
Report To: Audit Committee **Date:** 25.08.09
Report By: Corporate Director Improvement and Performance **Report No:** AC/20/09/PW/APr
Contact Officer: Andi Priestman **Contact No:** 01475 712251
Subject: INTERNAL AUDIT PROGRESS REPORT – 6 APRIL TO 31 JULY 2009

1.0 PURPOSE

- 1.1 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.
- 1.2 The Monitoring Report from 6 April to 31 July 2009 is attached as an Appendix to this report since its content is essential to the understanding of the Council's control environment. **Appendix 1**

2.0 SUMMARY

- 2.1 Six internal audit reports have been finalised since the last Audit Committee meeting:
- Physical Investment Services
 - Information Governance and Management
 - Creditors
 - Debt Recovery
 - Cashless Catering
 - Social Care – Business Support
- 2.2 These reports contains a total of 37 recommendations, categorised as follows:

Red	Amber	Green
3	16	18

- 2.3 The 3 **Red** recommendations relate to issues identified in the Information Governance and Management review as follows:
- **Culture:** There is a perception that the Council has a lack of leadership, commitment to, and ownership of, Information Governance.
 - **Organisation:** No formal policy or policies exist, which is resulting in inconsistencies of practice across the Council as employees establish their own procedures to protect the information which are often not the most effective solutions.
 - **People:** A lack of training and awareness activities is leaving employees feeling unsupported in their duties to fulfil their responsibilities relating to information governance and management. Employees want to see more awareness activities in this area.

These issues are set out in more detail at Section 2.10 of Appendix 1 to this Report.

- 2.5 The CMT has considered the findings from the review and has appointed corporate responsibility to the Corporate Director Improvement and Performance. An agreed improvement plan is now in place.
- 2.4 The fieldwork for the 2008/2009 Audit Plan is now complete and reports are being finalised for the remaining 4 reviews.
- 2.5 The 2009/2010 Audit Plan has been drafted for approval by Audit Committee and is the subject of a separate report to this meeting.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Members note the progress made by Internal Audit in the period from April to July 2009.

Paul Wallace
Corporate Director
Improvement and Performance

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 6 April to 31 July 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 Six reports have been finalised since the April 2009 Audit Committee, which are 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				
Physical Investment Services	0	4	2	6
Information Governance	3	2	0	5
Creditors	0	0	3	3
Debt Recovery	0	3	7	10
Cashless Catering	0	4	6	10
Social Care – Business Support	0	3	0	3
Total	3	16	18	37

Work in progress on the 2008/2009 internal audit plan

1.3 Fieldwork for the 2008/2009 Audit Plan is now complete. The status of individual audits 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 3 April 2009.

2008/2009 Plan

Physical Investment Services

2.2 Asset management has a strong role to play in establishing a vision for an area and should underpin and contribute to the delivery of the local vision and priorities set out in the Sustainable Community Strategy, the Local Area Agreement and the Local Development Framework. Local authority asset management is part of the National Improvement and Efficiency Strategy. This sets out a Council's ambition for improvement by working with local service providers using available resources to support improvement and efficiency. By achieving this, Councils should be more able to use their assets to meet future challenges.

2.3 The Physical Investment team is responsible for the development of asset management planning within the Council and has been responsible for developing the Corporate Asset Management Strategy and Action Plan, based on the Council's property, land and buildings. A briefing on the detail of the Corporate Asset Management Strategy and Action Plan was given to Elected Members on 17 February 2009 and the document was approved by the Regeneration Committee on 12 March 2009.

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

Asset performance reviews (Amber)

A key control over the management of Council owned property, land and buildings is the ability to review asset performance in order to determine which, if any, are under utilised, in the wrong location or surplus to requirements. Performance indicators can be used to measure, monitor and report progress over a period of time and provide management with an effective mechanism for determining whether resources are being fully and effectively utilised. Through discussions with relevant officers, it has been identified that a detailed timetable and action plan is required for the inclusion and ongoing maintenance of the relevant data in PAMIS, in order that the key performance indicators can be monitored on a regular basis.

Management of rents and insurance recharges (Amber)

Physical Investment Services are responsible for ensuring that rental and insurance recharge invoices are issued to tenants in advance of the due dates in order that payment can be made on time. Audit testing of a sample of property tenancies identified that there are no controls in place to ensure invoices are correct prior to issue or that they are issued and followed up in a timely manner.

Management of overdue debtors' accounts (Amber)

Physical Investment Services are responsible for ensuring that rental and insurance recharge invoices, issued to tenants, are routinely monitored and overdue accounts are followed up promptly to deter late payments and avoid invoices having to be written off as bad debts. Through discussions with relevant officers, it has been identified that the Physical Investment Services team does not extract and review aged debtors balance reports from FMS on a regular basis. In addition, key performance indicators have not yet been developed for reporting on the current position of overdue debtors and collection rates.

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

Procedures for managing the property portfolio (Amber)

Procedural documentation was developed some years ago for the management of the Council's property portfolio. However, the policies and procedures manual has not been reviewed and updated to incorporate organisational and operational changes introduced by the team. In addition, the manual does not include reference to a range of accounting and reporting functions now routinely carried out by Physical Investment Services. Furthermore, the audit review has confirmed that procedural documentation is not yet in place for invoicing and collection of rents and insurance recharges, management reporting of debtors' balances and key performance measures.

2.5 We have made 6 recommendations, 4 of which we consider to be individually significant. An action plan is in place to address all issues identified by 31 March 2010.

Information Governance and Management

2.6 Good information governance and management is becoming an increasingly important area of importance to all organisations. As a Council, we hold an ever-increasing volume of sensitive information, including information on our customers, employees and suppliers/stakeholders. A spate of recent 'blunders' with information loss/theft in government departments has highlighted the need to ensure that we are doing everything we can to avoid making the same mistakes. The consequences of such mistakes are not only resource intensive and damaging to reputation, but more importantly, can have serious detrimental effects on individuals affected - physically, financially and/or emotionally.

2.7 At Inverclyde Council, we want to ensure that we have the appropriate controls in place to protect the information we hold. It was established that the first step required was to conduct a review to assess the level of Information Governance awareness across the Council, and to understand current practice in this area.

2.8 This strategic review of Information Governance and Management was undertaken and involved 49 of the most appropriate operational staff from all services.

2.9 The overall control environment opinion was **Requires Improvement** due to a number of key gaps being identified between current practice and leading practice as follows:

2.10 **Culture (Red)**

Employees feel that there is a lack of leadership, clarity of ownership and accountability over information governance and management within the Council. Also, there are few examples of any formal data classification schemes to identify relevant practices for both critical and non-critical information. However, within some services, there is positive evidence of an open culture when discussing information and its handling.

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

Organisation (Red)

Overall, employees feel unsupported in their efforts to protect the Council's information both in terms of access to expertise and by a lack of existence of formal, easy to access policies and procedures to guide behaviour.

It is encouraging to see that retention policies are being followed in a number of areas, however this is not common across all services and there does not appear to be a single, identifiable common retention policy across the Council which is easy to access.

It was found that processes are in place for Freedom of Information (FOI) and Data Protection but questions exist as to whether these processes are the most efficient and effective.

People (Red)

There is a high general awareness amongst employees of their responsibilities towards managing sensitive information and confidentiality but this is informal and not supported by any kind of training and awareness activities, which staff have demonstrated an appetite for. The lack of awareness activities also means that staff are unaware of what they should do in the event of, or in suspicion of a security event (e.g. information loss).

There is room to build Information Governance awareness into induction activities, and to ensure that all staff sign up to agreements which clearly demonstrate that they understand and agree to follow all relevant Information Governance and Management policies and procedures.

Process (Amber)

The Council's physical security and asset management (from an Information Governance perspective) was ranked as strong and there is evidence of good Information Governance specialist processes being followed in ICT such as the disposal of old PC equipment, and the sign off process for new or amended system permissions. However it is felt that there is insufficient focus on Information Governance and Management when reviewing change requests/approvals, and in the testing and sign-off stages of new system implementation.

Technology (Amber)

Overall, the Council would appear to be well supported with secure systems for the storing and manipulation of information, such as SWIFT, Click and Go, and FMS etc. The systems themselves are seen to be effective in protecting the information they store. However there is evidence that risks arise in the context of the administration of these systems (carried out by Services) which makes their information insecure, for example shared passwords, or access rights set at a level higher than is required to do the job.

There is also a serious lack of control over information once it has left the system for example in print outs, which are then transferred both internally and externally, and/or stored in filing cabinets which can often be left unlocked during the day.

As well as on hard copy, sensitive information is also frequently stored and transferred on non-secure platforms such as memory sticks and non-GSX email addresses. Again, while this may appear to be a technology issue, it is being driven at a basic level by a lack of policy, procedures and training.

For example, it is not widely known that Microsoft Outlook offers the opportunity to encrypt emails in a similar fashion to GSX.

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

2.11 We have made 5 recommendations, all of which we consider to be individually significant. An action plan is in place to address all issues identified by 31 March 2011.

2.12 The CMT has considered the findings from the review and has appointed corporate responsibility to the Corporate Director Improvement and Performance. An agreed improvement plan is now in place.

Creditors

2.13 Excluding CHAPS payments and purchase card expenditure a significant number of payments made to external suppliers are processed through the creditor's module of the Financial Management System (FMS). These payments are made on behalf of Council Services by the Finance Creditors Team which aims to make accurate payments within pre-set timescales. Although cheques are still issued to creditors the preferred means of payment is by BACS.

2.14 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 creditors.

2.15 The overall control environment opinion for this audit review was **Strong**.

2.16 We have made 4 recommendations to enhance the control environment and an action plan is in place to address all issues identified by 31 October 2009.

Debt Recovery

2.17 The Debt Recovery Team is responsible for the administration and collection of debt, excluding Housing Benefit debt, under the provisions of the Council's Corporate Debt Policy. This Policy aims to strike a balance between recognising the duty of the Council to optimise recovery of debts and the difficult financial circumstances which some debtors can experience. The Debt Recovery Team works in conjunction with the Council's Debt Management Partner.

2.18 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 Debt Recovery.

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

Logical Access Controls (Amber)

A key control over ensuring access to computer software and data files is appropriately restricted is the application of logical access control including policies, procedures and electronic access controls. Some issues were identified in relation to the administration of the data exchange with the Debt Management Partner, which were not made in accordance with the best practice advice from ICT and which contravened the ICT Acceptable Use of Internet and Email Policy. In addition, access to some files was not appropriately restricted.

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

Data Protection Act (Amber)

The Data Protection Act 1998 regulates how organisations can collect, process, store and where appropriate, disclose personal information held by it on computer and/or manual files. As part of the formal Debt Management Services Agreement between the Council and our Debt Management Partner, there is a Data Protection Agreement which permits monitoring and review by the Council. There is however, no process in operation which demonstrates that the Council is fulfilling its statutory obligations for the way the Debt Management Partner handles personal information on our behalf.

Sundry Debtors Report (Amber)

The Debt Recovery Team can place a sundry debtors account “on hold” on the advice of the Service, or if an enquiry from the debtor has to be checked. It had been the practice until September 2008 for all Services to receive an outstanding and withheld print each month for review and discontinue credit terms, if appropriate. A new system of providing this information to the Services is to be introduced, however problems encountered with the development of new reports has resulted in no reports currently being supplied to the Services. However, Finance Management have commented that Services can access this information on line using the Financial Management System.

2.20 We have made 10 recommendations, 3 of which we consider to be individually significant. An action plan is in place to address all issues identified by 30 September 2009.

Cashless Catering

2.21 All secondary schools, one primary school and one special school currently operate a cashless catering system. Two new primary schools are currently being built and a cashless catering system was included in the specification to the bidders. The benefit of this system is the removal of the free school meal stigma from pupils. The main difference between the operation of a cashless catering system in secondary and primary schools is in the collection of the money from pupils and staff. In secondary schools and the special school all of the money is collected by coin machines, which pupils and staff use with a swipe card or PIN number. In the primary school only the older pupils use the swipe cards and a manual system of collecting money from the younger pupils is operated.

2.22 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 Cashless Catering.

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

Free School Meals – Management Information on IMPACT System (Amber)

Pupil entitlement for free school meals is initially set up on the Click & Go system used by Education and requires to be mirrored on the IMPACT Cashless Catering System. This has not happened at Newark Primary School and has lead to a number of variances between the two systems. In addition, procedural documentation had not been issued to staff to explain that the total number of free school meal pupils in the two systems must be checked and agreed on a daily basis.

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

Newark Primary School – Daily Reconciliation of Cash Received (Amber)

A key control to ensure that cash received is properly recorded on the cashless catering system is the daily reconciliation of the actual cash received. However, a number of control issues in the procedures in operation were identified, which included lack of visibility of reporting of cash variances, no review process of the manual cash payments entered into the system records and the cash count form not being fully completed.

Overdraft Facility on Pupils Accounts (Amber)

In primary schools the adopted practice is to provide a school meal in circumstances where a pupil has no or insufficient funds to pay for the meal. However, the Cashless Catering System has not yet been fully developed to allow catering staff to record the meal on the cashless catering system where the pupil cannot fully pay for the meal. Catering staff currently record this information manually at the point of sale, however there are no procedures in place to recover the balance due at a later date.

IMPACT System Issues (Amber)

The IMPACT Cashless Catering System is in operation in all of the Council's secondary schools as well as Newark Primary and Glenburn Schools. The system is used to manage the payment of school meals, by the use of swipe cards and this eliminates any stigma associated with the provision of free school meals to pupils. Through discussions with staff, the software supplier and audit testing we identified some issues in relation to logical access, back up, change and security controls over the cashless catering system.

2.24 We have made 10 recommendations, 4 of which we consider to be individually significant. An action plan is in place to address all issues identified by 31 October 2009.

Social Care – Business Support

2.25 The Social Care Business Support team responsibilities are to develop a range of effective partnerships which support the implementation of corporate practices, to ensure that all Social Care services are delivered with maximum effectiveness and to continually improve delivery as appropriate to meet the needs of the clients of the service.

2.26 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 Social Care – Business Support.

2.27 The overall control environment opinion for this audit review was **Satisfactory**. However, areas of control weakness within Social Care – Business Support were identified as follows:-

Adequacy of Procedural Documentation (Amber)

From discussions with staff it has been identified that procedural documentation has still to be developed for the budget monitoring process. In addition although procedural documentation is in place for a number of other key processes, the existing documentation is out of date or not sufficiently comprehensive.

Adequacy of Financial Information (Amber)

A significant amount of Social Care activity is done via invoicing and cheque requests e.g. care home invoices, residential schools, foster payments, etc. Currently, the business support team records the required information on additional databases and spreadsheets which are then reconciled to FMS. This introduces further complexity to the process which increases the risk of human error. We understand that the SWIFT system has a Financial module, however, this has not yet been implemented by Inverclyde Council.

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

Bank Reconciliations (Amber)

Social Work services are responsible for opening and maintaining client and trust bank accounts. Through discussions with Business Support staff it has been identified that bank reconciliations are not being carried out for client and trust accounts. Where bank reconciliations are not carried out on a regular basis there is a potential risk that errors or irregularities go undetected or reconciling items are not fully investigated and resolved in timely manner.

2.28 We have made 3 recommendations, all of which we consider to be individually significant. An action plan is in place to address all issues identified.

**INVERCLYDE COUNCIL – REPORT ON INTERNAL AUDIT ACTIVITY
FROM 6 APRIL TO 31 JULY 2009**

APPENDIX 1

3. Audit Plan for 2008/2009 – Progress to 3 April 2009

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	✓	✓	✓	✓	✓	✓	Apr-09
Debt Recovery	✓	✓	✓	✓	✓	✓	Aug-09
Creditors	✓	✓	✓	✓	✓	✓	Aug-09
Corporate Reviews							
Business Continuity Management	✓	✓	✓	✓	✓	✓	Jan-09
Managing Attendance	✓	✓	✓	✓			
Information Governance and Management	✓	✓	✓	✓	✓	✓	Aug-09
Regeneration and Resources							
Facilities Services	✓	✓	✓	✓	✓	✓	Oct-08
Libraries and Museums	✓	✓	✓	✓	✓	✓	Jan-09
Construction Services	✓	✓	✓	✓	✓	✓	Mar-09
Physical Investment Services	✓	✓	✓	✓	✓	✓	Aug-09
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	✓	✓	✓	✓	✓	✓	Aug-09
Cashless Catering	✓	✓	✓	✓	✓	✓	Aug-09
School Funds	✓	✓	✓	✓	✓		
Control Self Assessment – Social Care	✓	✓	✓	✓			
Environment and Community Protection							
Roads Network – Direct Payments	✓	✓	✓	✓	✓		
Building Standards	✓	Deferred to 09/10 plan to include E-Planning					

Other Work	
Statement on the System of Internal Financial Control (co-ordination and challenge)	2008/09 Input Complete
External Audit Action Plans (co-ordination and challenge)	New Reporting Process in Place
Statutory Performance Indicators	2008/2009 Fieldwork Complete
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:
- Provision of control advice for Elections process.
 - Electoral Integrity over European Election and Local By-Election.
 - Co-ordination and drafting of the SSIFC.
 - Review of SPT Grant Claim.

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
30 JUNE 2009

Summary: Section 1 Summary of Management Actions due for completion by 30/6/09

13 items were due for completion by 30 June 2009, 6 of which have been reported as completed and 7 of which have missed the deadline set by management.

Section 2 Summary of Outstanding Management Actions Plans at 30/6/09.

At 30 June 2009 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Management Actions Outstanding at 28/2/09.

At 30 June 2009 there was a total of 75 outstanding audit action points.

Section 4 Analysis of Missed Deadlines

At 30 June 2009 there was a total of 29 of the 75 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 30.06.09
SECTION 1**

Area	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*
Regeneration and Resources	3	0	3	
Education and Social Care	4	0	4	
Improvement and Performance	6	6	0	
Total	13	6	7	

* 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**

**SUMMARY OF OUTSTANDING MANAGEMENT ACTION PLANS AS AT 30.06.09
SECTION 2**

ACTIONS OUTSTANDING BY SERVICE

Environment and Community Protection	
Due for completion October 2009	2
Due for completion August 2009	1
Due for completion December 2009	2
Completion Date to be advised	1
Actions outstanding	6
Regeneration and Resources	
Due for completion July 2009	1
Due for completion August 2009	5
Due for completion September 2009	3
Due for completion October 2009	5
Due for completion November 2009	1
Due for completion December 2009	2
Due for completion March 2010	3
Actions outstanding	20
Education and Social Care	
Due for completion July 2009	2
Due for completion August 2009	10
Due for completion September 2009	3
Due for completion January 2010	2
Due for completion March 2010	1
Completion Date to be advised	4
Actions outstanding	22
Improvement and Performance	
Due for completion July 2009	8
Due for completion August 2009	5
Due for completion September 2009	2
Due for completion March 2010	3
Due for completion April 2010	3
Due for completion June 2010	1
Due for completion August 2010	1
Due for completion September 2010	1
Due for completion March 2011	3
Actions outstanding	27
Total outstanding actions:	75

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
MANAGEMENT ACTIONS OUTSTANDING AS AT 30.06.09**

SECTION 3

Environment and Community Protection

Outstanding Actions	Owner	Expected Date
Trading Activities 2007/2008 (June 2008)		
<p>Customer Complaints and Satisfaction Surveys (Amber)</p> <p>Vehicle Management will carry out annual internal customer satisfaction survey and develop an action plan for improvement.</p>	Team Leader – Vehicle Management	31.10.09*
<p>Performance Management and Measurement (Amber)</p> <p>Roads will continue to report performance each year through APSE's performance networks and other family member authorities.</p>	Team Leader - Roads	31.10.09
<p>Service standards will be reviewed and reported 6 monthly through the Safe, Sustainable Communities Committee.</p>	Team Leader – Roads	31.08.09*
<p>Performance Management and Measurement (Amber)</p> <p>Service to continue to develop and report service standards and performance through APSE.</p>	Team Leader – Vehicle Management	To be advised*
<p>Non-Mainframe Systems – Vehicle Management (Amber)</p> <p>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.</p>	Team Leader – Vehicle Management	31.12.09*
<p>A new fleet management system will have individual passwords, protected access with passwords changed periodically.</p>	Team Leader – Vehicle Management	31.12.09*

* 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 30.06.09**

SECTION 3

Regeneration and Resources

Outstanding Actions	Owner	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>	Chief Executive, Inverclyde Leisure	31.10.09*
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>	Head of OD&HR	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>	Head of OD&HR	31.12.09*
<p>Quality Assurance – Cleaning (Amber)</p> <p>To devise a Quality Assurance System for 52 week establishments (dependent on new structure being in place).</p>	Facilities Service Manager	30.09.09
<p>Service Level Agreements (Amber)</p> <p>Implementation of Facilities Service Level Agreements.</p>	Facilities Services Manager	31.10.09
<p>Managing Attendance</p> <p>A monthly check if all paperwork in connection with managing attendance will be undertaken by the area manager.</p>	Area Manager	31.08.09

* 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 30.06.09**

SECTION 3

Regeneration and Resources (Continued)

Outstanding Actions	Owner	Expected Date
Project Management (September 2008)		
Project Management Framework (Amber) The project management framework and guidelines will be rolled out across all services on a phased basis.	Corporate Director R&R	31.03.10
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.	Corporate Director R&R	31.03.10
Libraries and Museums (December 2008)		
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.	Head of Property Resources/ Facilities Management/ Head of Economic and Social Regeneration	30.11.09*
Physical Investment Services (May 2009)		
Asset Performance Reviews (Amber) Officers responsible for implementation of key functions; <ul style="list-style-type: none"> ▪ input Estate Management module; ▪ develop and input Hazards module; ▪ strategic timetable for development and implementation of Planned Maintenance module; ▪ development of a strategic timetable for implementation of Capital Accounting module 	Asset Team Leader	31.12.09
	Senior Building Surveyor	31.03.10
	Physical Investment Services Manager	31.10.09
	Physical Investment Services Manager	30.09.09
Management of Rents and Insurance Recharges (Amber) Develop a procedure for checking and authorising invoices. Timetable to be developed in discussion with Internal Audit.	Asset Manager Team Leader	31.08.09*

* See Analysis of Missed Deadlines at Section 4

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Regeneration and Resources (Continued)

Outstanding Actions	Owner	Expected Date
<p>Management of Overdue Debtors Accounts (Amber) Strategic timetable for implementing new processes will be developed to take account of service needs.</p>	Asset Manager Team Leader	31.08.09*
<p>Procedures for Management of the Property Portfolio (Amber) New office manual will be drafted.</p>	Asset Manager Team Leader	31.10.09
Cashless Catering (June 2008)		
<p>Newark Primary School – Daily Reconciliation of Cash Received A report listing all manual entries will be produced on a daily basis and retained with the daily reconciliation report.</p>	Facilities Services Manager	31.08.09*
<p>A monitoring form will be produced for Officers to check compliance.</p>	Facilities Services Manager	30.09.09
<p>Impact System Issues Discussions required with ICT, prior to a procedure being introduced for the encrypting of back up media and for testing back up media.</p>	Facilities Services Manager	31.08.09
<p>Standardised product list has been introduced to the secondary schools. One primary and one special school remain to be standardised. Facilities Services are working with CRB Solutions to stop the system operators being able to amend the product list. This facility would be restricted to CRB Solutions only.</p>	Facilities Services Manager	31.10.09

* See Analysis of Missed Deadlines at Section 4

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SECTION 3

Education and Social Care

Outstanding Actions	Owner	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. 	Head of Schools	31.03.10*
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.	Head of Schools	To be advised*
Ongoing System Development (Amber)		
<ul style="list-style-type: none"> • A development plan should be put in place to link the Education IT systems such as SEEMIS to the corporate and service objectives. 	Head of Schools	To be advised*
Formalisation of the System Administrator Role (Amber)		
<ul style="list-style-type: none"> • Back up arrangements are made to provide adequate cover for the system administration role. 	Head of Schools	To be advised*
Contracts – Compliance with EU Procurement Regulations (April 2008)		
Education – Compliance with Financial Regulations and Standing Orders relating to Contracts (Amber)		
In the case of the transport service provided for 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.	Service Manager Business Support	31.08.09*

* See Analysis of Missed Deadlines at Section 4

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SECTION 3

Education and Social Care (Continued)

Outstanding Actions	Owner	Expected Date
Education – Control Self Assessment (October 2008)		
<p>School Funds (Amber) Elections to School Fund committees will be held within 6 months.</p> <p>Procedures will be reviewed by Education HQ and School Fund committees advised where separate bank accounts are necessary.</p> <p>Procedures will be reviewed by Education HQ and School Fund committees will be advised of signatories required.</p>	<p>Head of Support and Development</p>	<p>30.09.09*</p> <p>31.01.10*</p> <p>31.01.10*</p>
<p>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.</p> <p>Written procedures will be developed setting out the process for control and monitoring of keys in schools and the responsibilities of key holders.</p> <p>Written procedures will be developed setting out visitor registration and badge issuing processes across all schools.</p>	<p>Head of Support and Development</p> <p>Heads of Establishment</p> <p>Head of Support and Development</p>	<p>31.08.09*</p> <p>01.09.09*</p> <p>01.09.09*</p>
Cashless Catering (June 2008)		
<p>Free School Meals – MI on Impact System Reconciliation exercise will be undertaken.</p> <p>Written procedures will be completed in conjunction with Catering Service.</p>	<p>School Support Managers</p>	<p>31.08.09*</p> <p>31.08.09</p>
<p>Overdraft Facility on Pupils Accounts Education will agree the amount of the overdraft limit for primary and special school pupils and request CRB Solutions to apply it.</p> <p>School office staff in primary schools will be instructed to run a report from the cashless catering system each day which shows those pupil accounts with a negative balance. Advisory slips would then be sent to parents. In addition, there would be an escalation procedure to advise a senior member of the teaching staff where a pupil has accumulated a negative balance of £10 or where there is a persistent problem with a pupil having insufficient funds.</p>	<p>Education Development Officer</p> <p>School Support Managers</p>	<p>31.08.09</p> <p>31.08.09</p>

* See Analysis of Missed Deadlines at Section 4

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SECTION 3

Education and Social Care (Continued)

Outstanding Actions	Owner	Expected Date
Impact System Issues		
The feasibility of creating separate group passwords to the IMPACT system will be investigated with CRB Solutions to ensure segregation of duties is enforced.	Education Development Officer	31.08.09
ICT will be requested to facilitate back-up media and files transmitted by email, which contain the names and dates of birth of pupils, to be encrypted.	Education Development Officer	31.08.09
Escalation procedures to contact CRB Solutions will be developed.	Education Development Officer	31.08.09
Feasibility of moving to centralised single database will be raised with ICT Service Delivery Manager.	Education Development Officer	31.08.09
Social Care – Business Support		
Adequacy of Procedural Documentation (Amber)		
It is recognised that there is a need to re-evaluate the critical tasks and update current processes and procedures. Meetings will be held with Assistant Service managers to ascertain the critical tasks and agree process for implementation. Relevant action will then be taken.	Business Support Manager	31.07.09
Adequacy of Financial Information (Amber)		
The requirement for implementation of SWIFT Financials module will be discussed at the Social Work management team.	Business Support Manager	To be advised
Relevant action will then be taken to formalise a project for implementation.		
In the interim, will contact Corporate Finance with a view to understanding what additional reporting can be generated from FMS to reduce the amount of additional systems in use.		
Lack of Performance of Bank Reconciliations (Amber)		
The Business Support team will require to assess the additional work involved in conjunction with Care Managers.	Business Support Manager	31.07.09
A meeting will be arranged with Service managers and Assessment and Care Management to discuss and develop an appropriate action plan.		

* See Analysis of Missed Deadlines at Section 4

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SECTION 3

Improvement and Performance

Outstanding Actions	Owner	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>	Project Team/Principal Officer Payables	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>	Principal Officer Payables	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>	Corporate Procurement Manager	31.07.09*
<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>	Corporate Procurement Manager	31.07.09*
<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>	Corporate Procurement Manager	31.07.09*

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Improvement and Performance (Continued)

Outstanding Actions	Owner	Expected Date
<p>Processing of staff travel costs (Amber)</p> <p>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, including;</p> <p>a) fully complying with the requirements of HM Revenues & Customs;</p> <p>b) how best to minimise the risk of fraud by specifying the method of payment (i.e. purchase card, orders or KV Pay) for each mode of transport;</p> <p>c) the need to demonstrate value for money regarding staff travel costs;</p> <p>d) the role, if any, of travel agents, whether contracted with the Council or not;</p> <p>e) the role of purchase cards in pre-booking journeys along with using the internet; and</p> <p>f) obtaining advances from Payroll when staff travel costs cannot be pre-booked and exceed an amount deemed as substantial, however defined.</p>	<p>Corporate Procurement Manager</p>	<p>31.07.09*</p>
<p>Adequacy of Management Information (Amber)</p> <p>The Corporate Procurement Manager will;</p> <p>a) identify the management information required in order to fully assess the effectiveness of the Council's corporate purchase card scheme. This will include consulting the bank to identify what information is available, the ability to handle information electronically and the relevance of that the information in achieving the objectives of the corporate purchase card policy;</p> <p>b) arrange for the assessment of corporate purchase card activity information to ensure any problems are both identified and appropriately addressed;</p> <p>c) prepare a plan to produce management information accurately and within reasonable timeframes; and</p> <p>d) arrange for cross-training within the Corporate Procurement Team to ensure that management information is prepared correctly and within set timeframes.</p>	<p>Corporate Procurement Manager</p>	<p>31.07.09*</p>

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Improvement and Performance (Continued)

Outstanding Actions	Owner	Expected Date
Cash and Banking (February 2009)		
<p>Appropriateness of staff access levels to the cash receipting system (Amber) Following appropriate consultation with both ICT Services and RCH regarding the underlying issues, proposals and timelines, Finance management will arrange for:</p> <ul style="list-style-type: none"> • A comprehensive process, supported by written procedures, which specifies how users access levels for the cash receipting system are to be authorised, created, amended and deactivated over time. This process will include confirming that each user's access level is directly related to their duties, recording job titles and a joint assessment of access levels by both Service managers and the FMS Team. • a review of existing cash receipting access rights on a rolling annual basis to identify leavers, those changing post and confirming existing users entitlement to access the system. This will be linked to an on-going review of cashier workstations to ensure that these are allocated appropriately. <p>Security arrangements at the Wallace Place collection office (Amber) Provided that an assessment of the practicalities and costs of the following recommendations does not lead to any insurmountable problems the Principal Service Development Officer will arrange:</p> <ul style="list-style-type: none"> • for cashiers to be trained on how they should respond to attempted robberies and the appropriate use of panic alarms 	<p>FMS Systems Development Officer</p> <p>FMS Systems Development Officer</p> <p>Principal Service Development Officer</p>	<p>31.08.09</p> <p>31.08.09</p> <p>31.08.09*</p>

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Improvement and Performance (Continued)

Outstanding Actions	Owner	Expected Date
<p>Management of Council Bank Accounts & Authorised Signatures (Amber)</p> <p>The Principal Officer (Exchequer) will prepare written procedures for managing bank accounts. These procedures will cover key areas including;</p> <ul style="list-style-type: none"> • the process to be followed for opening new bank accounts both by Services and within Finance; • permitted transactions type (e.g. standing orders) on existing bank accounts; • arrangements for monitoring accounts, including specifying those responsible for performing regular bank reconciliations whether in Finance or within Services such as Social Work; and • the process to be followed for closing inactive bank accounts. <p>The Principal Officer (Payables) will update the authorised signatory list for Finance.</p>	<p>Principal Officer (Exchequer)</p>	<p>31.08.09</p>
	<p>Principal Officer Payables</p>	<p>31.08.09</p>
Debt Recovery (June 2009)		
<p>Logical Access Controls (Amber)</p> <p>Access to the Revenues and Benefits folders within the controlled area of the I:\ drive allocated to Finance will be examined and a separate folder opened for users with system administration duties.</p> <p>The software to provide the secure link for the data exchange will be moved to a restricted folder within the I:\ drive, which all authorised staff can access.</p>	<p>Debt Recovery Supervisor</p>	<p>30.09.09</p>
	<p>Debt Recovery Supervisor</p>	<p>30.09.09</p>
<p>Data Protection Act (Amber)</p> <p>Obtain a copy of the Debt Management Partner's Records Management Retention Policy and review to ensure it is appropriated for the Council's requirements.</p>	<p>Revenue and Benefits Manager</p>	<p>31.07.09</p>
<p>Sundry Debtors Report (Amber)</p> <p>Arrange meeting with Accountancy Services and finalise procedures and reporting mechanisms for communicating with the Services.</p>	<p>Revenue and Benefits Manager</p>	<p>31.07.09</p>

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Improvement and Performance (Continued)

Outstanding Actions	Owner	Expected Date
Information Governance and Management (May 2009)		
<p>Culture (Red) CMT to articulate its commitment to information governance and management by creating a security-positive environment and promoting information security as a critical business issue in a policy statement which is communicated to all relevant stakeholders.</p>	Corporate Director I&P	01.04.10
<p>Organisation (Red) Information Governance and Management will form part of the corporate training programme for employees new to the Council or when employees are trained in new systems by other colleagues.</p>	Corporate Director I&P	01.04.10
<p>A comprehensive information security policy and relevant supporting policies will be produced and communicated to all staff with access to the Council's information systems.</p>	Corporate Director I&P	31.03.10
<p>Consideration will be given to establishing a clear desk policy for all staff with access to the Council's information.</p>	Corporate Director I&P	01.08.10
<p>People (Red) Security awareness will be promoted using awareness materials such as brochures, posters or web based documents and through structured education/training programmes or computer based training. Training will be made compulsory for all staff to create security positive behaviour.</p>	Corporate Director I&P	31.03.11
<p>Staff will be provided with guidance to help them understand the importance of complying with information security policies and their personal responsibilities.</p>	Corporate Director I&P	30.09.10
<p>Information governance and management responsibilities will be specified in job descriptions, or in terms and conditions of employment, including a non-disclosure/ confidentiality clause.</p>	Corporate Director I&P	30.06.10
<p>External third parties who need access to the council's information and systems will be required to sign non-disclosure/confidentiality agreements.</p>	Corporate Director I&P	01.04.10

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Improvement and Performance (Continued)

Outstanding Actions	Owner	Expected Date
<p>Process (Amber) Processes will be developed and implemented to strengthen the system of internal control over information governance and management. This will include:</p> <ul style="list-style-type: none"> • Developing and implementing a data/information classification system • Identifying owners for critical information and systems • Ensuring important papers and removable storage media (e.g. CDs) are protected against theft or copying, such as by locking them away and restricting access and via a clear desk policy • Investing in secure archiving facilities for appropriate hard copy records that must be retained in accordance with relevant legislation. 	Corporate Director I&P	31.03.11
<p>Technology (Amber) Standards and guidance will be prepared to:</p> <ul style="list-style-type: none"> • support remote working and ensure workers do not compromise the security of any facilities to which they can be connected. • Restrict removable storage media eg CDs, memory sticks, to only allow Council approved devices to be used. • Ensure that access privileges are revoked immediately when authorised users leave the organisation. • Advise staff what to do in the event of a security breach. • Ensure that for new system implementations, an information governance review will form part of the testing and go-live sign off. 	Corporate Director I&P	31.03.11
<p>Consideration will be given to establishing a dedicated information security function as part of the Future Operating Model which has council-wide responsibility for promoting and co-ordinating information security across the council, developing information security policies/guidelines, providing expert advice, investigating major information security incidents and conducting security awareness programmes.</p>	Corporate Director I&P	31.03.10

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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 31.05.09	31.10.09	A risk register has now been developed at a strategic level. This was approval by the Board in May 2009. Risk workshops are being arranged to develop operational risk registers and it is hoped that this will be done by end of October.
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.

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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	31.03.10	The preparation of a BCP for SEEMIS system will be done as part of the BCM action plan which is being overseen by the Crisis and Resilience Management team.

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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.
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 31.03.09	31.03.10	Survey based on APSE guidance to be completed. Analysis and action will then be performed.
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	31.08.09	Issues have arising in collating some of the data and a full review is now planned. It is anticipated that a report will be provided to the next Committee.
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	31.12.09	This action has been delayed due to current workload of the service and requirement to carry out costing work.

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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 31.01.09 16.03.09	01.09.09	As a result of changes in staff structure, SSMs are introducing the new procedures which will be operational by September 2009.
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	31.07.09	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	31.07.09	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)	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	31.07.09	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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Report	Outstanding Actions	Original Date	Revised Date	Management Comments
Education Control Self Assessment (October 2008)	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	31.08.09	The Schools Estate Team have agreed to change alarm codes annually and when operational needs require it. This will be introduced during the summer holidays.
Education Control Self Assessment (October 2008)	General Security (Amber) Written procedures will be developed setting out visitor registration and badge issuing processes across all schools.	31.01.09 16.03.09	01.09.09	As a result of changes in staff structure, SSMs are introducing the new procedures which will be operational by September 2009.
Corporate Purchase Cards (September 2008)	Corporate Purchase Card Procedures (Amber) Corporate Purchase Card procedures will be reviewed and updated to take account of the issues identified by the review.	31.01.09	31.07.09	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)	Appropriateness of Corporate Purchase Card Limits (Amber) The Corporate Procurement Team will review each cardholders monthly expenditure limit against the limit set for them by the Finance Creditors Team and action accordingly.	31.01.09	31.07.09	Due to long term staff illness this item has not been fully progressed. Temporary resource is now in place to prioritise this work.
Libraries and Museums (December 2008)	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.	28.02.09	30.11.09	Riverside Inverclyde have identified a storage solution at £6,000. This will be referred back to Physical Investment Services to review as part of the overall asset management strategy.

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Trading Activities (June 2008)	Performance Management and Measurement (Amber) Service to continue to develop and report service standards and performance through APSE.	31.03.09	To be advised	Issues have arising in collating some of the data and a full review is now planned.
Trading Activities (June 2008)	Non-Mainframe Systems – Vehicle Management (Amber) Vehicle Management has proposed the acquisition of a fleet management system.	31.03.09	31.12.09	The Efficiency Review was formally approved in May 2009. Approval has now been given to procure a system and a tender document is currently being drafted.
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.	31.03.09	31.12.09	The Efficiency Review was formally approved in May 2009. Appropriate service standards will be developed as part of the procurement of the fleet management system.
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.	31.12.08	31.07.09	Due to long term staff illness this item has not been fully progressed. Temporary resource is now in place to prioritise this work.
Education Control Self Assessment (October 2008)	School Funds (Amber) Elections to School Fund committees will be held within 6 months.	30.04.09	30.09.09	This issue has been raised separately through the themed review of School Funds Administration. Action will be taken in accordance with the agreed recommendations arising from this review.
Physical Investment Services (May 2009)	Management of Rents and Insurance Recharges (Amber) Develop a procedure for checking and authorising invoices.	30.06.09	31.08.09	Due to resource constraints this has not been fully developed.

**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
Physical Investment Services (May 2009)	Management of Overdue Debtors Accounts (Amber) Strategic timetable for implementing new processes will be developed to take account of service needs.	30.06.09	31.08.09	Due to resource constraints this has not been fully developed.
Education Control Self Assessment (October 2008)	School Funds (Amber) Procedures will be reviewed by Education HQ and School Fund committees advised where separate bank accounts are necessary.	30.06.09	31.01.10	This issue has been raised again through the themed review of School Funds Administration. Action will be taken in accordance with the agreed recommendations arising from this review.
Education Control Self Assessment (October 2008)	School Funds (Amber) Procedures will be reviewed by Education HQ and School Fund committees will be advised of signatories required.	30.06.09	31.01.10	This issue has been raised again through the themed review of School Funds Administration. Action will be taken in accordance with the agreed recommendations arising from this review.
Cashless Catering (June 2008)	Free School Meals – MI on Impact System Reconciliation exercise will be undertaken.	30.06.09	31.08.09	As a result in staff changes this action has not been progressed. New SSM is in post and will progress this item.
Cashless Catering (June 2008)	Newark Primary – Daily Reconciliation Reconciliation exercise will be undertaken.	30.06.09	31.08.09	As a result in staff changes this action has not been progressed. New SSM is in post and will progress this item.