

**Report To:** Audit Committee **Date:** 22 October 2013  
**Report By:** Acting Corporate Director Environment, Regeneration & Resources **Report No:** AC/70/13/AF/APr  
**Contact Officer:** Andi Priestman **Contact No:** 01475 712251  
**Subject:** Internal Audit Progress Report – 5 August to 27 September 2013

## 1.0 PURPOSE

- 1.1 The purpose of this report is to enable Members to monitor the performance of Internal Audit; 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 5 August to 27 September 2013 is attached as an Appendix to this report since its content is essential to the understanding of the Council's control environment. **Apx 1**

## 2.0 SUMMARY

- 2.1 Two internal audit report have been finalised since the last Audit Committee meeting:-
- Corporate Purchase Cards - Follow Up Review; and
  - CSA - CHCP.
- 2.2 These report contains a total of 9 issues, categorised as follows:

Red	Amber	Green
0	3	6

- 2.3 The 2013/14 audit plan is well underway and the current status of the plan is as follows:

Stage	Number of Reports
Final Report	3
Draft Report	2
Fieldwork Complete	0
Fieldwork in Progress	3
Planning	1
Not started	4
<b>Total</b>	13

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that Members agree to note the progress made by Internal Audit in the period from 5 August to 27 September 2013.

**Alan Puckrin**  
 Acting Corporate Director Environment, Regeneration & Resources

## **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  
5 August to 27 September 2013**

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**1 Audit work undertaken in the period**

**Reports issued since last update**

1.1 Detailed findings and recommendations reported to management are currently graded using the following criteria:

<b>Red</b>	<ul style="list-style-type: none"> <li>• In our opinion the control environment is insufficient to address the risk and this could impact the Council as a whole.</li> <li>• Corrective action must be taken and should start immediately.</li> <li>• Overseen to completion by Corporate Management Team.</li> </ul>
<b>Amber</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Corrective action must be taken (some exceptions may be agreed with IA) within reasonable timeframe.</li> <li>• Overseen to completion by Head of Service.</li> </ul>
<b>Green</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Process improvements/efficiencies may be actioned at management discretion in consultation with Internal Audit (IA).</li> <li>• Managed by service owner.</li> </ul>

1.2 Two reports have been finalised since the August 2013 Audit Committee, which are identified below, together with a summary of the gradings of the issues identified. In Section 2 we have provided a summary of the main findings from the reviews.

Reports finalised since previous Audit Committee	Grading			Total Number of Issues
	Red	Amber	Green	
<b>2013/2014 plan</b>				
Corporate Purchase Cards – Follow Up Review	0	1	4	5
CSA – CHCP	0	2	2	4
<b>Total</b>	<b>0</b>	<b>3</b>	<b>6</b>	<b>9</b>

**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 after 2 August 2013.

**Corporate Purchase Cards – Follow Up Review**

2.2 Corporate purchase cards are used by selected staff across a range of Services. The Council has been using corporate purchase cards for over ten years and around 75 cards are currently in use. During the four months to the end of May 2013 the average monthly expenditure on purchase cards was approximately £74,000.

2.3 The objective of this follow-up audit was to determine the status of the agreed actions arising from the full scope review of Corporate Purchase Cards during 2008/09. Where appropriate, audit testing was also undertaken to confirm that agreed actions continue to be implemented.

2.4 The overall control environment opinion for this follow-up review was **Satisfactory** as there has been considerable progress in addressing the issues arising from the corporate purchase cards review through implementation of agreed actions. However, the review identified one AMBER issue which had not been fully implemented as follows:

**Appropriateness of Authorisation Limits**

By December 2011 Internal Audit agreed a revised action as part of the original follow-up process;

monthly limits (i.e. credit limit as shown on statements) are volume related and agreed between Services and Corporate Procurement; and

transaction limits must not exceed creditor limits but can be lower - it was agreed with Corporate Procurement that this was the more important of the two limits.

In turn, Payments & Control Team staff were to contact Services to arrange amended creditor limits for those officers whose card transaction limits are above their FMS creditors limit. However, due to staff changes this exercise was not continued on an on-going basis. Also, the list of cardholders used to manage this process is no longer held by Payments & Control Team staff.

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

2.5 The review identified that a total of 10 out of 15 issues arising from the original audit have been fully implemented and 5 issues were outstanding, one of which we consider to be individually significant. An action plan is in place to address all issues by 31 January 2014.

**2.6 Control Self Assessment - CHCP**

2.7 Control Self-Assessment is a process through which the adequacy and effectiveness of internal controls are examined, with the goal of providing assurance that key objectives are being met. It allows Service Managers and selected staff to participate in the assessment of internal controls and develop action plans to address any weaknesses that may be identified. In turn these action plans assist in evaluating risks which, if not properly addressed, could undermine the achievement of key objectives. Furthermore, Control Self-Assessments can increase awareness of internal control issues and motivate staff to carefully design and implement control processes.

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 over the key risks faced by the Community Health and Care Partnership.

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

**Managing cash payments for client project work**

It is important that expenditure on client related projects is adequately controlled, especially when cash transactions arise. Following discussions with staff we understand that at some establishments informal cash holdings are being created using petty cash bank accounts. This involves using Creditor Request Instructions (“CRIs”) to pay money from project budgets into petty cash bank accounts. In turn, these monies are withdrawn as cash and spent on projects. These arrangements contain a number of weaknesses as;

- operational officers are carrying out these duties in some establishments;
- duties are not adequately separated when the officers spending cash also hold and control it, including cashing cheques in order to replenish cash holdings;
- although cash is being held securely it can on occasion amount to several hundred pounds;
- cash expenditure is not pre-authorised or subject to review unlike the processes used for managing petty cash imprests;
- VAT is not being reclaimed when it could be;
- petty cash bank reconciliations are more difficult to perform when project transactions arise; and
- established petty cash imprest documentation is not being used.

Audit testing of a recent sample of this expenditure, for example materials to facilitate role play in schools or group work involving clients with dependency issues, found that the receipts were however consistent with project aims and objectives.

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

The above weaknesses introduce a number of risks to the process including:-

- a reduction in accountability over cash expenditure when it is spent outwith petty cash procedures;
- a greater likelihood of errors not being detected when duties involving cash transactions are not adequately separated; and
- a reduction in the effectiveness of operational staff, who deal directly with clients, as they have to undertake duties which are normally carried out by administrative staff.

**Managing data protection in practice**

Practical issues can arise when staff attempt to implement the principles which underpin the Data Protection Act 1998 such as the need to hold personal data securely. The Head of Administration is the CHCP lead for data protection matters. The CSA process identified that;

- staff are aware of the need to contact senior officers within their own team whenever suspected data protection breaches occur. However, we understand that not all senior officers are aware of the need to contact the Head of Administration whenever data protection issues arise;
- the level of compliance with “clear desk” policies varies across establishments due to a combination of historic practices, limited storage space and forthcoming office moves. However, it was unclear as to whether or not the obstacles to implementing “clear desk” policies had been fully examined; and
- the extent to which establishments use “secure printing” varies due to either historic practices or printer capabilities. There is scope to review this issue across all CHCP establishments.

There are a number of risks associated with these weaknesses as:-

- issues which arise from implementing the Data Protection Act may not be adequately addressed whenever the most appropriate officers are not directly involved in their resolution;
- confidential information is at greater risk of being compromised whenever “clear desk” policies are not implemented; and
- confidential information may be misplaced when “secure printing” is not in use.

2.10 The review identified a total of 4 issues, two of which we consider to be individually significant, and an action plan is in place to address all issues by 31 March 2014.



3. Audit Plan for 2013/14 – Progress to 2 August 2013

Planned Audit Cover	Planning	TOR Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report	Report Finalised	Reported to Audit Committee
<b>Risk-Based Reviews</b>							
Homecare							
Property Maintenance	√						
Waste Contract Management	√	√					
Trading Standards							
Client Accounts - CHCP	√	√	√				
School Meals							
<b>Limited Scope Financial System Reviews</b>							
Debt Recovery							
Creditors	√	√	√	√	√		
<b>Follow Up Reviews</b>							
Corporate Purchase Cards	√	N/A	√	√	√	√	October 2013
Corporate Complaints	√	N/A	√	√	√		
<b>Performance Reviews</b>							
Statutory Performance Indicators	√	√	√	√	√	√	Aug 2013
CSA Education	√	√	√				
CSA CHCP	√	√	√	√	√	√	October 2013
<b>Corporate Governance</b>							
SSIFC 2012/13	Input provided by CIA.						
<b>Projects/Key Change Initiatives</b>							
Information Governance and Management	Input provided by CIA.						
Annual Governance Statement	Input provided by CIA.						
Solace Indicators	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 relevant input to the information governance working group.
  - Providing relevant input to inform the Council's approach to the Annual Governance Statement.

**INVERCLYDE COUNCIL INTERNAL AUDIT**  
**REPORT TO AUDIT COMMITTEE ON**  
**STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)**  
**AT 31 AUGUST 2013**

**Summary: Section 1 Summary of Management Actions due for completion by 31/08/13**

There were 2 items due for completion by 31 August 2013, 1 of which has been reported as completed by management and action in relation to 1 item has been revised.

**Section 2 Summary of Current Management Actions Plans at 31/08/13**

At 31 August 2013 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

**Section 3 Current Management Actions at 31/08/13**

At 31 August 2013 there was a total of 25 current audit action points.

**Section 4 Analysis of Missed Deadlines**

At 31 August 2013 there was a total of 11 audit action points where the agreed deadline had been missed.

**Section 5 Summary of Action Plan Points by Audit Year**

**INVERCLYDE COUNCIL INTERNAL AUDIT  
 REPORT TO AUDIT COMMITTEE ON  
 STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
 SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 31.08.13**

**SECTION 2**

Directorate	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*
Environment, Regeneration & Resources				
Community Health & Care Partnership (CHCP)	1		1	
Education, Communities and Organisational Development	1	1		
<b>Total</b>	<b>2</b>	<b>1</b>	<b>1</b>	

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

**INVERCLYDE COUNCIL INTERNAL AUDIT  
 REPORT TO AUDIT COMMITTEE ON  
 STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
 SUMMARY OF CURRENT MANAGEMENT ACTION PLANS AS AT 31.08.13**

**SECTION 2**

**CURRENT ACTIONS BY DIRECTORATE**

<b>Environment, Regeneration and Resources</b>	
Due for completion September 2013	2
Due for completion November 2013	1
Due for completion December 2013	2
Due for completion January 2014	1
Due for completion June 2014	1
<b>Total Actions</b>	<b>7</b>
<b>Community Health and Care Partnership</b>	
Due for completion October 2013	2
Due for completion April 2014	4
Due for completion October 2014	1
<b>Total Actions</b>	<b>7</b>
<b>Education, Communities and Organisational Development</b>	
Due for completion September 2013	1
Due for completion October 2013	1
Due for completion December 2013	1
Due for completion January 2014	1
Due for completion March 2014	7
<b>Total Actions</b>	<b>11</b>
<b>Total current actions:</b>	<b>25</b>

**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 31.08.13**

**SECTION 3**

**Environment, Regeneration and Resources**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Customer Services Review (April 2012)</b>		
<p><b>Quality assurance over incoming telephone calls (Amber)</b> Specify, scope and cost purchase and maintenance costs for voice recorder software for all CSC activity and potential expansion. No budget provision available, bid will require to be made for appropriate funding.</p>	<b>Revenues and Customer Services Manager</b>	<b>30.09.13*</b>
<p><b>Information for managing the staff/customer interface (Amber)</b> CSC &amp; Corporate Communications Manager to formalise &amp; document procedure for CC keeping CSC updated of any events/relevant information. (Process to be included for Services advising CSC within SLA).</p>	<b>Revenues and Customer Services Manager</b>	<b>31.12.13*</b>
<p><b>Customer Service Strategy (Amber)</b> Complete SLA with services below;</p> <ul style="list-style-type: none"> <li>➤ Education</li> <li>➤ Licensing / Legal</li> <li>➤ Procurement</li> <li>➤ Human Resources</li> <li>➤ Corporate Communication</li> <li>➤ Roads / Transport / Waste Collection</li> <li>➤ Environmental / Streetscene / Registrars</li> <li>➤ Safer Communities / Pest Control</li> <li>➤ Revenues</li> <li>➤ Benefits</li> </ul>	<b>Revenues and Customer Services Manager</b>	<b>31.12.13</b>
<b>Insurance (August 2012)</b>		
<p><b>Compliance with Record Retention Periods (Amber)</b> The electronic records held in the insurance database will be reviewed in terms of the policy for the retention and disposal of insurance documents, to ensure compliance with retention periods for both electronic and paper records.</p> <p>The capabilities of Figtree will be investigated to determine the requirement to hold paper copy insurance files.</p>	<b>Principal Accountant (Exchequer)</b>	<b>30.11.13*</b>

\* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
CURRENT MANAGEMENT ACTIONS AS AT 31.08.13**

**SECTION 3**

**Environment, Regeneration and Resources (Continued)**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Software Licensing (January 2013)</b>		
<p><b>Completeness and Accuracy of Software Register (Amber)</b> An annual exercise will be done to ensure the register is maintained up to date. However, as a result of the introduction of the Curriculum for Excellence schools are being encouraged to develop their own curriculum using a wide range of systems and applications. This may create issues for software asset management if this responsibility is devolved to schools.</p>	<b>Transitional Head of ICT</b>	<b>30.06.14</b>
<p><b>Absence of Procedural Documentation (Amber)</b> Contact schools in September of each year to ask them to confirm that they have completed AUP forms for all of their pupils.</p>	<b>Quality Improvement Officer</b>	<b>30.09.13</b>
<b>Corporate Purchase Cards Follow Up Review (August 2013)</b>		
<p><b>Appropriateness of Authorisation Limits (Amber)</b> The Payments &amp; Control Team will:</p> <ul style="list-style-type: none"> <li>• maintain a list of corporate purchase card holders</li> <li>• validate the list of corporate purchase cardholders annually by contacting relevant Service Managers; and</li> <li>• for each cardholder confirm that their purchase card transaction limit does not exceed their FMS creditors' limit. Purchase card transaction limits which are found to exceed creditor limits will be aligned following discussions between all relevant officers, including Service Managers and Corporate Procurement staff when appropriate.</li> </ul>	<b>Principal Accountant (Exchequer)</b>	<b>31.01.14</b>

\* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
CURRENT MANAGEMENT ACTIONS AS AT 31.08.13**

**SECTION 3**

**Community Health & Care Partnership**

Action	Owner	Expected Date
<b>Homelessness (January 2010)</b>		
<p><b>Writing-off irrecoverable rent arrears (Amber)</b> Management will review current arrears position and consider write off.</p> <p>Management will consider processes and procedures for monitoring bad debts and introduce a system for write offs which will include:</p> <p>(a) Submitting cases to Chief Financial Officer for write off approval in order to comply with Council Financial Regulations</p> <p>(b) Seeking advice from the Social Work Accountant on how to create ongoing bad debt provision to fund write offs</p> <p>(c) maintaining adequate records of all write off activity</p>	<p><b>Service Manager (Homelessness)</b></p>	<p><b>31.10.13*</b></p>
<b>Information Governance and Management (May 2009)</b>		
<p><b>Organisation (Red)</b> Information Governance and Management will form part of the corporate training programme for employees new to the Council or when employees are trained in new systems by other colleagues.</p>	<p><b>Corporate Director CHCP</b></p>	<p><b>01.04.14*</b></p>
<p><b>People (Red)</b> Security awareness will be promoted using awareness materials such as brochures, posters or web based documents and through structured education/training programmes or computer based training. Training will be made compulsory for all staff to create security positive behaviour.</p>	<p><b>Corporate Director CHCP</b></p>	<p><b>01.04.14*</b></p>
<p>Information governance and management responsibilities will be specified in job descriptions, or in terms and conditions of employment, including a non-disclosure/ confidentiality clause.</p>	<p><b>Corporate Director CHCP</b></p>	<p><b>01.04.14*</b></p>
<p>External third parties who need access to the council's information and systems will be required to sign non-disclosure/confidentiality agreements.</p>	<p><b>Corporate Director CHCP</b></p>	<p><b>01.04.14*</b></p>

\* See Analysis of Missed Deadlines – Section 4



**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
CURRENT MANAGEMENT ACTIONS AS AT 31.08.13**

**SECTION 3**

**Community Health & Care Partnership (Continued)**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Information Governance and Management (May 2009)</b>		
<p><b>Process (Amber)</b> Processes will be developed and implemented to strengthen the system of internal control over information governance and management. This will include:</p> <ul style="list-style-type: none"> <li>• Identifying owners for critical information and systems</li> <li>• Ensuring important papers and removable storage media are protected against theft or copying, such as by locking them away, restricting access and via a clear desk policy</li> <li>• Investing in secure archiving facilities for appropriate hard copy records that must be retained in accordance with relevant legislation.</li> </ul>	<b>Corporate Director CHCP</b>	<b>31.10.14*</b>
<b>CSA CHCP (November 2012)</b>		
<p><b>Petty Cash – Completion of Bank Reconciliations (Amber)</b> Training in the completion and checking of petty cash reconciliations will be made available to members of staff to enable them to prepare and review timely, accurate and complete petty cash bank reconciliations on a monthly basis and submit them to Finance.</p>	<b>CHCP Finance Manager</b>	<b>31.10.13*</b>

\* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
CURRENT MANAGEMENT ACTIONS AS AT 31.08.13**

**SECTION 3**

**Education, Communities and Organisational Development**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Travel and Subsistence (June 2010)</b>		
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.	<b>HR Manager (Organisational Development)</b>	<b>31.03.14*</b>
<b>Supply Teachers (October 2012)</b>		
<p><b>Ensuring Quality of Cover when organising supply teachers (Amber)</b> Education management, in consultation with HR and Head Teachers, will examine the practical issues around;</p> <ul style="list-style-type: none"> <li>• applying existing HR procedures to underperforming supply teachers. This will include the means whereby Head Teachers raise concerns and how best to evidence those concerns in ways which can be used by HR officers;</li> <li>• fully applying succession planning to teaching staff during the school year. Education management will aim to minimise the use of supply cover due to teachers who retire or take maternity leave by timing their replacement with permanent or temporary teachers, as appropriate;</li> <li>• how supply teacher capacity can be increased to meet a reasonable level of underlying demand for emergency supply cover whilst at the same time covering core CPD events; and</li> <li>• determining those times of year when CPD events will be avoided or timetabled centrally due to known shortages in the availability of supply teachers.</li> </ul>	<b>Head of Education</b>	<b>30.09.13*</b>
<b>Performance Management (March 2013)</b>		
<p><b>Managerial capacity and training for implementing performance management (Amber)</b> Develop a series of Planning and Performance Management events.</p> <p>Carry out training needs analysis at events, in conjunction with HR, within the capacity of a small Corporate Policy Team.</p> <p>Roll out training on Inverclyde Performs once CDIPs are entered onto it.</p> <p>Review training on performance management currently available and identify if there are any mandatory elements.</p>	<b>Corporate Policy Manager</b>	<b>31.03.14</b>
	<b>Corporate Policy Manager</b>	<b>31.03.14</b>
	<b>Corporate Policy Manager</b>	<b>31.03.14</b>
	<b>Corporate Policy Manager</b>	<b>31.03.14</b>

\* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
CURRENT MANAGEMENT ACTIONS AS AT 31.08.13**

**SECTION 3**

**Education, Communities and Organisational Development (Continued)**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
Carry out further work with CMT and Elected Members regarding the roll out of the new information on Inverclyde Performs and their scrutiny role.	<b>Corporate Policy Manager</b>	<b>31.12.13</b>
<b>(Control Self-Assessment – Education April 2013)</b>		
<p><b>Managing Pupil Transport (Amber)</b> Education management will convene a short life working group to fully identify and actively manage the issues involving contract buses. The working group will:</p> <ul style="list-style-type: none"> <li>• examine greater use of Strathclyde Passenger Transport’s complaints procedure;</li> <li>• clarify the role of Schools Support Managers and Headquarters staff in managing pupil transport, including the production of appropriate action plans; and</li> <li>• ask Head Teachers to advise the working group of any other unresolved issues associated with contract buses.</li> </ul>	<b>Policy &amp; Commissioning Team Leader</b>	<b>31.01.14</b>
<b>Business Continuity Management (May 2013)</b>		
<p><b>ICT Role in Business Continuity Management (Amber)</b> As a joint exercise the Transitional Head of ICT and Civil Contingencies Service will;</p> <ul style="list-style-type: none"> <li>• formalise the ICT Disaster Recovery Plan (DRP). This will include agreeing a timetable for finalising the DRP in order to provide an acceptable minimum standard of BCM preparedness; and</li> <li>• assist the Corporate Management Team (CMT) with determining the restoration order for computer applications. Objective criteria along with ICT technical advice and the BCM framework document will all be used to choose between the relative importance of different computer applications. These criteria will include the need to provide statutory services and protecting the most vulnerable Inverclyde residents.</li> </ul>	<b>Transitional Head of ICT</b>	<b>31.03.14</b>

\* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
CURRENT MANAGEMENT ACTIONS AS AT 31.08.13**

**SECTION 3**

**Education, Communities and Organisational Development (Continued)**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<p><b>Business Continuity for Education Establishments (Amber)</b> The Head of Education in partnership with the Civil Contingencies Service will develop appropriate business continuity arrangements which collectively cover all of the Council's Education establishments. This exercise will include appropriate input from School Support Managers and a representative group of Head Teachers and Heads of Establishment.</p>	<b>Head of Education</b>	<b>31.03.14</b>
<p><b>Embedding BCM Arrangements within Directorates (Amber)</b> The Civil Contingencies Service will seek approval from CMT to create Directorate CRMTs. Their work-plan will involve joint working with CCS staff and relevant Service Managers.</p>	<b>JCCS – Senior CC Officer</b>	<b>31.10.13</b>

\* See Analysis of Missed Deadlines – Section 4

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

**SECTION 4**

Report	Action	Original Date	Revised Date	Management Comments
<b>Information Governance and Management (May 2009)</b>	<b>People (Red)</b> External third parties who need access to the council's information and systems will be required to sign non-disclosure/confidentiality agreements.	<b>30.04.10 31.12.12</b>	<b>01.04.14</b>	Regular reporting is undertaken to CMT on action plan progress with relevant updates to P&R Committee. The structure of the working group has now been reviewed and an action plan has been drafted to prioritise the other items in line with the requirements of the Public Records (Scotland) Act 2011. The working group will meet again to finalise the action plan on 29 October 2013.
<b>Information Governance and Management (May 2009)</b>	<b>Organisation (Red)</b> 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.	<b>30.04.10 31.12.12</b>	<b>01.04.14</b>	Regular reporting is undertaken to CMT on action plan progress with relevant updates to P&R Committee. The structure of the working group has now been reviewed and an action plan has been drafted to prioritise the other items in line with the requirements of the Public Records (Scotland) Act 2011. The working group will meet again to finalise the action plan on 29 October 2013.
<b>Information Governance and Management (May 2009)</b>	<b>People (Red)</b> 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.	<b>30.06.10 31.12.12</b>	<b>01.04.14</b>	Regular reporting is undertaken to CMT on action plan progress with relevant updates to P&R Committee. The structure of the working group has now been reviewed and an action plan has been drafted to prioritise the other items in line with the requirements of the Public Records (Scotland) Act 2011. The working group will meet again to finalise the action plan on 29 October 2013.

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

**SECTION 4**

Report	Action	Original Date	Revised Date	Management Comments
<b>Homelessness (January 2010)</b>	<p><b>Writing-off irrecoverable rent arrears (Amber)</b> Management will review current arrears position and consider write off.</p> <p>Management will consider processes and procedures for monitoring bad debts and introduce a system for write offs.</p>	<p><b>30.09.10</b> <b>31.12.10</b> <b>31.05.11</b> <b>30.09.11</b> <b>31.01.12</b> <b>30.06.12</b> <b>31.01.13</b></p>	<b>31.10.13</b>	Discussions are taking place with RSL regarding the use of their system to manage rent arrears for current and former tenants. Relevant action will then be taken.
<b>Information Governance and Management (May 2009)</b>	<p><b>People (Red)</b> 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.</p>	<p><b>31.03.11</b> <b>31.12.12</b></p>	<b>01.04.14</b>	Regular reporting is undertaken to CMT on action plan progress with relevant updates to P&R Committee. The structure of the working group has now been reviewed and an action plan has been drafted to prioritise the other items in line with the requirements of the Public Records (Scotland) Act 2011. The working group will meet again to finalise the action plan on 29 October 2013. A survey has been released to gauge staff awareness.
<b>Information Governance and Management (May 2009)</b>	<p><b>Process (Amber)</b> Processes will be developed and implemented to strengthen the system of internal control over information governance and management. This will include:</p> <ul style="list-style-type: none"> <li>• Developing and implementing a data/information classification system</li> <li>• Identifying owners for critical information and systems</li> <li>• Investing in secure archiving facilities for appropriate hard copy records that must be retained in accordance with relevant legislation.</li> </ul>	<p><b>31.03.11</b> <b>31.12.12</b></p>	<b>31.10.14</b>	<p>Regular reporting is undertaken to CMT on action plan progress with relevant updates to P&amp;R Committee. The structure of the working group has now been reviewed and an action plan has been drafted to prioritise the other items in line with the requirements of the Public Records (Scotland) Act 2011. The working group will meet again to finalise the action plan on 29 October 2013.</p> <p>The information classification system was approved at P&amp;R Committee on 13 August 2013.</p>

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

**SECTION 4**

Report	Action	Original Date	Revised Date	Management Comments
<b>Customer Services (April 2012)</b>	<b>Information for Managing the Staff/Customer Interface (Amber)</b> CSC & Corporate Communications Manager to formalise & document procedure in relation to CC keeping CSC updated of any events/relevant information. (Process to be included for Services advising CSC within SLA).	<b>31.10.12</b>	<b>31.12.13</b>	New Corporate Communications Manager in post. SLA for services that are already operational will be in place by December 2013. For new services, an SLA will be developed as part of the take-on process and any corporate communications requirements will be included at that point.
<b>Insurance (August 2012)</b>	<b>Compliance with Record Retention Periods (Amber)</b> The electronic records held in the insurance database will be reviewed in terms of the policy for the retention and disposal of insurance documents, to ensure compliance with retention periods for both electronic and paper records.  The capabilities of Figtree will be investigated to determine the requirement to hold paper copy insurance files.	<b>28.02.13 31.05.13</b>	<b>30.11.13</b>	The system upgrade and change to functionality has been arranged for week commencing 7/10/13.
<b>Customer Services (April 2012)</b>	<b>Quality assurance over incoming telephone calls (Amber)</b> Specify, scope and cost purchase and maintenance costs for voice recorded software for all CSC activity and potential expansion. No budget provision available, bid will require to be made for appropriate funding.	<b>30.04.13</b>	<b>30.09.13</b>	Although voice recording is in place for Scottish Welfare Fund calls it is not yet in place for CSC calls due to the "pause/resume" issue around recording card numbers and dates. Civica upgrade should resolve this.

**INVERCLYDE COUNCIL INTERNAL AUDIT  
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**SECTION 4**

Report	Action	Original Date	Revised Date	Management Comments
<b>CSA – CHCP (November 2012)</b>	<p><b>Petty Cash – Completion of Bank Reconciliations (Amber)</b> Training in the completion and checking of petty cash reconciliations will be made available to members of staff to enable them to prepare and review timely, accurate and complete petty cash bank reconciliations on a monthly basis and submit them to Finance.</p>	<p><b>30.06.13 31.08.13</b></p>	<p><b>31.10.13</b></p>	<p>57 individuals have been identified for training, to be given in order of priority (based on greatest need). The rollout to all individuals has been delayed due to staff turnover.</p>
<b>Supply Teachers (October 2012)</b>	<p><b>Ensuring Quality of Cover when organising supply teachers (Amber)</b> Education management will in consultation with HR and Head Teachers examine the practical issues around:</p> <ul style="list-style-type: none"> <li>• Applying existing HR procedures to underperforming teachers;</li> <li>• Fully applying succession planning to teaching staff during the school year;</li> <li>• How supply teacher capacity can be increased for emergency supply cover;</li> <li>• Determining those times of year when CPD events will be avoided.</li> </ul>	<p><b>30.04.13</b></p>	<p><b>30.09.13</b></p>	<p>This is a complex area and not under the full control of the Education Service due to the involvement of external stakeholders such as COSLA and the Scottish Government.</p>



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

**SECTION 5**

The following table sets out the total number of agreed actions raised by audit year together with their completion status as at 31 August 2013.

<b>Audit Year</b>	<b>Total Agreed Actions</b>	<b>Total Actions Completed</b>	<b>Total Current Actions</b>		
			<b>Red</b>	<b>Amber</b>	<b>Green</b>
2006/2007	26	26	0	0	0
2007/2008	174	174	0	0	0
2008/2009	214	208	4	1	1
2009/2010	194	187	0	2	5
2010/2011	118	118	0	0	0
2011/2012	62	56	0	3	3
2012/2013	76	50	0	11	15
2013/2014	11	0	0	4	7
<b>Total</b>	<b>875</b>	<b>819</b>	<b>4</b>	<b>21</b>	<b>31</b>