

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 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.
Personnel: 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 DECEMBER 2010

Summary: Section 1 Summary of Management Actions due for completion by 31/12/10

There were 5 items due for completion by 31 December 2010, all of which have been reported as completed.

Section 2 Summary of Outstanding Management Actions Plans at 31/12/10

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

Section 3 Management Actions Outstanding at 31/12/10

At 31 December 2010 there was a total of 30 outstanding audit action points.

Section 4 Analysis of Missed Deadlines

At 31 December 2010 there was a total of 3 of the 30 outstanding items where the agreed deadline had been missed.

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

SUMMARY OF MANAGEMENT ACTION DUE FOR COMPLETION BY 31.12.10

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
Chief Executive					
Organisational Improvement and Resources	4	4			
Regeneration and Environment	1	1			
Community Health and Care Partnership (CHCP)					
Education and Communities					
Total	5	5			

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

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

**SUMMARY OF OUTSTANDING MANAGEMENT ACTION PLANS AS AT 31.12.10
SECTION 2**

ACTIONS OUTSTANDING BY SERVICE

Chief Executive	
Due for completion March 2011	1
Completion date ongoing	1
Actions outstanding	2
Organisational Improvement and Resources	
Due for completion February 2011	1
Due for completion March 2011	4
Due for completion June 2011	1
Due for completion September 2011	1
Due for completion December 2011	1
Due for completion March 2012	1
Due for completion July 2012	1
Due for completion October 2012	1
Completion date to be advised	2
Completion date ongoing	6
Actions outstanding	19
Regeneration and Environment	
Due for completion March 2011	1
Due for completion April 2011	1
Completion date ongoing	3
Actions outstanding	5
Community Health and Care Partnership	
Completion date ongoing	2
Actions outstanding	2
Education and Communities	
Completion date March 2011	1
Completion date ongoing	1
Actions Outstanding	2
Total outstanding actions:	30

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

MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.10

SECTION 3

Chief Executive

Outstanding Actions	Owner	Expected Date
Governance Arrangements & Financial Systems (June 2010)		
<p>Governance Documentation This matter is being managed through Organisational Improvement Plan and is due to be completed in 2010/11.</p> <p>HR have been reviewing Employee Code of Conduct and have revised draft almost finalised.</p>	Chief Executive	31.03.11
<p>Organisational Restructure Corporate Performance will continue to be monitored through the established mechanisms and any issues addressed.</p>	Chief Executive	Ongoing

Organisational Improvement and Resources

Outstanding Actions	Owner	Expected Date
Data Handling Overview (June 2009)		
<p>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>	Corporate Director OI&R	To be advised*
<p>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.</p>	Corporate Director OI&R	31.03.11
<p>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.</p>	Corporate Director OI&R	31.03.11
<p>An information asset register will define the classification of information and how the information is transferred.</p>	Corporate Director OI&R	31.03.11
<p>International Financial Reporting Standards (IFRS) The Internal Officer group will continue to take the necessary action to ensure the Council complies fully with IFRS requirements.</p>	Chief Financial Officer	30.06.11

* See Analysis of Missed Deadlines – Section 4

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

MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.10

SECTION 3

Organisational Improvement and Resources (Continued)

Outstanding Actions	Owner	Expected Date
Members Report 2008/09 (October 2009)		
<p>Financial Capacity Development Plan Resource requirements are being assessed. Progress against timescales will be monitored by the Resources Group of the OIP.</p>	Chief Financial Officer	30.09.11
<p>Information Governance The Council will implement the actions in the agreed improvement plan.</p>	Corporate Director OI&R	31.03.11
<p>Workforce Planning and Capacity 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.</p>	Head of OD, HR & Performance	Ongoing
<p>Workforce Planning and Capacity Progress on the implementation of the workforce development strategy will be monitored via the OIP Workforce Development work stream.</p>	Head of OD, HR & Performance	Ongoing
Governance Arrangements & Financial Systems (June 2010)		
<p>Public Service Improvement Framework (PSIF) 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.</p>	Corporate Director OI&R	Ongoing
<p>Payroll Standing Data 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>	Finance Manager/HR Manager	To be advised*
<p>Authorisation of New Starts 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>	Head of OD, HR & Performance	Ongoing

* See Analysis of Missed Deadlines – Section 4

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

MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.10

SECTION 3

Organisational Improvement and Resources (Continued)

Outstanding Actions	Owner	Expected Date
<p>Maintaining Employee files Agreed with External Audit that HR would take a copy of all essential documentation for TUPE transfers e.g. entry to service, contract, termination documents etc.</p>	Head of OD, HR & Performance	Ongoing
Annual Report to Members 2009/10 (November 2010)		
<p>Financial Pressures Expected funding constraints over the next few years will further increase financial pressures with possible adverse impact on services to the public. The Council has agreed to set a 2011/13 Revenue Budget and 2011/14 Capital Budget in February 2011.</p>	Chief Financial Officer	28.02.11
<p>Strategic Procurement Framework Further slippage has arisen in the timescale for delivering actions within the Strategic Procurement Framework. The Council will need to increase momentum to significantly develop current procurement practices. Updates will continue to be reported every quarter to Policy and Resources Committee. Target is for the Council to achieve 'Conformance' status by 31.12.11</p>	Chief Financial Officer	31.12.11
<p>Employee Appraisal Scheme It is recognised that a performance review and appraisal process has been developed for employees at team leader level and above. As yet employee appraisals have not been rolled out to all employees.</p> <p>Employee Appraisal will be completed to Team Leader level by March 2011 and for all employees by March 2012.</p>	Head of Organisational Development, HR and Performance	31.03.12
<p>Performance Management The new performance management system, Inverclyde Performs, is due for a phased roll out from January 2010. Performance management across the council is due to be embedded within this system by July 2012.</p> <p>The Council believes that the SP&PM framework provides members with a broad range of performance information at a corporate and service level and enables members and management to make an informed judgement on where improvement is required.</p>	Head of Organisational Development, HR and Performance	31.07.12

* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
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MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.10

SECTION 3

Organisational Improvement and Resources (continued)

Outstanding Actions	Owner	Expected Date
Annual Report to Members 2009/10 (November 2010)		
<p>Performance Management The council will take account of the comments made by AS with regard to the public performance report in the development of the 2010/11 PPR.</p>	Head of Organisational Development HR and Performance	31.10.12
<p>Depopulation The Council fully appreciates the issues generated by depopulation and will continue to work closely with partners through the Alliance to effectively address these issues.</p> <p>Progress on actions identified in the outcome delivery plan will continue to be reported on a regular basis to the SOA and Alliance Board.</p>	Corporate Director Organisational Improvement and Resources	Ongoing

Regeneration and Environment

Outstanding Actions	Owner	Expected Date
Members Letter 2008/2009 (October 2009)		
<p>Partnership Management/SOA Delivery 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>	Head of Regeneration and Planning	Ongoing
<p>Asset Management The development of PAMIS is integral to the corporate approach to asset management.</p> <p>Progress on implementation of the asset management strategy will be monitored via the OIP Management of Resources Group.</p>	Corporate Director R&E	Ongoing

* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
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MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.10

SECTION 3

Regeneration and Environment (continued)

Outstanding Actions	Owner	Expected Date
Governance Arrangements & Financial Systems (June 2010)		
<p>Carbon Management Plan 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.</p>	Corporate Director R&E	Ongoing
Annual Report to Members 2009/10 (November 2010)		
<p>Waste Management The Council are currently preparing a tender for the Provision of Waste Management services. This tender is based on an output specification aimed at meeting both Landfill Diversion and Scottish Government recycling targets. A new contract will be in place on 1 April 2011 for a maximum period of 5 years.</p>	Corporate Director Regeneration and Environment	30.04.11
<p>Business Continuity Planning Service business continuity plans will be revised in light of the management restructure and introduction of the CHCP. This will include procedures for testing to be rolled out to relevant services as appropriate.</p>	Corporate Director Regeneration and Environment	31.03.11

Community Health & Care Partnership

Outstanding Actions	Owner	Expected Date
Governance Arrangements & Financial Systems (June 2010)		
<p>Social Work Case File Notes 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.</p>	Corporate Director CHCP	Ongoing
<p>Inverclyde Community Health and Care Partnership The Council and NHS GC&C have agreed governance and management arrangements for the new CHCP including a scheme of establishment.</p> <p>Regular updates on progress are given by Corporate Director to the Chief Executives of the Council and Health Board.</p>	Corporate Director CHCP	Ongoing

* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
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MANAGEMENT ACTIONS OUTSTANDING AS AT 31.12.10

SECTION 3

Education and Communities

Outstanding Actions	Owner	Expected Date
Annual Report to Members 2009/10 (November 2010)		
<p>Equality and Diversity An action plan is not currently in place to support delivery of the Council's equality agenda.</p> <p>A review of current position with regard to equalities is being undertaken by the Corporate Equalities Group.</p> <p>An action plan will be developed to ensure that the Council is meeting relevant statutory requirements.</p>	<p>Corporate Director Education and Communities</p>	<p>31.03.11</p>
<p>Schools Estate Strategy The September 2010 review of School Estate Funding Model has highlighted a deficit over the life of the model with the predominant reason being a reduction in funding through capital receipts and funding.</p>	<p>Corporate Director Education and Communities</p>	<p>Ongoing</p>

* See Analysis of Missed Deadlines – Section 4

**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
Members Letter 2007/2008	<p>Project Management Framework 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>	<p>31.03.09 30.09.10</p>	<p>31.03.11</p>	<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 2010/11 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>
Data Handling Overview (June 2009)	<p>Implementation of Improvement Plan 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>	<p>31.03.10</p>	<p>To be advised</p>	<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>
Governance Arrangements and Financial Systems (June 2010)	<p>Payroll Standing Data 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>	<p>31.08.10</p>	<p>To be advised</p>	<p>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.</p>