being reviewed.
Education Control Self Assessment (October 2008)	Cashless Catering and Free Meals (Amber) All users will have individual password protected access to the cashless catering system and passwords will be changed periodically.	30.11.08	28.02.09	Education are currently examining the issues around logical access and password controls for the Cashless Catering System.
Education Control Self Assessment (October 2008)	Health and Safety (Amber) An assessment will be carried out by Education HQ to look at the appropriateness of forming Health & Safety committees in order to fully represent the health and safety interests of all staff.	31.12.08	To be advised	School Support Managers are in discussion with Heads of Establishment. This will take some time to set up.

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SECTION 4

Report	Outstanding Actions	Original Date	Revised Date	Management Comments
Education Control Self Assessment (October 2008)	General Security (Amber) Written procedures will be developed setting out the process for control and monitoring of keys in schools and the responsibilities of key holders.	31.12.08	To be advised	Procedures will be finalised and agreed with School Support Managers at their next meeting.
Firewall Review (May 2008)	Change Management (Amber) ICTBT has drafted a Change Management procedure, as a result of recommendations from an earlier audit. This procedure has will be reviewed.	31.12.08	To be advised	Due to vacancies arising in the ICT team, this item has not been progressed. New team now in place and will take on board action for implementation.
Firewall Review (May 2008)	Configuration of Firewall Servers (Amber) ICTBT will document firewall configurations correctly.	31.12.08	To be advised	Due to vacancies arising in the ICT team, this item has not been progressed. New team now in place and will take on board action for implementation.
Corporate Purchase Cards (September 2008)	Adequacy of Corporate Purchase Card Policy (Amber) The Corporate Purchase Card Policy will be reviewed and updated for issues identified by this review. Appropriate consultation will be sought prior to approval.	31.12.08	To be advised	Due to long term staff illness this item has not been fully progressed. Temporary resource is now in place to prioritise this work.
Corporate Purchase Cards (September 2008)	Processing of staff Travel Costs (Amber) The revised corporate purchase card policy and procedures will make clear how all staff travel costs are to be processed. This will involve consulting the Chief Financial Officer and Head of Organisational Development & Human Resources in order to clarify a number of issues.	31.12.08	To be advised	Due to long term staff illness this item has not been fully progressed. Temporary resource is now in place to prioritise this work.

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SECTION 4

Report	Outstanding Actions	Original Date	Revised Date	Management Comments
Corporate Purchase Cards (September 2008)	Adequacy of Management Information (Amber) The Corporate Procurement Manager will identify the management information required in order to fully assess the effectiveness of the Council's corporate purchase card scheme.	31.12.08	To be advised	Due to long term staff illness this item has not been fully progressed. Temporary resource is now in place to prioritise this work.