Inverclyde council

Report To:	Audit Committee	**Date:**	24 October 2011
Report By:	Corporate Director Regeneration & Environment	**Report No:**	AC/32/11/AF/APr
Contact Officer:	Andi Priestman	**Contact No:**	01475 712251
Subject:	**Internal Audit Progress Report – 1 August To 23 September 2011**		

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 1 August to 23 September 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 Two internal audit report has been finalised since the last Audit Committee meeting:

- Community Learning and Development; and
- Budgetary Control.

2.2 These reports contain a total of 15 issues, categorised as follows:

Red	Amber	Green
0	3	12

2.3 The fieldwork for the 2010/11 Audit Plan is now complete and reports are being finalised for the remaining one VFM review. Staff are now working on the 2011/12 plan and progress is as follows:

Stage	Number of Reports
Final Report	0
Draft Report	2
Fieldwork Complete	2
Fieldwork in Progress	3
Planning	1
Not started	8
Total	16

3.0 RECOMMENDATIONS

3.1 It is recommended that Members agree to note the progress made by Internal Audit in the period from 1 August to 23 September 2011.

Aubrey Fawcett
Corporate Director Regeneration & 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.

**Audit Committee Report
Report on Internal Audit Activity from
1 August to 23 September 2011**

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   5 reports have been finalised since the April 2011 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 Number of Issues**
2010/2011 plan				
Community Learning and Development	0	1	5	**6**
Budgetary Control	0	2	7	**9**
Total	**0**	**3**	**12**	**15**

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 1 April 2011.

Community Learning and Development

2.2   Community Learning and Development (CLD) in Inverclyde aims to help individuals and groups in their communities to achieve their life goals and tackle real everyday issues in their lives through community based learning and community action. Community Learning and Development describes a way of working with and supporting communities to increase the skills, confidence, networks and resources they need to tackle problems and grasp opportunities

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 Community Learning & Development.

2.4   The overall control environment opinion for this audit review was **satisfactory**. There was one AMBER issues identified as follows:

<u>Information Governance and Management</u>

A Community Learning and Development in Inverclyde website was set up by the CLD Service a number of years ago. The decision to establish a website was made by the CLD Partners to promote the services available to their customers and at the time it was prior to Inverclyde Council having a website. We understand that when setting up the website there was no Council policy to provide guidance to staff on ICT information management outside the Council's computer network and since the website has been operational, there have been administrative difficulties in maintaining up to date information on the website on the CLD Partners services. In addition, the CLD website has a third party email account as a contact address and space for messages to be sent by members of the public. Where external websites are used to send and receive information, some of which may be of a sensitive or personal nature, there is a risk that information may not be transmitted securely. Management have advised that this website has been closed down and the existing page on Inverclyde Council's website in relation to CLD will be updated where resources allow.

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

2.5   The review identified a total of 6 issues, one of which we consider to be individually significant, and an action plan is in place to address all issues by 31 March 2012.

Budgetary Control

2.6   Elected members, through Full Council and strategic committees are responsible for considering and approving budgets and the Council's Financial Strategy. The Policy and Resources Committee has corporate responsibility for all aspects of the overall Council Budget (Capital and Revenue).

    The Chief Executive and corporate directors are responsible, individually and collectively, for ensuring effective financial management across the organisation and are accountable for the budgets delegated to deliver the services within their directorates. Directorate budgets are delegated by corporate directors to heads of service and service managers who assume responsibility for their budgets.

Budget Setting

    The Chief Financial Officer prepares estimates of income and expenditure in conjunction with the Corporate Management Team. The estimates are considered by the Council and once approved constitute the Revenue Budget for the relevant financial period.

Budget Monitoring

    The Corporate Management Team receive and discuss a monthly budget overview covering key budget lines, employee costs, earmarked reserves, progress on the approved saving work streams and key projects with financial implications.

    All services have access to real time information held on the Council's Financial Management System whilst they also receive detailed budget information monthly from their directorate finance team.

Budget Reporting

    Committees receive five budget monitoring reports throughout the year. These are jointly prepared by the Chief Financial Officer and the relevant corporate director.

2.8   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 surrounding key risks in relation to Budgetary Control.

2.9   The overall control environment opinion for this audit review was **satisfactory**. There were two AMBER issues identified as follows:

Strategic Planning and Performance Management Framework: Corporate & Directorate Plans

    As part of the review we considered whether the Council Budget is aligned to key corporate documents. The 2011/12 directorate plans have not been approved by the respective service committees whilst the 2011/12 Corporate Plan was only approved by the Policy and Resources Committee on 9 June 2011. It is important that the Council maintains current corporate and directorate plans in line with the Budget in order to inform stakeholders of the Council's aims and objectives and allow stakeholders to assess its operational and financial performance.

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

Member Training and Survey

A review of elected member training attendance records established that members have not complied with the requirements of Section 7.10 of the Financial Strategy, which states that: 'All members should receive appropriate training in the areas of Financial Strategy, Local Government Finance and key specialist areas such as Treasury and Risk Management.' The Council has arranged appropriate and relevant training events to cover these areas but they have not been attended by all elected members. As elected members have corporate responsibility for the Council Budget it is imperative that they undertake the appropriate training in order to demonstrate to stakeholders, including Council staff and Inverclyde residents, that they have the required knowledge to enable them to make key financial and strategic decisions affecting the Council.

An anonymous budgetary control survey was conducted with responses received from eight of the twenty (40%) elected members. Results were mainly positive although some issues were identified that support the need for members to undertake appropriate training.

2.10   The review identified a total of 9 issues, 2 of which we consider to be individually significant, and an action plan is in place to address all issues by 30 September 2012.

3.   Audit Plan for 2011/12 – Progress to 23 September 2011

Planned Audit Cover	Planning	TOR Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report	Report Finalised	Reported to Audit Committee
Risk-Based Reviews							
Elderly Care Payments	✓	✓	✓	✓	✓		
Registration Process – Births, Deaths and Marriages	✓	✓	✓	✓			
Community Warden Service	✓	✓	✓				
Limited Scope Financial System Reviews							
Council Tax	✓	✓	✓				
General Ledger	✓						
Arms Length Organisation Reviews							
Riverside Inverclyde – Governance Arrangements	✓	✓	✓				
Performance Reviews							
Statutory Performance Indicators	✓	N/A	✓	✓	✓		
Corporate Governance							
SSIFC 2010/11	Input provided by CIA.						
Projects/Key Change Initiatives							
Information Governance and Management	Input provided by CIA.						
CHCP	Report at draft stage.						

3.   Audit Plan for 2010/11 – Status as 23 September 2011

Planned Audit Cover	Planning	TOR Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report	Report Finalised	Reported to Audit Committee
Risk-Based Reviews							
Freedom of Information Arrangements	✓	✓	✓	✓	✓	✓	August 2011
Waste Management	✓	✓	✓	✓	✓	✓	March 2011
Building Standards	✓	✓	✓	✓	✓	✓	August 2011
Community Learning and Development	✓	✓	✓	✓	✓	✓	October 2011
Budgetary Control	✓	✓	✓	✓	✓	✓	October 2011
Workforce Development – Appraisal Process	✓	✓	✓	✓	✓	✓	August 2011
Limited Scope Financial System Reviews							
Non-Domestic Rates	✓	✓	✓	✓	✓	✓	January 2011
Housing Benefit	✓	✓	✓	✓	✓	✓	January 2011
HR/Payroll Administration	✓	✓	✓	✓	✓	✓	August 2011
Business Assurance Reviews							
Procurement Compliance – Pre-Contract Stage	Deferred to 2011/12 Audit Plan						
Arms Length Organisation Reviews							
Transfer of Community Facilities to ILT	✓	✓	✓	✓	✓	✓	April 2011
Riverside Inverclyde – Corporate Governance	Deferred to 2011/12 Audit Plan						
Performance Reviews							
Statutory Performance Indicators	✓	N/A	✓	✓	✓	✓	October 2010
Mailroom Services and Postages	✓	✓	✓	✓	✓	✓	August 2010
VFM – Use of Council Vehicles	✓	N/A	✓	✓	✓		
Regularity Audits							
Control Self Assessment - Education	✓	✓	✓	✓	✓	✓	August 2011
Control Self Assessment – CHCP	✓	✓	✓	✓	✓	✓	August 2011
Corporate Governance							
SSIFC 2009/10	Input provided by CIA.						
Projects/Key Change Initiatives							
Elections Process	Input provided by CIA.						
Operating Model	Input provided by CIA.						
Information Governance and Management	Input provided by CIA.						

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:

- Providing input to FOI requests as appropriate.

INVERCLYDE COUNCIL INTERNAL AUDIT

**REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
AT 31 AUGUST 2011**

Summary: **Section 1** **Summary of Management Actions due for completion by 31/08/11**

There were 5 items due for completion by 31 August 2011, 3 of which have been reported as completed by management and action in relation to 2 items has been revised.

In addition there were 7 items due for completion by 30 September or 31 October which have been reported as completed by management.

Section 2 **Summary of Current Management Actions Plans at 31/08/11**

At 31 August 2011 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 **Current Management Actions at 31/08/11**

At 31 August 2011 there was a total of 65 current audit action points.

Section 4 **Analysis of Missed Deadlines**

At 31 August 2011 there was a total of 20 of the 65 audit action points where the agreed deadline had been missed.

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	2	2		
Education & Communities				
Community Health & Care Partnership (CHCP)**				
Organisational Improvement & Resources	3	1	2	
Total	**5**	**3**	**2**	

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

In addition, the following actions with an expected completion date of 30 September or 31 October have been reported as completed by management.

Workforce Development – Appraisal Process	Owner	Expected Date
Performance Appraisal Training (Amber) Corporate Directors will ensure that all line managers, teams leaders and supervisors who will be conducting employee appraisals are suitably trained and attend refresher training, if required.	**Corporate Directors**	**31.10.11**
Corporate Directors will ensure that all line managers, team leaders and supervisors who will be conducting employee appraisals have discussed the process with their teams, to familiarise them with the scheme and the paperwork to use.	**Corporate Directors**	**31.10.11**
Management Information (Amber) Corporate Directors will ensure the suitable performance management information is available to allow managers to apply a consistent approach when conducting appraisals, which demonstrates the performance appraisal policy objectives have been met.	**Corporate Directors/Allan Wilson**	**31.10.11**

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
SUMMARY OF MANAGEMENT ACTION DUE FOR COMPLETION BY 31.08.11

SECTION 1

Budgetary Control (August 2011)		
Strategic Planning and Performance Management Framework: Corporate & Directorate Plans (Amber) The Council will ensure that there are no time gaps between versions of corporate and directorate plans.	**Corporate Policy and Partnership Manager**	**30.09.11**
Corporate and directorate plans will be developed and approved by members in line with the budget timetable.	**Corporate Policy & Partnership Manager**	**30.09.11**
All sections of individual directorate plans will be completed to ensure consistency.	**Corporate Policy & Partnership Manager**	**30.09.11**
Control Self Assessment (May 2011)		
Communication between Schools and Headquarters Staff – (Amber) Appropriate staff within Education HQ will liaise with School Finance Officers to review concerns raised in relation to the level of ongoing contact and the frequency of formal meeting arrangements. An agreed timetable will then be put in place to ensure that a sufficient level of contact is maintained throughout the financial year. This should include regular group and individual meetings between appropriate members of staff.	**Head of Education/ Principal Accountant (Education)**	**31.10.11**

SECTION 2

CURRENT ACTIONS BY DIRECTORATE

Regeneration and Environment	
Due for completion December 2011	1
Due for completion January 2012	1
Due for completion March 2012	1
Due for completion June 2012	3
Total Actions	**6**
Community Health and Care Partnership	
Due for completion October 2011	2
Due for completion January 2012	2
Due for completion March 2012	3
Due for completion June 2012	1
Due for completion December 2012	6
Total Actions	**14**
Organisational Improvement and Resources	
Due for completion September 2011	5
Due for completion October 2011	1
Due for completion December 2011	9
Due for completion January 2012	1
Due for completion March 2012	7
Due for completion April 2012	1
Due for completion June 2012	1
Due for completion July 2012	2
Total Actions	**27**
Education and Communities	
Due for completion September 2011	1
Due for completion December 2011	16
Due for completion March 2012	1
Total Actions	**18**
Total current actions:	**65**

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.08.11

SECTION 3

Regeneration and Environment

	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**	**31.12.11***
Physical Investment Services (May 2009)		
Asset Performance Reviews (Amber) A detailed action plan will be developed and finalised in relation to the implementation of PAMIS.	**Head of Property Assets & Facilities Management**	**31.03.12***
Building Standards (April 2011)		
Section 29 Notices – Use of contractors (Amber) The building standards team leader will investigate the introduction of a formal contract agreement with the Council's Procurement Manager and implement arrangements to the satisfaction of the Chief Financial Officer.	**Building Standards Team Leader**	**31.01.12**
Budgetary Control (August 2011)		
Member Training & Survey Member Services will review the schedule and identify any gaps in the training records of re-elected members.	**Member Services Manager**	**30.06.12**
An email will be sent to all members reminding them of the need to comply with the Financial Strategy, identifying training events that they are required to attend and informing them that they should raise any concerns around budgetary control directly with the CFO.	**Member Services Manager**	**30.06.12**
Member Services will monitor attendance and ensure that members are appropriately trained in line with the Financial Strategy.	**Members Services Manager**	**30.06.12**

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.08.11

SECTION 3

Community Health & Care Partnership

Action	Owner	Expected Date
Social Care – Business Support (July 2009)		
Adequacy of Financial Information (Amber) Business case will be developed to formalise a project for implementation of SWIFT Financials Module.	**Corporate Director CHCP**	**30.06.12**
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 which will include: (a) Submitting cases to Chief Financial Officer for write off approval in order to comply with Council Financial Regulations (b) Seeking advice from the Social Work Accountant on how to create ongoing bad debt provision to fund write offs (c) maintaining adequate records of all write off activity	**Service Manager (Homelessness)**	**31.01.12***
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.	**Service Manager (Homelessness)**	**31.01.12***
Protecting client information from loss or damage (Amber) Management will discuss the following actions with ICT, consider full integration with SWIFT and: (b) arrange for back-ups to be stored off-site in a secure Council controlled location which meets ICT Services approval; (c) no longer give the software supplier copies of back-ups and instead arrange with ICT Services for controlled remote access to be given to the software supplier; (f) obtain best practice advice from ICT Services regarding the business continuity issues surrounding the database, including the feasibility of moving the system to be centrally managed by ICT; (g) introduce a mechanism to report recurring computer problems to ICT Services via senior managers.	**Service Manager/AFO (Homelessness)**	**31.03.12***

SECTION 3

Community Health & Care Partnership

Action	Owner	Expected Date
Social Work Control Self Assessment (June 2011)		
Failure to comply with Council Inventory Procedures - (Amber) All establishments to ensure items of value (£100 or greater) are securely marked with engraving or invisible with engraving or invisible marker detailing location, postcode and property of Inverclyde Council in line with Council inventory procedures.	**Service Managers**	**31.10.11**
For newly acquired items, establishments should check manufacturer documentation prior to making any secure markings to equipment to ensure any warranty or guarantee is not invalidated.	**Service Managers**	**31.10.11**
Information Governance and Management (May 2009)		
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 CHCP**	**31.12.12***
Consideration will be given to establishing a clear desk policy for all staff with access to the Council's information.	**Corporate Director CHCP**	**31.12.12***
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 CHCP**	**31.12.12***
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 CHCP**	**31.12.12***
External third parties who need access to the council's information and systems will be required to sign non-disclosure/confidentiality agreements.	**Corporate Director CHCP**	**31.12.12***

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.08.11

SECTION 3

Community Health & Care Partnership (Continued)

Action	Owner	Expected Date

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 CHCP	**31.12.12***

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. • 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 CHCP**	**31.03.12***
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 CHCP**	**31.03.12**

SECTION 3

Organisational Improvement & Resources

Action	Owner	Expected Date
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**	**31.03.12***
Corporate Purchase Cards (September 2008)		
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. d) 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; e) has a monthly card limit below the creditors system limit then no further action is required; f) 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.	**Corporate Procurement Manager**	**31.12.11***

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.08.11

SECTION 3

Organisational Improvement & Resources (Continued)

Action	Owner	Expected Date
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. • Examine the installation of cash collection drawers that open when new transactions commence on cash receipting system.	**Customer Services Manager**	**31.03.12**
Travel and Subsistence (June 2010)		
The anomaly in the mileage rates where teachers are paid a higher rate will be further investigated and a common approach adopted which uses the Inland Revenue rate of 45p per mile to ensure that all employees are treated fairly and equitably.	**HR Manager (Organisational Development)**	**31.03.12***
Corporate Complaints (June 2010)		
Recording of Complaints – (Amber) Management will develop and implement Intelligent eForms as a corporate solution to capturing customer contact in a consistent manner with drop down facility to select type of contact e.g. request for service, complaint, compliment or comment. In conjunction with the above, steps will be taken to ensure the inform@inverclyde.gov.uk mailbox will be channelled through the customer contact centre. Management will develop and implement a corporate process for recording of complaints including complainant name, nature/type of complaint, description, timescale for responses, actual response dates, stages of complaint etc. These procedures will then be developed for rolling out to services.	**Head of Customer Service and Business Transformation** **Customer Services Manager** **Customer Services Manager/ Corporate Comms Manager**	**31.07.12***

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.08.11

SECTION 3

Organisational Improvement & Resources (Continued)

Action	Owner	Expected Date
Reporting of Complaints – (Amber) Procedures will be developed, documented and implemented for reporting of complaints to P&R committee. This will include the total number of complaints received, the stage of complaints received and the percentage of complaints responded to within agreed timescales.	**Customer Services Manager/ Corporate Comms Manager**	**31.07.12***
Procurement Compliance (September 2010)		
Corporate Procurement General/Contract Management – (Amber) Management will issue corporate guidance to all Service Managers and Contract Administrators on how Council contracts are to be managed and delivered.	**Corporate Procurement Manager**	**31.03.12**
Education Procurement (DMR Framework/process compliance) – (Amber) Management will re-engineer procurement processes and associated systems in line with the Operating Model. Management will establish a procurement action plan to be used to test services adherence to policy, practices and in relation to Standing Orders, Financial Regulations and the Corporate Procurement Manual.	**Chief Financial Officer/Head of Customer Service and Business Transformation**	**31.03.12** **31.03.12**
Workforce Development - Appraisal Process (July 2011)		
Performance Appraisal Training (Amber) The performance appraisal training course will be included as a mandatory training course for all employees who will be conducting the reviews.	**Alan Wilson**	**31.03.12**
During 2011 the availability of information and help for managers conducting performance appraisals will be further developed eg:- • a dedicated telephone helpline; • frequently asked questions and answers on ICON and noticeboards; • the availability of training courses, including e-Learning courses ; and	**Pamela Jamieson-Smith**	**31.10.11**
the performance appraisal suite within e-Learning has courses for managers to develop the skills required to appraise employee's performance and give them positive supportive feedback. These training courses will be included as mandatory training for all employees who will be conducting the reviews.	**Carol Reid**	**31.01.12**

SECTION 3

Organisational Improvement & Resources (Continued)

Action	Owner	Expected Date
Limited Scope Financial Review – HR/Payroll Administration (August 2011)		
Separation Of Input & Authorisation Duties Within HR/Payroll (Amber) Consideration will be given to re-establishing the audit functionality and rotation of duties within the HR Team regarding the checking process.	**Systems Administrator**	**30.09.11**
Report to be created for new starts/changes/leavers which will be run on periodically e.g. weekly. Data from the report will be checked against the source document.	**Systems Administrator**	**30.09.11**
Audit report of leavers run for review within good housekeeping exercise.	**Systems Administrator**	**30.09.11**
HR/payroll will review the process for updating in-year tax code changes.	**Principal Officer (Payables)**	**31.12.11**
HR/Payroll Computer System – Managing A Single Person Dependency (Amber) The new HR/Payroll system needs to be established as a production system rather than a project under implementation. This involves the following steps; 1) identify tasks currently carried out by the Database Analyst (DBA) and HR/Payroll Team;	**Head of OD, HR and Performance**	**31.12.11**
2) align relevant tasks to DBA and HR/Payroll Team;	**Head of OD, HR and Performance**	**31.12.11**
3) transfer suitable tasks to HR/Payroll Team, including staff training where required;	**Head of OD, HR and Performance**	**31.12.11**
5) establish Servicedesk processes for requesting technical input.	**Head of OD, HR and Performance**	**31.12.11**
This would result in the "ownership" of the system being taken on by the service and allow ICT staff to formalise support for this system in the same way as other Council applications. Part of the Internal audit recommendation means that the HR/Payroll technical duties will be spread across a number of staff.	**Head of OD, HR and Performance**	**31.12.11**

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Organisational Improvement & Resources (Continued)

Action	Owner	Expected Date
Limited Scope Financial Review – HR/Payroll Administration (August 2011)		
HR/Payroll Computer System – Managing A Single Person Dependency (Amber) System allows passwords to expire after a specific number of days in the same manner as network logins. Recommend Systems Administrator sets expiry period of 42 days.	**Head of OD, HR and Performance**	**31.12.11***
Adequacy Of System Updates Testing (Amber) Payroll already retains evidence of upgrade testing. This issue relates solely to changes to PAYE Tax/NIC levels. Payroll will retain evidence of testing in relation to HMRC legislation.	**Payroll Supervisor**	**30.04.12***
Correctness Of Overtime Payments Made To Senior Staff (Amber) Full review of Overtime Indicator held on Salary Form will be undertaken and necessary action taken.	**Payroll Supervisor**	**30.09.11**
Procedures for increments will be reviewed and updated to take account of this requirement.	**Payroll Supervisor**	**30.09.11**
Managing Key Data Within The HR/Payroll Computer System Service Managers have read only access and reporting from CHRIS21. They are responsible for employee existence checks and this will be highlighted to them by email.	**HR Managers (Operations)**	**31.12.11**
Budgetary Control (August 2011)		
Member Training & Survey Following the 2012 election, the Chief Financial Officer (CFO) will provide Member Services (MS) with a schedule of training events that members are required to attend to comply with the Financial Strategy.	**Chief Financial Officer**	**30.06.12**

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Education and Communities

Action	Owner	Expected Date
Transfer of Community Facilities (March 2011)		
Lack of appropriate risk management arrangements – (Amber) Inverclyde Leisure management will; • Identify and record the operational risks associated with community facilities, including any unaddressed risks stemming from the transfer process. • Ensure that the above exercise includes appropriate input from the Community Facilities Team Leader and adequate consultation with the Head of Safer & Inclusive Communities. • Allocate community facilities risks between Inverclyde Leisure and the Council in an agreed manner.	**Chief Executive ILT**	**31.12.11**
Completeness of performance management arrangements – (Amber) Inverclyde Leisure management will fully develop its processes for reporting on community facilities by including sufficient coverage of the facilities within the 2010/11 annual report and accounts.	**Chief Executive ILT**	**31.12.11**
Financial management of community facilities – (Amber) Inverclyde Leisure management will; • Compare its Financial Regulations to those used by the Council and, if possible, an established comparable Leisure Trust. In turn, management will identify any major changes and issue updated Financial Regulations to all relevant staff. • Ensure that orders and invoices for community facilities are always authorised by separate officers.	**Chief Executive ILT**	**31.12.11**

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SECTION 3

Education and Communities (continued)

Action	Owner	Expected Date
Transfer of Community Facilities (March 2011)		
Lack of appropriate service level agreements – (Amber) The Head of Safer & Inclusive Communities will; • Agree a shared timetable of key tasks with both Legal & Democratic Services and Inverclyde Leisure management which aims to conclude the service level agreement and funding agreement documentation arising from the transfer of community facilities. • If necessary, obtain Committee approval for the documentation when establishing the above arrangements.	**Head of Safer and Inclusive Communities**	**30.09.11**
Completeness of performance management arrangements – (Amber) The Head of Safer & Inclusive Communities will; • Determine the nature and frequency of reporting the performance of community facilities to the Council's Regeneration Committee. • Consider presenting Inverclyde Leisure's annual report and accounts to the Council's Regeneration Committee as a means of partly implementing the above recommendation. • Set the overall performance management arrangements for community facilities in consultation with Inverclyde Leisure. • Consult Inverclyde Leisure regarding the definition of service failures involving community facilities in order that these can be linked to performance management arrangements. • Set financial and non-financial targets for Inverclyde Leisure during its management of community facilities. This exercise will specify which targets have highest priority and the role, if any, of penalties when service failures are found to be within Inverclyde Leisure's control. • Allow for the service specification, 2011/12 Directorate Plan and Inverclyde Leisure's Public Sector Improvement Framework activities when implementing the above recommendations.	**Head of Safer and Inclusive Communities**	**31.03.12***

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Education and Communities (continued)

Action	Owner	Expected Date
Transfer of Community Facilities (March 2011)		
Adequacy of community facilities procedures – (Amber) Inverclyde Leisure management will set a firm target date for completing its review of the community facilities and booking office written procedures and; • Ensure that the operational practices overseen by the Community Facilities Team Leader and Finance Manager are supported by comprehensive written procedures. • Allow for the roles, linkages and usual deadlines of managers, operational, administration and booking office staff. • Include those legal requirements which are most relevant to providing community facilities along with those previous audit recommendations which are still relevant. • Examine the most practical method of keeping procedures up to date e.g. manuals which can take numbered inserts. The aim will be to allow for changed circumstances whilst avoiding ad hoc procedures. • Distribute updated procedures to all relevant staff.	**Chief Executive ILT**	**31.12.11**
Adequacy of community facilities policies – (Amber) Inverclyde Leisure management will undertake a comprehensive review of the arrangements for managing income from community facilities. This review will include full consultation with the Head of Safer & Inclusive Communities and, where necessary, obtain his agreement to change policies. The review will include making decisions regarding the extent to which; • Customers must pay upfront at the point of booking and clarify the role of deposits. • The waiver scheme can be simplified and made more transparent for customers. • It is practical to transfer the waivers budget from the Council to Inverclyde Leisure whilst adequately managing the risks associated with such a change. • The cancellation policy can be changed to avoid invoicing relatively small sums and raising additional income when events, such as weddings, are cancelled with limited notice. • The pricing policy can be made more flexible and allow for service developments and the extent of competition.	**Chief Executive ILT**	**31.12.11**

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Education and Communities (continued)

Action	Owner	Expected Date
Transfer of Community Facilities (March 2011)		
Inverclyde Leisure management will also; • Fully implement COSLA's child protection guidance regarding lets. This should include amending the let application form and updating the processes which support this area. • Clarify the roles of senior staff regarding whistle-blowing incidents. The investigation of whistle-blowing accusations against Inverclyde Leisure staff who do not sit on its EMT will continue to be led by the Chief Executive. However, such a course of action would be inappropriate for EMT staff and an alternative mechanism will be established for handling any such cases. Document revised community facilities policies to reasonable standards of detail, consistency whilst allowing for formatting matters e.g. effective dates and identifying who prepared and approved revised policies. **Managing operational activities across community facilities – (Amber)**	**Chief Executive ILT**	**31.12.11**
Inverclyde Leisure management will clarify with Property Assets & Facilities Management; • The regime of property inspections for identifying and reporting potential hazards. • Those repairs which Inverclyde Leisure funds, if any. • Whether or not any special arrangements apply to different categories of repair. • The practicalities of including community facilities within Council wide repair programmes.	**Chief Executive ILT**	**31.12.11**
Inverclyde Leisure management will also organise a comprehensive review of the investment needs of all community facilities which allows for both funding sources and service priorities. This will include requesting appropriate input from the Head of Property Assets & Facilities Management	**Chief Executive ILT**	**31.12.11**

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Education and Communities (continued)

Action	Owner	Expected Date
Transfer of Community Facilities (March 2011)		
Managing health and safety issues across community facilities – (Amber) Inverclyde Leisure management will; • Review lone working arrangements across all community facilities. The review will examine how mobile telephones, text messaging and silent personal alarms could be used to reduce the risks faced by staff. A value for money assessment and identification of possible funding sources will also form part of the review. • Obtain advice from Environmental Health on the adequacy of the current arrangements within Greenock Town Hall kitchen. This will include clarifying staff roles and confirming cleaning protocols along with meeting minimum record-keeping standards. • Formally agree with the Council's Head of Property Assets & Facilities Management arrangements for managing and funding fire risk assessments across all relevant community facilities.	**Chief Executive ILT**	**31.12.11**
Lack of formal recording of management inspections within community facilities – (Amber) Inverclyde Leisure management will; • Whenever possible ensure that the programme of community facilities inspections is always supported by completed inspection forms. • Confirm that inspection arrangements apply to self managed community facilities as these often have additional operational risks.	**Chief Executive ILT**	**31.12.11**

SECTION 3

Education and Communities (continued)

Action	Owner	Expected Date
Transfer of Community Facilities (March 2011)		
Use of shared till facility by booking office cashiers and existing cash-up arrangements. – (Amber) Inverclyde Leisure management will review existing arrangements within the Booking Office to ensure that each member of staff has their own individual access to both MRM and cash till facilities. This will assist in ensuring that takings are able to be reconciled with MRM bookings for each individual cashier on a daily basis.	**Chief Executive ILT**	**31.12.11**
The Inverclyde Leisure Admin Officer will ensure that ongoing daily cash up process continues but includes the involvement of two members of staff working together throughout the process. This will also include reviewing the adequacy of existing procedures in relation to the collation of daily takings and additional training being provided to relevant staff in this process if required.	**Chief Executive ILT**	**31.12.11**
Adequacy of invoice processing and payment arrangements – (Amber) Inverclyde Leisure management will ensure that; • For bookings that are made at less than 21 days notice, customers will be required to make payment in full at point of booking. • For slow or non-paying customers, Inverclyde Leisure will review the existing process of three reminder letters being issued. • A minimum value threshold for invoicing is set with customers making any bookings below this threshold being required to make payment in full at point of booking. • Invoices will only be sent directly to the original contact responsible for making the booking unless specific confirmation can be provided by all parties concerned of alternative arrangements. • Discussions are be held with MRM software providers to establish the feasibility of producing suitable reports to allow management to closely monitor slow or non-paying customers in relation to community facilities.	**Chief Executive ILT**	**31.12.11**

SECTION 3

Education and Communities (continued)

Action	Owner	Expected Date
Transfer of Community Facilities (March 2011)		
Review of waiver process – (Amber) Upon review of existing waiver policy, Inverclyde Leisure management will consider; • Increasing the involvement of Booking Office staff in granting waivers to parties at point of booking based on agreed policy. This will include training of relevant staff. Waivers can remain subject to ongoing review by Community Facilities Team Leader with sample checking and regular communication in place to ensure the consistent and correct application of discounts. • Exploring the development of the MRM booking system to allow for waivers to be applied against the overall costs of the booking rather than against each individual price level.	**Chief Executive ILT**	**31.12.11**
Adequacy of insurance arrangements over community facilities – (Amber) Inverclyde Leisure management will confirm that both contents and public liability insurance for the relevant community facilities has been in place since 1st April 2010.	**Chief Executive ILT**	**31.12.11**
Community Learning and Development (August 2011)		
Information Governance and Management – (Amber) The website has been closed down. Where staff resourcing permits information available on the Council website will be expanded	**Service Manager CLD**	**31.12.11**

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Report	Action	Original Date	Revised Date	Management Comments
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 31.08.10	31.03.12	A report has been prepared and presented to CMT in relation to PVG Legislation which comes into force in February 2011. This will introduce the requirement for checks on relevant staff on an ongoing basis from February 2012.
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 30.11.10 31.05.11 31.10.11	31.12.11	The Corporate Purchase Card Policy and Procedures have now been approved and discussions will now take place with Creditors team to ensure the limits are correctly aligned on the system.
Homelessness (January 2010)	**Protecting client information from loss or damage (Amber)** Management to discuss with ICT and consider full integration with SWIFT.	31.03.10 30.06.10 31.12.10 31.05.11 30.09.11	31.03.12	Discussions have taken place with ICT which now include the potential development of the AVD Homelessness system.
Homelessness (January 2010)	**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.	30.04.10 30.09.10 31.10.11	31.01.12	Priority has been given to renewing contract for providing clients with legal advice.

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Report	Action	Original Date	Revised Date	Management Comments
Information Governance and Management (May 2009)	**People – (Red)** External third parties who need access to the council's information and systems will be required to sign non-disclosure/confidentiality agreements.	30.04.10	31.12.12	This is being led by the people sub group. A meeting of the Working Group was held in June 2011 and a further meeting will be held in October 2011 to prioritise and deliver on agreed actions.
Information Governance and Management (May 2009)	**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.	30.04.10	31.12.12	This is being led by the People Sub-Group. A meeting of the Working Group was held in June 2011 and a further meeting will be held in October 2011 to prioritise and deliver on agreed actions.
Information Governance and Management (May 2009)	**People (Red)** Information Governance and management responsibilities will be specified in job descriptions, or within terms and conditions of employment. This will include a non-disclosure/confidentiality clause.	30.06.10	31.12.12	This is being led by the People Sub-Group. A meeting of the Working Group was held in June 2011 and a further meeting will be held in October 2011 to prioritise and deliver on agreed actions.
Physical Investment Services (May 2009)	**Asset Performance Reviews (Amber)** A detailed action plan will be developed and finalised in relation to the implementation of PAMIS.	31.07.10 31.12.10 30.06.11 30.09.11	31.03.12	Property Assets Manager is currently in discussion with ICT to develop the action plan required for the implementation of PAMIS.

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Report	Action	Original Date	Revised Date	Management Comments
Information Governance and Management (May 2009)	**Organisation – (Red)** Consideration will be given to establishing a clear desk policy for all staff with access to the Council's information.	31.08.10	31.03.12	This is being led by the Culture/ Organisation Sub-Group. A meeting of the Working Group was held in June 2011 and a further meeting will be held in October 2011 to prioritise and deliver on agreed actions.
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.	30.09.10 31.12.10 31.05.11 30.09.11	31.01.12	Due to the staff restructure and other priorities within the Service, this action has been delayed. A draft list of write offs has been prepared but requires to be reviewed prior to liaising with Finance.
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.	30.09.10 31.03.11	31.12.11	E-Learning package has been evaluated and complements the Project Management Framework. This will be rolled out as part of the launch of the E-learning system during 2011/12.
Travel and Subsistence (June 2010)	**Value for Money – Mileage Claims (Amber)** The anomaly in the mileage rates where teachers are paid a higher rate will be further investigated and a common approach adopted which uses the Inland Revenue rate of 40p per mile to ensure that all employees are treated fairly and equitably.	31.12.10 31.03.11 30.04.11 30.09.11	31.03.12	This will be reviewed as part of the wider review of Travel and Subsistence.

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Report	Action	Original Date	Revised Date	Management Comments
Corporate Complaints (June 2010)	**Recording of Complaints (Amber)** Management will develop and implement Intelligent eForms as a corporate solution to capturing customer contact in a consistent manner with drop down facility to select type of contact e.g. request for service, complaint, compliment or comment. In conjunction with the above, steps will be taken to ensure the inform@inverclyde.gov.uk mailbox will be channelled through the customer contact centre. Management will develop and implement a corporate process for recording of complaints including complainant name, nature/type of complaint, description, timescale for responses, actual response dates, stages of complaint etc. These procedures will then be developed for rolling out to services.	**31.01.11** **30.04.11** **30.06.11**	**31.07.12**	The Scottish Public Services Ombudsman is introducing a new complaints handing process which requires to be put in place by 1 April 2012. The Customer Services Manager is on the working group involved in taking this work forward.
Corporate Complaints (June 2010)	**Reporting of Complaints (Amber)** Procedures will be developed, documented and implemented for reporting of complaints to P&R committee. This will include the total number of complaints received, the stage of complaints received and the percentage of complaints responded to within agreed timescales.	**31.01.11** **30.04.11** **30.06.11**	**31.07.12**	The Scottish Public Services Ombudsman is introducing a new complaints handing process which requires to be put in place by 1 April 2012. The Customer Services Manager is on the working group involved in taking this work forward.

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Report	Action	Original Date	Revised Date	Management Comments
Information Governance and Management (May 2009)	**People (Red)** Security awareness will be promoted using materials such as brochures, posters or web based documents and through structured education/training programmes and computer based training. Training will be compulsory for all staff to create security positive behaviour.	31.03.11	31.12.12	This is being led by the People sub-group. A meeting of the Working Group was held in June 2011 and a further meeting will be held in October 2011 to prioritise and deliver on agreed actions.
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.	31.03.11	31.12.12	This is being led by the Culture/ Organisation sub-group with support from the Process/Technology sub-group. A meeting of the Working Group was held in June 2011 and a further meeting will be held in October 2011 to prioritise and deliver on agreed actions.

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Report	Action	Original Date	Revised Date	Management Comments
Information Governance and Management (May 2009)	**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. • 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.	31.03.11	31.03.12	This is being led by the Process/ Technology sub-group. A meeting of the Working Group was held in June 2011 and a further meeting will be held in October 2011 to prioritise and deliver on agreed actions.
Limited Scope Financial Review (August 2011)	**HR /Payroll Computer System – Managing a Single Person Dependency (Amber)** System allows passwords to expire after a specific number of days in the same manner as network logins. Recommend Systems Administrator sets expiry period of 42 days.	31.08.11 31.10.11	31.12.11	There have been technical issues with the implementation of this recommendation and ongoing discussion is being held with the software provider.
Limited Scope Financial Review (August 2011)	**Adequacy of System Updates Testing (Amber)** Payroll already retains evidence of upgrade testing. This issue relates solely to changes to PAYE Tax/NIC levels. Payroll will retain evidence of testing in relation to HMRC legislation.	31.08.11	30.04.12	The HMRC process is annual and therefore will be confirmed using 12/13 tax year end data.

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Report	Action	Original Date	Revised Date	Management Comments
Transfer of Community Facilities (May 2011)	**Completeness of performance management arrangements – (Amber)** The Head of Safer & Inclusive Communities will; • Determine the nature and frequency of reporting the performance of community facilities to the Council's Regeneration Committee. • Consider presenting Inverclyde Leisure's annual report and accounts to the Council's Regeneration Committee as a means of partly implementing the above recommendation. • Set the overall performance management arrangements for community facilities in consultation with Inverclyde Leisure. • Consult Inverclyde Leisure regarding the definition of service failures involving community facilities in order that these can be linked to performance management arrangements. • Set financial and non-financial targets for Inverclyde Leisure during its management of community facilities. This exercise will specify which targets have highest priority and the role, if any, of penalties when service failures are found to be within Inverclyde Leisure's control. Allow for the service specification, 2011/12 Directorate Plan and Inverclyde Leisure's Public Sector Improvement Framework activities when implementing the above recommendations.	30.09.11	31.03.12	This action is dependent on the completion of the service level agreement.