Inverclyde council

Report To:	Audit Committee	**Date:**	**27.04.10**
Report By:	Corporate Director Regeneration and Environment	**Report No:**	**AC/07/10/PW/APr**
Contact Officer:	Andi Priestman	**Contact No:**	01475 712251

Subject: INTERNAL AUDIT PROGRESS REPORT – 8 FEBRUARY TO 1 APRIL 2010

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 8 February to 1 April 2010 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 Three internal audits report have been finalised since the last Audit Committee meeting:

- Treasury Management
- Cash and Banking (Limited Scope Review)
- Creditors (Limited Scope Review)

2.2 These reports contain a total of 17 recommendations, categorised as follows:

Red	Amber	Green
0	2	15

2.3 The fieldwork for the 2009/2010 Audit Plan is progressing well with progress as follows:

Stage	Number of Reports
Final Report	8
Draft Report	4
Fieldwork Complete	1
Fieldwork in Progress	3
Planning	0
To be planned	2
Total	**18**

3.0 RECOMMENDATIONS

3.1 It is recommended that Members agree to note the progress made by Internal Audit in the period from 8 February to 1 April 2010.

Aubrey Fawcett
Corporate Director
Regeneration and Environment

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.

Inverclyde council

Audit Committee Report
Report on Internal Audit Activity from 8 February to 1 April 2010

Section	**Contents**	**Page**

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	• 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	• 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	• 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   Three reports have been finalised since the March 2010 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.

	Grading			
Reports finalised since previous Audit Committee	**Red**	**Amber**	**Green**	**Total Recommendations**
2009/2010 plan				
Treasury Management	0	1	6	7
Cash and Banking (Limited Scope)	0	1	5	6
Creditors (Limited Scope)	0	0	4	4
Total	**0**	**2**	**15**	**17**

Work in progress on the 2009/2010 internal audit plan

1.3   The status of work in progress on the 2009/2010 internal audit plan is detailed in Section 3 of this report.

Other activities

Risk Management

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

1.5   **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 8 February 2010.

Treasury Management

2.2   The primary purpose of the treasury management function is to manage the Council's cash flows, banking and money market transactions, to effectively control the risks associated with these activities and the pursuit of the optimum performance consistent with those risks. The Chartered Institute of Public Finance and Accountancy (CIPFA) have produced guidance notes for Treasury Management in the Public Services. In order to comply with this Code of Practice the Council has formally adopted its Treasury Management Practices (TMPs).

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 Treasury Management.

2.4   The overall control environment opinion for this audit review was **Satisfactory.** Areas of good practice were identified as follows:-

- the adoption of the CIPFA Code of Practice and the Council's Treasury Management Practices, supported by the Annual Treasury Management Policy and Strategy and comprehensive procedures to provide guidance to staff;
- a comprehensive system for the production of treasury management information, including a weekly borrowing report; and
- a strong system for treasury payments, which includes separation of duties and an audit trail to support the recording and updating of transactions in the financial systems.

However, an isolated area of control weakness was identified as follows:-

Data Files Access Controls and Spreadsheet Management

A key control over ensuring access to computer data files is appropriately restricted to current staff with Treasury Management duties is the application of appropriate access controls. Some issues were identified in relation to the of security arrangements over the treasury management spreadsheets, where it was identified that the formulas contained within the spreadsheets are not held in protected cells, so they could be overwritten or deleted in error. In addition, write access to the Treasury and Tax directory is not appropriately restricted to staff with treasury management duties. Where formulas held in spreadsheets are not held in protected cells, there is a risk that they may be overwritten or deleted in error by staff and this may go undetected and impact on cash flow projections. This is exacerbated by the lack of logical access controls over the Treasury and Tax folder which may result in changes being made by inappropriate staff.

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

2.5   The review identified 7 issues, one of which we consider to be individually significant, and an action plan is in place to address all issues by 30 November 2010.

2.6   **Limited Scope Review - Creditors**

2.7   This audit was conducted during January to February 2010 in accordance with the 2009/10 Internal Audit Plan, as agreed by the Inverclyde Council Audit Committee.

2.8   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. For 2008/09 the Creditors performance indicator was the best in Scotland.

2.9   The review focused on the high level processes and procedures in relation to creditors and concentrated on identified area of perceived higher risk, such as making inaccurate or invalid payments to creditors.

2.10   The overall control environment opinion for this audit review was **Strong**. Areas of good practice were identified as there was evidence to show that:-

- officers are not exceeding their financial limits when authorising payment request forms;

- BACS payments made to creditors are being appropriately authorised, including the specific authorisation of amounts above £50,000 by a bank signatory; and

- the creditors bank account is being reconciled on a regular basis.

2.11   The review identified 4 areas for improvement which if implemented by management would enhance the control environment and an action plan is in place to address these issues by 30 September 2010.

Limited Scope Review - Cash and Banking

2.12   This audit was conducted during December 2009 to January 2010 in accordance with the 2009/10 Internal Audit Plan, as agreed by the Inverclyde Council Audit Committee.

2.13   All Council income is processed through a computerised cash receipting system. Income is received in a number of ways and these are partly determined by the category of income. For example, a high proportion of Council Tax is collected via direct debit whereas Government grants are often received by bank credits. The majority of cash collection takes place at Post Offices and "PayPoint" outlets and arrangements are in place to remit this income electronically to the Council. Debtors' accounts can be paid by cheques received via the post or over the counter at the Wallace Place Contact Centre.

2.14   The review focused on the high level processes and procedures in relation to cash and banking and concentrated on identified areas of perceived higher risk, such as security and effectiveness of the arrangements for administering income.

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

2.15   The overall control environment opinion for this audit review was **satisfactory**. Areas of good practice were identified as follows:-

- active management of the income suspense account used to handle unallocated income;

- comprehensive written procedures for managing bank accounts; and

- a strong audit trail which supports both the recording and banking of Council income.

However, the review identified 1 AMBER issue as follows:

Security arrangements at the Wallace Place contact centre

A key control over cash collection is having adequate security arrangements in place. Through discussions with staff, we have identified that the;

- CCTV system used at the Wallace Place contact centre is not fully functional as some cameras do not work properly and monthly checks to confirm the CCTV recordings can be viewed and show the correct details lapsed; and

- panic alarms have not been fully tested since October 2009 due to other priorities and clarification of supervisors remits.

2.16   The review identified 6 issues, one of which we consider to be individual significant, and an action plan is in place to address all issues by 28 February 2011.

3.   **Audit Plan for 2009/2010 – Progress to 25 September 2009**

Planned Audit Cover	Planning	TOR Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report Issued	Report Finalised	Reported to Audit Committee
Education and Social Care							
Homelessness	✓	✓	✓	✓	✓	✓	March 2010
Education – Control Self Assessment	✓	N/A	✓				
Social Work – Control Self Assessment	✓	N/A	✓				
Regeneration and Resources							
Fairer Scotland Fund – Monitoring Arrangements	✓	✓	✓	✓	✓	✓	January 2010
Improvement and Performance							
Strategic Partnerships – SOA PM Arrangements	✓	✓	✓	✓	✓	✓	March 2010
Treasury Management	✓	✓	✓	✓	✓	✓	April 2010
Limited Scope – Cash and Banking	✓	✓	✓	✓	✓	✓	April 2010
Corporate Complaints	✓	✓	✓	✓	✓		
Limited Scope - Creditors	✓	✓	✓	✓	✓	✓	April 2010
Fixed Asset Accounting	✓	✓	✓				
Corporate Reviews							
Flexi Scheme	✓	✓	✓	✓	✓	✓	March 2010
Travel and Subsistence	✓	✓	✓	✓	✓		
Corporate Procurement	✓	✓	✓	✓	✓		
Performance Audits							
Statutory Performance Indicators	✓	✓	✓	✓	✓	✓	October 2009
Business Assurance Reviews							
Schools Estate Strategy	✓	✓	✓	✓	✓		
Members Expenses	✓	✓	✓				

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:

- Audit/Risk management Input to the General Election Process.
- Audit input to Information Governance and Management Working Group.

INVERCLYDE COUNCIL INTERNAL AUDIT

**REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
28 FEBRUARY 2010**

Summary:

Section 1 **Summary of Management Actions due for completion by 28/2/10**

1 item was due for completion by 28 February 2010, which has been reported as completed by management.

Section 2 **Summary of Outstanding Management Actions Plans at 31/1/10.**

At 28 February 2010 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 **Management Actions Outstanding at 28/2/10.**

At 28 February 2010 there were a total of 62 outstanding audit action points.

Section 4 **Analysis of Missed Deadlines**

At 28 February 2010 there were a total of 28 of the 62 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 28.2.10
SECTION 1

Directorate	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*
Regeneration & Environment	1	1	0	0
Organisational Improvement & Resources	0	0	0	0
Education & Communities	0	0	0	0
Community Health & Care Partnership	0	0	0	0
Total	**1**	**1**	**0**	**0**

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

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

SUMMARY OF OUTSTANDING MANAGEMENT ACTION PLANS AS AT 28.2.10
SECTION 2

ACTIONS OUTSTANDING BY DIRECTORATE

Regeneration and Environment	
Due for completion March 2010	4
Due for completion April 2010	2
Due for completion June 2010	2
Due for completion September 2010	2
Completion Date to be advised	5
Actions outstanding	**15**
Education and Communities	
Due for completion March 2010	3
Due for completion April 2010	4
Due for completion June 2010	1
Actions outstanding	**8**
Community Health and Care	
Due for completion March 2010	2
Due for completion April 2010	4
Due for completion June 2010	1
Completion Date to be advised	6
Actions outstanding	**13**
Organisational Improvement and Resources	
Due for completion March 2010	7
Due for completion April 2010	6
Due for completion May 2010	3
Due for completion June 2010	3
Due for completion July 2010	1
Due for completion August 2010	1
Due for completion September 2010	1
Due for completion February 2011	1
Due for completion March 2011	3
Completion Date to be advised	1
Actions outstanding	**27**
Total outstanding actions:	**63**

Regeneration and Environment

Outstanding Actions	Owner	Expected Date
Inverclyde Leisure Trust Risk Management (Nov 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.	**Chief Executive, Inverclyde Leisure**	**31.03.10***
Trading Activities (June 2008)		
Customer Complaints and Satisfaction Surveys (Amber) Vehicle Management will carry out annual internal customer satisfaction survey and develop action plan for improvement.	**Team Leader – Vehicle Management**	**31.03.10***
Performance Management and Measurement (Amber) Service to continue to develop and report service standards and performance through APSE.	**Team Leader – Vehicle Management**	**30.06.10***
Non-Mainframe Systems – Vehicle Management (Amber) A new fleet management system will have individual passwords, protected access with passwords changed periodically.	**Team Leader – Vehicle Management**	**30.06.10***
Facilities Services (September 2008)		
Quality Assurance – Cleaning (Amber) To devise a Quality Assurance System for 52 week establishments (dependent on new structure being in place).	**Facilities Services Manager**	**31.03.10***
Service Level Agreements (Amber) Implementation of Facilities Service Level Agreements.	**Facilities Services Manager**	**01.04.10***

Regeneration and Environment (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&E**	**30.09.10**
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&E**	**30.09.10**
Physical Investment Services (May 2009)		
Asset Performance Reviews (Amber) Officers responsible for implementation of key functions; • input Estate Management module;	**Asset Manager Team Leader**	**To be advised***
• develop and input Hazards module;	**Senior Building Surveyor**	**31.03.10**
• strategic timetable for development and implementation of Planned Maintenance module; • development of a strategic timetable for implementation of Capital Accounting module	**Physical Investment Services Manager**	**To be advised***
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**	**To be advised***
Management of Overdue Debtors Accounts (Amber) Strategic timetable for implementing new processes will be developed to take account of service needs.	**Asset Manager Team Leader**	**To be advised***
Procedures for Management of Property Portfolio (Amber) New office manual will be drafted.	**Asset Manager Team Leader**	**To be advised***
Cashless Catering (June 2009)		
Impact System Issues (Amber) Discussions required with ICT, prior to a procedure being introduced for the encrypting of back up media and for testing back up media.	**Facilities Services Manager**	**30.04.10***

Education and Communities

Outstanding Actions	Owner	Expected Date
SEEMIS (April 2008)		
Business Continuity Planning (Amber)	**Head of Schools**	**30.06.10***
• A Business Continuity Plan, including back up arrangements for SEEMIS system, should be developed and documented. Supporting operational guidance should be prepared and advised to relevant staff.		
• Once developed, Business Continuity Plan should be regularly tested to ensure ongoing effectiveness and readiness.		
Audit Trail Reporting (Amber)		
Audit trail reports from SEEMIS system should be run and reviewed on a regular basis to confirm accuracy and completeness of the file.	**Head of Schools**	**31.03.10***
Ongoing System Development (Amber)		
• 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**	**31.03.10***
Formalisation of the System Administrator Role (Amber)		
• Back up arrangements are made to provide adequate cover for the system administration role.	**Head of Schools**	**31.03.10***
Cashless Catering (June 2009)		
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**	**30.04.10***
CT 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**	**30.04.10***
Feasibility of moving to centralised single database has be raised with ICT Service Delivery Manager. Technical Support required from CRB.	**Education Development Officer**	**30.04.10***

Education and Communities (Continued)

Outstanding Actions	Owner	Expected Date
School Fund Accounts (August 2009)		
Consistency of School Funds Account format (Amber) Draft instructions will be prepared and discussed with internal audit colleagues before being incorporated into standard circular. In rolling out to school staff training will be provided to all relevant staff.	**Head of Schools**	**30.04.10***

Community Health & Care Partnership

Outstanding Actions	Owner	Expected Date
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**	**31.03.10**
Adequacy of Financial Information (Amber) The requirement for implementation of SWIFT Financials module will be discussed at the Social Work management team. 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.	**Business Support Manager**	**01.04.10**
Lack of Performance of Bank Reconciliations (Amber) The Business Support team will require to assess the additional work involved in conjunction with Care Managers. A meeting will be arranged with Service managers and Assessment and Care Management to discuss and develop an appropriate action plan.	**Business Support Manager**	**To be advised**

Community Health & Care Partnership (Continued)

Outstanding Actions	Owner	Expected Date
Homelessness (January 2010)		
Obtaining offers of permanent accommodation from Registered Social Landlords (RSL's) – (Amber) Ongoing difficulties obtaining suitable offers of permanent accommodation to remain standing agenda item for RSL liaison group. Information will continue to be provided quarterly to Homelessness Strategy Steering Group and this information is also included in services performance monitoring returns.	**Acting Service Manager**	**30.06.10**
Estimating rental income – (Amber) Adequate working papers to support the budget for total rental income to be prepared and retained by meeting with the Service Manager and Social Work accountant to devise a recording mechanism. Management to explore SWIFT financial module for longer term solution and avoid multiple recording mechanisms.	**Assistant Homelessness Service Manager**	**30.04.10**
Managing un-let properties – (Amber) A rolling programme for returning flats will be introduced and include time frames for completion of repairs and clearing of furniture within the termination period.	**Assistant Homelessness Service Manager**	**30.04.10**
Managing rent arrears – (Amber) Management to examine the costs and benefits of updating homelessness database, identify new clients who do not receive full Housing Benefits, decide how any arrears should be managed at an early stage and ensure that the responsible Accommodations Officer will work jointly with client Support worker to identify those clients with highest level of arrears. An overall procedure highlighting areas of responsibility should also be introduced.	**Assistant Homelessness Service Manager/ Acting Service Manager**	**To be advised**

Community Health & Care Partnership (Continued)

Outstanding Actions	Owner	Expected Date
Homelessness (January 2010)		
Writing-off irrecoverable rent arrears – (Amber) Management will review current arrears position and consider write off. Management will consider processes and procedures for monitoring bad debts and introduce a system for write offs.	**Assistant Homelessness Service Manager/ Acting Service Manager**	**To be advised**
Securing value for money on furnishing temporary accommodation – (Amber) Management working with Corporate Procurement regarding contracts for furnishing temporary accommodation. On completion of tendering process, mechanism to be introduced ensuring re-tendering commences in advance of contract expiry dates.	**Assistant Homelessness Service Manager/ Acting Service Manager**	**30.04.10**
Council Tax liability within the Inverclyde Centre (Amber) Service Manager (Business Services) and Assistant Service Manager (Homelessness) to meet Revenues and Benefits Manager to seek a resolution to the issue of Homelessness Service meeting council tax liability of clients within Inverclyde Centre.	**Acting Service Manager**	**To be advised**
Demonstrating value for money when using agency staff (Amber) A review of the staff structure has taken place and a proposed restructure is currently being considered. Management will consult Corporate Procurement and, where appropriate Legal Services, to seek an interim solution regarding use of agency staff.	**Corporate Director CHCP**	**To be advised**
Protecting client information from loss or damage (Amber) Management to discuss with ICT and consider full integration with SWIFT.	**Acting Service Manager/AFO**	**31.03.10**
Single Person Dependency – AFO Post (Amber) Management to identify key duties of AFO and ensure these are covered by written procedures and timetable. AFO to complete schedule of works detailing level of priority in line with other social work departments.	**Acting Service Manager**	**To be advised**

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
MANAGEMENT ACTIONS OUTSTANDING AS AT 28.2.10

SECTION 3

Organisational Improvement & Resources

Outstanding Actions	Owner	Expected Date
Payroll and Expenses (July 2008)		
Annual Return of Payroll information to Managers in the Services (Amber) To be reviewed as part of the data migration part of the Human Resources/Payroll system project.	**Project Team/Principal Officer Payables**	**31.03.10***
Payroll Year End Tasks (Amber) 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.	**Principal Officer Payables**	**31.03.10**
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.	**Head of OD, HR and Performance**	**31.03.10***
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.	**Corporate Procurement Manager**	**30.04.10***
Adequacy of Corporate Purchase Card Procedures (Amber) Corporate Purchase Card procedures will be reviewed and updated to take account of the issues identified by the review.	**Corporate Procurement Manager**	**30.04.10***

Organisational Improvement & Resources (Continued)

Outstanding Actions	Owner	Expected Date
Appropriateness of Authorisation 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 where the cardholder; 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; b) has a monthly card limit below the creditors system limit then no further action is required; 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.	**Corporate Procurement Manager**	30.06.10*
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, including; a) fully complying with the requirements of HM Revenues & Customs; 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; c) the need to demonstrate value for money regarding staff travel costs; d) the role, if any, of travel agents, whether contracted with the Council or not; e) the role of purchase cards in pre-booking journeys along with using the internet; and f) obtaining advances from Payroll when staff travel costs cannot be pre-booked and exceed an amount deemed as substantial, however defined.	**Corporate Procurement Manager**	30.04.10*

Organisational Improvement & Resources (Continued)

Outstanding Actions	Owner	Expected Date
Information Governance and Management (May 2009)		
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.	**Corporate Director Organisational Improvement and Performance**	**01.04.10**
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.	**Corporate Director OI&P**	**01.04.10**
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.	**Corporate Director OI&P**	**31.03.10**
Consideration will be given to establishing a clear desk policy for all staff with access to the Council's information.	**Corporate Director OI&P**	**01.08.10**
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.	**Corporate Director OI&P**	**31.03.11**
Staff will be provided with guidance to help them understand the importance of complying with information security policies and their personal responsibilities.	**Corporate Director OI&P**	**30.09.10**
Information governance and management responsibilities will be specified in job descriptions, or in terms and conditions of employment, including a non-disclosure/ confidentiality clause.	**Corporate Director OI&P**	**30.06.10**
External third parties who need access to the council's information and systems will be required to sign non-disclosure/confidentiality agreements.	**Corporate Director OI&P**	**01.04.10**

Organisational Improvement & Resources (Continued)

Outstanding Actions	Owner	Expected Date
Information Governance and Management (May 2009)		
Process (Amber) Processes will be developed and implemented to strengthen the system of internal control over information governance and management. This will include: • 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 OI&P**	**31.03.11**
Technology (Amber) Standards and guidance will be prepared to: • 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 OI&P**	**31.03.11**
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.	**Corporate Director OI&P**	**31.03.10**

Organisational Improvement & Resources (Continued)

Outstanding Actions	Owner	Expected Date
Debt Recovery (June 2009)		
Sundry Debtors Report (Amber) Arrange meeting with Accountancy Services and finalise procedures and reporting mechanisms for communicating with the Services.	**Revenue and Benefits Manager**	**31.03.10***
Statutory Performance Indicators (September 2009)		
Errors identified in the SPI Information (Amber) The procedures for production of each of the indicators that gave rise to errors in 2008/09 will be reviewed to ensure they are sufficient to prevent recurrence of the error. Arrangements will be put in place to ensure that information used to compile SPIs is independently reviewed by an appropriate officer prior to sign-off of the indicator by the Head of Service. This will include formal sign-off by the preparer and checker of the information. Explicit guidance will be issued to those checking the SPIs detailing exactly what needs to be checked, to reinforce the fact that it is not simply an arithmetical check and that the data collected meets the definition for the indicator. Going forward, where an indicator is new or changed, detailed procedures will be written in advance of the data requiring to be collected. These will then be reviewed by an independent officer against the Audit Scotland guidance.	**Head of OD, HR and Performance**	**31.03.10**
Flexible Working Hours (January 2010)		
Administration of Flexible Working Hours Scheme (Amber) Contact to be made with services to confirm flexi supervisors and additional training to be provided. When confirmed OD& HR to update maintain list of flexi supervisors. System administrator for autotimes to maintain list of individuals who should be receiving reports and arrange for issue on this basis. All chief officers to be removed from flexible hours scheme.	**Human Resources Officer/ Corporate Director CHCP**	**31.05.10**

Organisational Improvement & Resources (Continued)

Outstanding Actions	Owner	Expected Date
Changes to Employee Records (Amber) Line managers and flexi supervisors to be reminded of forms for completion when updating flexi. Exception Report for autotimes to be redesigned and all HFX and autotimes update forms to be placed on icon for all employees to access. Exit checklists similar to induction checklists to be introduced. This will record removal of cards or disks from leavers after final booking is made.	**Human Resources Officer/ Corporate Director CHCP**	**31.05.10**
Monitoring Compliance with Policy – Line Manager Review (Amber) Line managers to review system reports for compliance with policy on a monthly basis. Reports should be initialled and dated as evidence of reviews. This will be covered in training for flexi supervisors.	**Human Resources Officer**	**31.05.10**
Cash and Banking (February 2010)		
Security arrangements at Wallace Place contact centre (Amber) Management will prepare action plan to; • Ensure Wallace Place CCTV and panic alarms are correctly positioned and fit for purpose. • Re-establish monthly checks to confirm CCTV recordings can be viewed and show correct date and time. • Re-establish monthly checks on panic alarms and maintain a record of successful alarm tests. • Examine the installation of cash collection drawers that open when new transactions commence on cash receipting system. • Ensure keys are held in safe controlled by ICT & Business Transformation	**Customer Services Manager**	**28.02.11**
Treasury Management (February 2010)		
Data Files Access Controls and Spreadsheet Management (Amber) Review of access to the Treasury and Tax directory within the Finance I:\ drive.	**Prinicipal Officer (Exchequer)**	**31.07.10**

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**	**31.03.10**	A risk register has now been developed at a strategic level. This was approved by the Board in May 2009. Risk workshops are being arranged to develop operational risk registers and it is anticipated that this will be complete by the end of the financial year.
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**	**31.03.10**	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**	**31.03.10**	Discussions are taking place on the strategic plans for SEEMIS and there are ongoing discussions with ICT & BT.

Report	Outstanding Actions	Original Date	Revised Date	Management Comments
SEEMIS (April 2008)	**Formalisation of the SA Role (Amber)** The service formalises the role of the system administrator providing detailed job descriptions, key tasks and responsibilities. Backup arrangements are made to provide adequate cover for the system administration role. Removal of any segregation of duties conflict that exist as result of the dual responsibilities of the current incumbent.	30.06.08	31.03.10	There are ongoing discussions between Human Resources and Education to address this matter.
SEEMIS (April 2008)	**Business Continuity Planning (Amber)** • 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	30.06.10	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.
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.
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	31.03.10	This action has been delayed due to current workload of the service and requirement to carry out costing work.

Report	Outstanding Actions	Original Date	Revised Date	Management Comments
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 31.12.09	30.04.10	This has not been progressed due to vacancy of Corporate Procurement Manager. Recruitment is now underway to fill this post.
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 31.12.09	30.04.10	This has not been progressed due to vacancy of Corporate Procurement Manager. Recruitment is now underway to fill this post.
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 31.12.09	30.04.10	This has not been progressed due to vacancy of Corporate Procurement Manager. Recruitment is now underway to fill this post.
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 31.10.09	30.06.10	This has not been progressed due to vacancy of Corporate Procurement Manager. Recruitment is now underway to fill this post.
Trading Activities (June 2008)	**Performance Management and Measurement (Amber)** Service to continue to develop and report service standards/performance through APSE.	31.03.09	30.06.10	Issues have arising in collating some of the data and a full review is now planned.

Report	Outstanding Actions	Original Date	Revised Date	Management Comments
Trading Activities (June 2008)	**Non-Mainframe Systems – Vehicle Management (Amber)** A new fleet management system will have individual passwords, protected access with passwords changed periodically.	31.03.09	30.06.10	The tender for the purchase of the Fleet Management System has been issued and it is anticipated that delivery of the system will be prior to 31.3.10. The system will then require to be populated, tested and run in tandem with our current systems to iron out any teething issues. It is anticipated that the system will be fully operational by 30.6.10.
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	To be advised	Due to resource constraints this has not been fully developed.
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	To be advised	Due to resource constraints this has not been fully developed.
Payroll and Expenses (July 2008)	**Annual Return of Payroll information to Managers in the Services (Amber)** To be reviewed as part of the data migration part of the Human Resources/Payroll system project.	31.07.09	31.03.10	Work on this is ongoing as part of the HR/Payroll system project.
Debt Recovery (June 2009)	**Sundry Debtors Report (Amber)** Arrange meeting with Accountancy Services and finalise procedures and reporting mechanisms for communicating with the Services.	31.07.09 30.09.09 31.01.10	31.03.10	Best Practice guide and flowchart in final stages of production. Working on developing suitable format for FMS reports. Debt Recovery team issued a questionnaire on subject of debtors.

Report	Outstanding Actions	Original Date	Revised Date	Management Comments
Cash and Banking (February 2009)	**Management of Council Bank Accounts & Authorised Signatures (Amber)** The Principal Officer (Payables) will update the authorised signatory list for Finance.	31.08.09 30.09.09 30.11.09	To be advised	Procedures are being finalised. Creditors will hold scanned signatory lists on the I:Drive for Creditors reference. Originals will be retained for an agreed period within one file. Services will continue to be required to advise Creditors of any additions, amendments and deletions to the signatory lists and complete reviews will be carried out every 3-6 months.
Cashless Catering (June 2009)	**Impact System Issues (Amber)** Discussions required with ICT, prior to a procedure being introduced for the encrypting of back up media and for testing back up media.	31.08.09 31.10.09	30.04.10	This has been discussed with ICT who are currently reviewing best practice in this regard.
Cashless Catering (June 2009)	**Impact System Issues (Amber)** The feasibility of creating separate group passwords to the IMPACT system will be investigated with CRB Solutions to ensure segregation of duties is enforced.	31.08.09 31.10.09	30.04.10	This has been discussed with ICT who are reviewing the functionality. Relevant action will then be taken.
Cashless Catering (June 2009)	**Impact System Issues (Amber)** 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.	31.08.09 31.10.09	30.04.10	ICT have been consulted and the central server is currently being piloted within Inverclyde Academy. Back up routines will be included within this.
Cashless Catering (June 2009)	**Impact System Issues (Amber)** Feasibility of moving to a centralised single database will be raised with ICT Service Delivery Manager.	31.08.09 31.10.09	30.04.10	ICT have been consulted and the central server is currently being piloted within Inverclyde Academy.

Report	Outstanding Actions	Original Date	Revised Date	Management Comments
Physical Investment Services (May 2009)	**Asset Performance Reviews (Amber)** Development of a strategic timetable for implementation of Capital Accounting module.	30.09.09	To be advised	Due to resource constraints this has not been fully developed.
Facilities Services (September 2008)	**Quality Assurance - Cleaning (Amber)** To devise a Quality Assurance System for 52 week establishments (dependent on new structure being in place).	30.09.09 31.01.10	31.03.10	Cluster Officers currently settling in.
Facilities Services (September 2008)	**Service Level Agreement (Amber)** Implementation of Facilities Service Level Agreements	31.10.09	01.04.10	Committee approval has been granted. Relevant SLAs will be in place for 1 April 2010.
Physical Investment Services (May 2009)	**Asset Performance Reviews (Amber)** Strategic timetable for development and implementation of Planned Maintenance module.	31.10.09	To be advised	Due to resource constraints this has not been fully developed.
Physical Investment Services (May 2009)	**Procedures for Management of the Property Portfolio (Amber)** New office manual will be drafted.	31.10.09	To be advised	Due to resource constraints this has not been fully developed.
Physical Investment Services (May 2009)	**Asset Performance Reviews (Amber)** Officers responsible for implementation of key functions; • input Estate Management module;	31.12.09	To be advised	Due to resource constraints this has not been fully developed.
School Funds Administration (August 2009)	**Consistency of School Fund Format (Amber)** Draft instructions will be prepared and discussed with internal audit colleagues before being incorporated into standard circular. In rolling out to school staff training will be provided to all relevant staff.	31.01.10	30.04.10	Revised draft being prepared and should be available for review when DMR manager returns in March.