



## **4.0 BACKGROUND**

- 4.1 External Audit regularly report findings and action plans to relevant Council Officers and the Audit Committee as part of their annual audit plan.
- 4.2 A revised follow up process is now in place to allow follow up of outstanding External Audit actions to be co-ordinated and updated by Internal Audit on a monthly basis with regular reporting to CMT and the Audit Committee.

## **5.0 IMPLICATIONS**

- 5.1 Legal: There are no legal implications arising from this report.  
Finance: There are no financial implications arising from this report.  
Human Resources: There are no personnel implications arising from this report.  
Equalities: There are no equalities implications arising from this report.

## **6.0 CONSULTATIONS**

- 6.1 Relevant Officers were asked to provide updates to the report as appropriate.

## **7.0 LIST OF BACKGROUND PAPERS**

- 7.1 Audit Scotland's External Audit reports. Copies available from Andi Priestman, Chief Internal Auditor.

**INVERCLYDE COUNCIL INTERNAL AUDIT**  
**REPORT TO AUDIT COMMITTEE ON**  
**STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**  
**AT 31 AUGUST 2010**

**Summary: Section 1 Summary of Management Actions due for completion by 31/8/10**

There were 3 items due for completion by 31 August 2010 of which two items have been reported as completed by management and action in relation to one item has been revised.

**Section 2 Summary of Outstanding Management Actions Plans at 31/8/10**

At 31 August 2010 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

**Section 3 Management Actions Outstanding at 31/8/10**

At 31 August 2010 there were a total of 31 outstanding audit action points.

**Section 4 Analysis of Missed Deadlines**

At 31 August 2010 there were a total of 4 of the 31 outstanding items where the agreed deadline had been missed.

**INVERCLYDE COUNCIL INTERNAL AUDIT  
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**SUMMARY OF MANAGEMENT ACTION DUE FOR COMPLETION BY 31.08.10**

**SECTION 1**

Area	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*	No action proposed
Organisational Improvement and Resources	2	1	0	1	0
Education and Communities	1	1	0	0	0
<b>Total</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>

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

**INVERCLYDE COUNCIL INTERNAL AUDIT  
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**SUMMARY OF OUTSTANDING MANAGEMENT ACTION PLANS AS AT 31.08.10**

**SECTION 2**

**ACTIONS OUTSTANDING BY SERVICE**

<b>Chief Executive</b>	
Due for completion September 2010	1
Due for completion March 2011	1
Completion date ongoing	1
<b>Actions outstanding</b>	<b>3</b>
<b>Organisational Improvement and Resources</b>	
Due for completion September 2010	1
Due for completion October 2010	2
Due for completion December 2010	3
Due for completion March 2011	5
Due for completion June 2011	1
Due for completion September 2011	1
Due for completion December 2011	1
Completion date to be advised	2
Completion date ongoing	7
<b>Actions outstanding</b>	<b>23</b>
<b>Regeneration and Environment</b>	
Due for completion September 2010	1
Due for completion December 2010	1
Completion date ongoing	2
<b>Actions outstanding</b>	<b>4</b>
<b>Community Health and Care Partnership</b>	
Due for completion September 2010	1
<b>Actions Outstanding</b>	<b>1</b>
<b>Total outstanding actions:</b>	<b>31</b>

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**MANAGEMENT ACTIONS OUTSTANDING AS AT 31.08.10**

**SECTION 3**

**Chief Executive**

<b>Outstanding Actions</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Members Report 2008/09 (October 2009)</b>		
<b>Business Continuity Planning</b> Service Business Continuity Plans will be developed and subject to rehearsal testing where appropriate in conjunction with the Joint Civil Contingencies Service.	<b>Chief Executive</b>	<b>30.09.10*</b>
<b>Governance Arrangements &amp; Financial Systems (June 2010)</b>		
<b>Governance Documentation</b> This matter is being managed through Organisational Improvement Plan and is due to be completed in 2010/11.  HR have been reviewing Employee Code of Conduct and have revised draft almost finalised.	<b>Chief Executive</b>	<b>31.03.11</b>
<b>Organisational Restructure</b> Corporate Performance will continue to be monitored through the established mechanisms and any issues addressed.	<b>Chief Executive</b>	<b>Ongoing</b>

**Organisational Improvement and Resources**

<b>Outstanding Actions</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Data Handling Overview (June 2009)</b>		
The need for an information and knowledge strategy will be considered during the implementation of the improvement plan arising from the Information Governance and Management Review.	<b>Corporate Director OI&amp;R</b>	<b>To be advised*</b>
The requirement for an information asset register will be assessed as part of the improvement plan developed in relation to the Information Governance and Management Review.	<b>Corporate Director OI&amp;R</b>	<b>31.03.11</b>
An information asset register will define the classification of the information and how the information is transferred. This will be addressed through the improvement plan developed in relation to the Information Governance and Management Review.	<b>Corporate Director OI&amp;R</b>	<b>31.03.11</b>
An information asset register will define the classification of information and how the information is transferred.	<b>Corporate Director OI&amp;R</b>	<b>31.03.11</b>

\* See Analysis of Missed Deadlines – Section 4

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**MANAGEMENT ACTIONS OUTSTANDING AS AT 31.08.10**

**SECTION 3**

**Organisational Improvement and Resources (Continued)**

<b>Outstanding Actions</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Members Report 2008/09 (October 2009)</b>		
<p><b>International Financial Reporting Standards (IFRS)</b> The Internal Officer group will continue to take the necessary action to ensure the Council complies fully with IFRS requirements.</p>	<b>Chief Financial Officer</b>	<b>30.06.11</b>
<p><b>Financial Capacity Development Plan</b> Resource requirements are being assessed. Progress against timescales will be monitored by the Resources Group of the OIP.</p>	<b>Chief Financial Officer</b>	<b>30.09.11</b>
<p><b>Strategic Procurement Framework</b> The Council will make progress against agreed workstreams within the Strategic Procurement Framework in line with timescales agreed by Committee, subject to available capacity.</p>	<b>Corporate Procurement Manager</b>	<b>31.12.11</b>
<p><b>Information Governance</b> The Council will implement the actions in the agreed improvement plan.</p>	<b>Corporate Director OI&amp;R</b>	<b>31.03.11</b>
<p><b>Partnership Management/SOA Delivery</b> The Council in conjunction with its partners has reviewed governance and management arrangements in the context of the SOA.</p> <p>A Programme Board has been established which reports to the Alliance Board.</p> <p>The Council is having discussions with the Improvement Service on the possible application of PSIF to the Alliance from a governance perspective.</p>	<b>Head of Regeneration and Planning</b>	<b>Ongoing</b>
<p><b>Business Continuity Planning</b> Agreement has been given in principle to create a new data centre and the expectation is that work on this will commence in 2010/11.</p>	<b>Head of ICT and Business Transformation</b>	<b>31.03.11</b>

\* See Analysis of Missed Deadlines – Section 4

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**MANAGEMENT ACTIONS OUTSTANDING AS AT 31.08.10**

**SECTION 3**

**Organisational Improvement and Resources (Continued)**

<b>Outstanding Actions</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Members Report 2008/09 (October 2009)</b>		
<b>Workforce Planning and Capacity</b> Two officers from Organisational Development and Human Resources have been seconded to the FOM project to ensure that HR support, including policies, change management and structural organisation requirements are fully implemented as the model is introduced in the Council. It is anticipated that the officers will be seconded for a lengthy period of time, at least one year.	<b>Head of OD, HR &amp; Performance</b>	<b>31.10.10</b>
Progress on the implementation of the workforce development strategy will be monitored via the OIP Workforce Development workstream.	<b>Head of OD, HR &amp; Performance</b>	<b>Ongoing</b>
<b>Governance Arrangements &amp; Financial Systems (June 2010)</b>		
<b>Documented Payroll Procedures</b> Completion of all the payroll processes and procedures is ongoing.	<b>Finance Manager/HR Manager</b>	<b>31.12.10</b>
<b>Public Performance Report (PPR)</b> Public Performance Report - The 2009/10 PPR should present a balanced reflection of the council's performance in the year.	<b>Corporate Director OI&amp;R</b>	<b>31.12.10</b>
<b>Public Service Improvement Framework (PSIF)</b> Service assessments are facilitated by assessors from outwith the service who have conducted other reviews across organisation. Service assessment also utilise benchmarking information where appropriate.	<b>Corporate Director OI&amp;R</b>	<b>Ongoing</b>
<b>Access to Payroll Records</b> The latest Chris21 upgrade increases the number of levels within hierarchy. This is intended to resolve the issue of some users having access to their own payroll record and the capability to amend them. ICT are working with Frontier to progress the solution.	<b>Head of OD, HR &amp; Performance</b>	<b>30.09.10</b>

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**MANAGEMENT ACTIONS OUTSTANDING AS AT 31.08.10**

**SECTION 3**

**Organisational Improvement and Resources (Continued)**

<b>Outstanding Actions</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Governance Arrangements &amp; Financial Systems (June 2010)</b>		
<p><b>Payroll Standing Data</b> The new structure places payroll and HR admin in the same service under the same manager. This combined team will be responsible for maintaining standing data and removing any uncertainty.</p>	<b>Finance Manager/HR Manager</b>	<b>To be advised*</b>
<p><b>Authorisation of New Starts</b> This is current practice and has been restated to all HR staff by email. With the development of CHRIS however we had eventually hoped to move away from the completion of forms by corporate HR staff as the information normally exists in other format and is a duplication – any change would be in consultation with Internal Audit to ensure audit trail.</p>	<b>Head of OD, HR &amp; Performance</b>	<b>Ongoing</b>
<p><b>Maintaining Employee files</b> Agreed with External Audit that HR would take a copy of all essential documentation for TUPE transfers eg entry to service, contract, termination documents etc.</p>	<b>Head of OD, HR &amp; Performance</b>	<b>Ongoing</b>
<p><b>Extending Credit Terms</b> Information on outstanding debts is given to Services as part of the monthly budget monitoring.  Consideration will be given as to whether any further action is required.</p>	<b>Chief Financial Officer</b>	<b>31.10.10</b>
<p><b>Financial Account Management Model</b> The new model is now fully populated and a development programme being progressed from June 2010. Monthly meetings between CFO, managers and Principal Accountants will review progress.</p>	<b>Chief Financial Officer</b>	<b>Ongoing</b>
<p><b>Council Tax and NDR - Reviews</b> A schedule is now in place to ensure that annual checks for council tax reviews such as students, 2nd home, status type ie severely mentally impaired, apprentices etc as well as disabled and deceased cases are carried out.  Rates relief reviews are carried out 3 or 5 yearly and again a schedule is in place for these reviews.</p>	<b>Revenue and Benefits Manager</b>	<b>Ongoing</b>

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**SECTION 3**

**Organisational Improvement and Resources (Continued)**

<b>Outstanding Actions</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Governance Arrangements &amp; Financial Systems (June 2010)</b>		
<b>Data Migration Testing</b> A comprehensive testing plan will be devised between the HR and Payroll teams to ensure all areas are covered for future upgrades	<b>HR Manager</b>	<b>31.12.10</b>

**Regeneration and Environment**

<b>Outstanding Actions</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Members Letter 2007/2008 (October 2008)</b>		
The Corporate Director, Regeneration and Resources has been appointed Corporate Lead in ensuring recommendations arising from the Internal Audit review of Project Management are implemented. This will include option appraisal as a key stage of the project management lifecycle.	<b>Corporate Director R&amp;E</b>	<b>30.09.10*</b>
<b>Members Letter 2008/2009 (October 2009)</b>		
<b>Common Good Title Deeds</b> As part of the budget process, a bid has been made for additional funds to allow the exercise to be undertaken more speedily. An additional solicitor has now been recruited to progress this work.	<b>Head of Legal and Administration</b>	<b>31.12.10</b>
<b>Asset Management</b> The development of PAMIS is integral to the corporate approach to asset management.  Progress on implementation of the asset management strategy will be monitored via the OIP Management of Resources Group.	<b>Corporate Director R&amp;E</b>	<b>Ongoing</b>
<b>Governance Arrangements &amp; Financial Systems (June 2010)</b>		
<b>Carbon Management Plan</b> It has been agreed to fill the CEMO post and the primary function of the post is to develop and report on progress of the Carbon Management Plan.	<b>Corporate Director R&amp;E</b>	<b>Ongoing</b>

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**Community Health & Care Partnership**

<b>Outstanding Actions</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Governance Arrangements &amp; Financial Systems (June 2010)</b>		
<b>Social Work Case File Notes</b> Professional and administrative staff have been briefed on importance of ensuring the accurate inputting of data to system. This will be reviewed as we continue to evaluate the data validity.	<b>Corporate Director CHCP</b>	<b>30.09.10</b>

\* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT  
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STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS  
ANALYSIS OF MISSED DEADLINES**

**SECTION 4**

Report	Outstanding Actions	Original Date	Revised Date	Management Comments
<b>Members Letter 2007/2008</b>	<p><b>Project Management Framework</b> The Corporate Director, Regeneration and Resources has been appointed Corporate Lead in ensuring recommendations arising from the Internal Audit review of Project Management are implemented. This will include option appraisal as a key stage of the project management lifecycle.</p>	<b>31.03.09</b>	<b>30.09.10</b>	<p>The Project Management Framework has been developed. As part of the project planning stage, option appraisal has been considered.</p> <p>The Framework will be rolled out across services on a phased basis during 2010 to ensure all relevant managers have been appropriately trained in using the Framework.</p> <p>The feasibility of using the e-learning package available from the Clyde Valley Consortium is currently being investigated.</p>
<b>Data Handling Overview (June 2009)</b>	<p><b>Implementation of Improvement Plan</b> The need for an information and knowledge strategy will be considered during the implementation of the improvement plan arising from the Information Governance and Management Review.</p>	<b>31.03.10</b>	<b>To be advised</b>	<p>The Information Governance and Management Working Group has developed a Framework which documents the key policies and operational guidance that will be produced. A sub-group has been established to look at cultural and organisational issues and the need for an information and knowledge strategy is under consideration by that group.</p>
<b>Members Letter 2008/09</b>	<p><b>Business Continuity Planning</b> Service Business Continuity Plans will be developed and subject to rehearsal testing where appropriate in conjunction with the Joint Civil Contingencies Service.</p>	<b>30.06.10</b>	<b>30.09.10</b>	<p>Service Business Continuity Plans have been drafted. These are currently being reviewed in conjunction with the CCS to take account of the new restructure. A quality assurance/testing manual is being implemented as part of this work.</p>

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

**SECTION 4**

Report	Outstanding Actions	Original Date	Revised Date	Management Comments
<b>Governance Arrangements and Financial Systems (June 2010)</b>	<b>Payroll Standing Data</b> - The new structure places payroll and HR admin in the same service under the same manager. This combined team will be responsible for maintaining standing data and removing any uncertainty.	<b>31.08.10</b>	<b>To be advised</b>	A key member of staff has been seconded on a temporary basis to the Transformation Programme which has delayed the migration of HR Admin and Payroll staff to a central team.