

Report To:	Audit Committee	Date:	06 January 2015
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	AC/02/15/AF/APr
Contact Officer:	Andi Priestman	Contact No:	01475 712251
Subject:	Internal Audit Progress Report – 29 September to 5 December 2014		

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 29 September to 5 December 2014 is attached as an Appendix **Appx 1** to this report since its content is essential to the understanding of the Council's control environment.

2.0 SUMMARY

- 2.1 Five internal audit reports have been finalised since the last Audit Committee meeting:-
- Property Assets Management;
 - Homecare – CM2000 System;
 - Control Self-Assessment – CHCP;
 - SOLACE Indicators; and
 - Grounds Maintenance – Whinhill Golf Course.
- 2.2 These reports contain a total of 20 issues categorised as follows:-

Red	Amber	Green
0	11	9

- 2.3 The fieldwork for the 2014/15 audit plan is underway and the current status of the plan is as follows:-

Stage	Number of Reports
Final Report	6
Draft Report	1
Fieldwork Complete	0
Fieldwork in Progress	3
Planning	4
Not started/Deferred	3
Total	17

- 2.4 In relation to Internal Audit follow up, there was one item due for completion by 31 October 2014 and action in relation to this item has been revised. The current status report is attached at Appendix 2. **Appx 2**
- 2.5 The CMT has reviewed and agreed the current status of actions.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Members agree to note the progress made by Internal Audit in the period from 29 September to 5 December 2014.

Aubrey Fawcett
Corporate Director Environment, Regeneration and Resources

4.0 BACKGROUND

- 4.1 In April 2014, the Audit Committee approved the current Internal Audit Annual Plan which detailed a programme of activity to be undertaken during 2014-15.
- 4.2 Internal Audit regularly reports findings and action plans to relevant Council Officers and the Audit Committee as part of the annual audit plan. A follow up process is in place to allow follow up of current internal audit actions to be co-ordinated and updated by Internal Audit on a monthly basis with regular reporting to CMT and the Audit Committee.

5.0 CURRENT POSITION

- 5.1 Five internal audit reports have been finalised since the last Audit Committee meeting in August 2014.
- 5.2 The fieldwork for the 2014/15 plan is underway and the current status of the plan is as follows:

Stage	Number of Reports
Final Report	6
Draft Report	1
Fieldwork Complete	0
Fieldwork in Progress	3
Planning	4
Not started/Deferred	3
Total	17

- 5.4 There are 28 current action points being progressed by officers. One action was due for completion by 31 October 2014 and action in relation to this item has been revised.
- 5.5 The CMT has reviewed and agreed the current status of actions.

6.0 IMPLICATIONS

Finance

- 6.1 There are no direct financial implications arising from this report.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
N/A					

Legal

6.2 There are no direct legal implications arising from this report.

Human Resources

6.3 There are no direct HR implications arising from this report.

Equalities

6.4 There are no direct equalities implications arising from this report.

Repopulation

6.5 There are no direct repopulation implications arising from this report.

7.0 CONSULTATIONS

7.1 Relevant officers have been consulted in the preparation of this report.

8.0 LIST OF BACKGROUND PAPERS

8.1 File of completed internal audit reports: Available from Andi Priestman, Chief Internal Auditor.



**Audit Committee Report
Report on Internal Audit Activity from
29 September to 5 December 2014**

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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:

Red	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 Five reports have been finalised since the October 2014 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	
2014/2015 plan				
Property Assets Management	0	3	3	6
Homecare – CM2000 System	0	0	3	3
Control Self-Assessment - CHCP	0	3	1	4
SOLACE Indicators	0	3	1	4
Grounds Maintenance – Whinhill Golf Course	0	2	1	3
Total	0	11	9	20

Other activities

Risk Management

1.4 Risk Management is the subject of separate reporting to Audit Committee and a full report is submitted separately on a 6-monthly basis.

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 26 September 2014.

Property Assets Management

2.2 Asset management is a structured process that seeks to ensure best value for money from property assets in serving the strategic needs of Local Authorities. The Property Assets Management Team has responsibility for the development of asset management planning within the Council. Strategic asset management seeks to align the asset base with the organisation's corporate goals and objectives. Inverclyde Council currently holds approximately 430 property assets.

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 Property Assets Management.

2.4 The overall control environment opinion for this audit was **Satisfactory**. Three AMBER issues were identified as follows:

Monitoring and Reporting on the Implementation of the Corporate Asset Management Strategy (Amber)

The Corporate Asset Management Strategy and Action Plan was approved by the Council in January 2009. The Strategy states that it will be reviewed annually through the Corporate Management Team (CMT). However, no reports have been submitted to the CMT to ensure any significant changes have been captured. Management have commented that of necessity there have been changes to the implementation of the Asset Management Plan over time and that although there has not been an annual review of the Strategy, there have been a number of reports to Committee and the CMT on developing projects, which mitigates the risk issue to an extent.

Where reports regarding progress made against the Corporate Asset Management Strategy are not submitted to the CMT, there is a risk that the Strategy may not be implemented as intended and that Senior Management may not be able to make informed decisions on the deployment of assets in relation to service needs and available resources.

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

Property Management System (PAMIS) (Amber)

During 2009 a property management system (PAMIS) was introduced to provide an integrated portal for all property assets information and to share data across different functions. However, the system has not been adequately resourced to ensure all property asset information has been captured completely, accurately and in a timely manner, with the consequence that reliable management information such as asset performance information cannot be obtained. Management have advised that the software supplier has now reset the system and staff will start to re-enter the correct data, however the project plan requires to be reviewed and updated to complete this project.

Where the implementation of a new computer system is not adequately resourced, there is a risk that the objectives set out in the original business case will not be achieved.

Management of Property Leases (Amber)

The Property Assets Management Team has management responsibility for the leasing of ground rents, wayleaves, servitudes and janitors' and park attendants' houses. The majority of ground rents are due from third party voluntary organisations. Management have advised that not all of the property assets managed by them have a formal lease in place. Work is on-going to conclude leases for these properties but some issues have been identified including the establishing of ownership.

In addition, the Council does not have a formal lease management policy in place to establish the criteria, principles and conditions under which leases are managed.

Where properties are occupied by third parties without a lease in place, there is a risk that the Council is open to challenge by the tenants or third party liability, particularly if the building did not meet relevant building standards or suitability for use. This issue is recognised as a key risk on the Directorate Risk Register. In addition, where there is no formal Council approved lease management policy in operation, staff have no guidance on the criteria to apply when managing leases and there is a risk that we fail to ensure that tenants comply with their obligations under the terms of the lease and the Council misses critical dates, such as rent reviews or lease expiry.

- 2.5 The audit identified a total of 6 issues, 3 of which we consider to be individually significant, and an action plan is in place to address all issues by 31 August 2015.

Homecare – CM2000 System

- 2.6 Homecare is a key frontline service for local residents with assessed care needs. Effective Homecare services together with input from other CHCP staff helps to minimise admissions into care home and assists with discharging patients safely from hospital. Increasing numbers of older people and limited resources require efficient Homecare Services and the delivery of promised savings. During 2013/14 the Older Peoples budget, which includes Homecare, was almost 18% of the overall CHCP net budget of £120.2m. Within this context the 2011 review of Homecare outlined total net savings of £1.537m over the four years to 31st March 2016. A combination of service redesign, the introduction of new technology and greater use of the independent sector help service users to remain within their own homes. In particular, the functionality of the CM2000 Homecare system assists with deploying staff and managing missed or late appointments with clients.

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

- 2.7 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 the key risks in relation to the CM2000 Homecare system as it relates to Homecare provision.
- 2.8 The review focused on the high level processes and procedures in relation to staff deployment and client care management as it relates to the CM2000 Homecare system and concentrated on identified areas of perceived higher risk, such as not achieving sufficient savings from introducing the CM2000 system and failing to realise the benefits of using an electronic Homecare system.
- 2.9 The overall control environment opinion for this audit review was **Strong**. In terms of good practice we found that:
- Finance and service management apply established and detailed arrangements to monitor and manage the Homecare budget; and
 - Service management continue to develop the functionality of the CM2000 system as a means of improving service delivery.
- 2.10 The review identified 3 GREEN issues which, if implemented by management, would enhance the control environment. An action plan is in place to address all issues by 31 March 2015.

Control Self-Assessment - CHCP

- 2.11 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.
- 2.12 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 a number of key risks faced by the Community Health & Care Partnership.
- 2.13 The overall control environment opinion for this audit was **Satisfactory**. Three AMBER issues were identified as follows:

Awareness Training on Subject Access Requests (SARs) (Amber)

A Subject Access Request enables an individual to find out what personal data the Council holds about him or her, why the Council holds it and to whom it is disclosed and is fundamental to good information-handling practice. The Data Protection Act 1998 (DPA) gives individuals the right to require the Council to do this.

However, although there is a strong awareness amongst staff on Data Protection, many establishments requested the need for awareness training and practical guidance on what to do if a request is received from an individual for personal information.

Where staff do not receive appropriate data protection training on SARs, in accordance with their role, there is a risk that personal data may not be processed in accordance with the DPA resulting in reputational damage to the Council and/or individuals where personal data is released to an unauthorised party.

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

CHCP Complaints Logging and Reporting (Amber)

Through discussions with staff and audit review of CSA returns, it was identified that most Services would benefit from complaints training as there is confusion amongst some staff as to how to define a complaint, who is responsible for investigating and responding to a complaint and how it should be logged.

Where staff do not receive appropriate training on complaints logging and reporting, there is a risk that resolution timelines may not be met or the complaint may not be managed correctly or may not be logged or reported at all.

We understand that CHCP management has recently set up a working group to investigate the complaints process and frontline resolution and investigative training is proposed to commence over the coming months.

Follow Up of Actions from 3013/14 CSA Exercise - Secure Printing (Amber)

The CSA process identified that secure printing is still not being used in many locations. We have been advised that not every printer is capable of secure printing or has not yet been configured to do so.

Where secure printing has not been implemented there is a risk of confidential or sensitive information being misplaced or left on the printer and exposed to unauthorised access.

- 2.14 The audit identified a total of 4 issues, 3 of which we consider to be individually significant and an action plan is in place to address all issues by 31 August 2015.

SOLACE Indicators

- 2.15 The Local Government Act (1992) requires the Accounts Commission to direct Councils to publish information relating to the performance of their activities, so that comparisons can be made between authorities and between years.

Since 2010, the Society of Local Authority Chief Executives (SOLACE) has been working with the Improvement Services and all 32 Scottish Local Authorities to develop a new set of benchmarking indicators. On 7 March 2013, the SOLACE Benchmarking indicators were published. These replace the existing Audit Scotland set of Statutory Performance Indicators (SPIs) for reporting year 2013/14 onwards.

For 2013/14, the following SOLACE Indicators were examined by Internal Audit:

- | | | | |
|------------------------------|-------------|-------------------------------|--------------|
| • Sickness Absence | Indicator 1 | • Sport & Leisure attendances | Indicator 10 |
| • Equal Opportunities policy | Indicator 2 | • Museum services | Indicator 11 |
| • Council Tax collection | Indicator 5 | • Use of libraries | Indicator 12 |
| • Council Tax income | Indicator 6 | • Domestic noise complaints | Indicator 20 |
| • Payment of invoices | Indicator 7 | • Refuse collection | Indicator 23 |
| • Asset Management | Indicator 8 | | |

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

- 2.16 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the processes undertaken by Services to collect and record the information used to report the SOLACE Indicators.
- 2.17 The overall control environment opinion for this audit was **Satisfactory**. Three AMBER issues were identified as follows:

Recording and Verification of Data for Inverclyde Leisure – SOLACE Indicator 10 (Amber)

For 2013/14 the first 11 months' data was manually collated on a weekly spreadsheet for each leisure site and then transferred to a monthly spreadsheet for overall reporting using a mix of manual records and data held on the MRM system. For the final month (March 2014) data was collated fully from the LEGEND System. This new system has the capability to produce a centralised report which means that all data, once entered into the system at each site, is captured and recorded real-time without the need for manual records to be maintained.

However, audit testing across the full year's reporting highlighted that for a sample of 5 weeks tested, the underlying weekly sheets setting out the daily statistics could not be fully agreed to the weekly figure on the monthly spreadsheet, although the differences were not material to require a change to the overall figure to be reported.

In addition, although, with the introduction of the new LEGEND system, Inverclyde Leisure staff have reported an immediate improvement in reporting of data, there was not enough data collated at the time of the audit to provide reasonable assurance on the completeness and accuracy of the data reported for the one month.

Furthermore, through discussions with staff, we understand that although one day's training has been provided on the LEGEND system, more training on the system is needed to ensure staff are recording information in a consistent manner.

Therefore, although the audit did not identify any material differences, a series of manual and duplicate steps added complexity to the process which were prone to error as identified by the limited testing.

Equal Opportunities – SOLACE Indicator 2 (Amber)

This indicator gathers Equal Opportunities information from all permanent staff regardless of length of service and temporary staff who have worked for more than a year.

Through audit review we identified that:

- All permanent staff with less than a year's employment were excluded in error from the data results due to a misinterpretation of the indicator;
- Part-funded and fully funded CHCP staff were either not included in the calculation or the percentage split of recharge was incorrect as no arrangements were put in place to contact Finance to verify correct costs;
- Procedural documentation exists but needs to be updated to reflect the changes to this year's new SOLACE indicator;
- Formulae were not entered at all on the spreadsheets which are sorted to complete the data required. Also, formulae were not held in protected cells;
- No independent check was carried out of the final return of data to ensure completeness and accuracy of data; and;

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

- The indicator was revised from 49.3% to 50% prior to reporting to the Improvement Service.

Where source data is not verified, there is a risk that the completeness and accuracy of the SOLACE Indicator may be compromised.

In addition, where written procedures exist but have not been regularly updated, there is a risk that processes are carried out incorrectly which may result in an incorrect or incomplete reported indicator.

Furthermore, where there is no independent check, there is a risk that errors go undetected resulting in incorrect information being used as the basis for the return.

Follow up of new process for Sickness Absence – SOLACE Indicator 1 (Amber)

From 2013/14 the absence rates are now being recorded as work days lost per FTE instead of as in previous years where a percentage was used based on a headcount.

Discussions with staff and audit testing of the indicator identified that:

- No procedural documentation is in place to complete the above indicator;
- Formulae used to calculate the indicator were not entered correctly or not entered at all on the quarterly reports. However, the errors in formulae which were identified by the audit were corrected prior to submission of the data;
- Formulae were not held in protected cells; and;
- No independent check is currently carried out on the results to ensure completeness and accuracy of the return.

We understand that the Sickness Absence indicator is currently being reviewed to improve the process to achieve a more accurate and reliable reporting figure.

Where no written procedures exist, there is a risk that processes are carried out incorrectly which may result in an incorrect or incomplete reported indicator.

In addition, where manual transfer of data is used or spreadsheet security is not adequate, there is a risk that erroneous changes are made to the formulae which then affect the reported indicator.

Furthermore, where there is no independent check, there is a risk that errors go undetected resulting in incorrect information being used as the basis for the return.

- 2.18 The audit identified a total of 4 issues, 3 of which we consider to be individually significant and an action plan is in place to address all issues by 30 April 2015.

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

Grounds Maintenance – Whinhill Golf Club

2.19 The Grounds Maintenance Team has responsibility for maintaining the 18 play golf course at Whinhill, which is the only municipal golf course in Inverclyde available for public use. Whinhill Golf Club is associated with the municipal golf course, as they have a club house, locker rooms and a bar area located on the site. The Whinhill Golf Club is a constituted body and has a Committee that officiate all club matters. There is also a Sub-Committee that has the role of liaising with Inverclyde Council as regards matters related to golf course maintenance and development.

In addition, the greenkeeping staff carry out a wide range of duties including using specialised equipment for the maintenance of the various areas of the golf course. Park Attendants also undertake a range of ancillary functions including the collection of golf fees, janitorial duties in the locker and shower rooms and litter picking.

2.20 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 Grounds Maintenance - Whinhill Golf Course.

2.21 The overall control environment opinion for this audit was **Satisfactory**. One AMBER issue was identified as follows:

Cash Handling and Banking Arrangements

In order to ensure transparency in cash handling and banking arrangements, supported by a robust audit trail, there are a number of key controls which must be in operation. However, through discussions with staff and audit testing, we identified a number of issues with the current cash handling and banking arrangements, such as:-

- completeness of daily takings;
- lack of transparency of customer refunds;
- lack of independent check to ensure all monies had been banked and accounted for; and
- procedural documentation was incomplete.

Where adequate cash handling and banking arrangements are not in operation, there is a risk that money may be misappropriated or unauthorised customer refunds may be given. In addition, the lack of independent review may result in the general ledger not being updated correctly, or discrepancies not being identified and rectified in a timely manner. In addition, where there are gaps in documented procedures there is a risk that staff follow operational practices which are not authorised and processes are carried out incorrectly.

2.22 The audit identified a total of 3 issues, one of which we consider to be individually significant and an action plan is in place to address all issues by 31 January 2015.

3. Audit Plan for 2014/15 – Progress to 26 September 2014

Planned Audit Cover	Planning	TOR Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report	Report Finalised	Reported to Audit Committee
Risk-Based Reviews							
Property Asset Management	√	√	√	√	√	√	January 2015
Environmental Health	√	√	√	√	√	√	October 2014
Libraries and Museums	√	√					
Grounds Maintenance – Whinhill Golf Course	√	√	√	√	√	√	January 2015
Homecare – CM2000 System	√	√	√	√	√	√	January 2015
Corporate Complaints	√	√	√				
Quality Assurance - CHCP							
Business Support - CHCP	√						
Limited Scope Financial System Reviews							
Payroll and Expenses	√	√	√				
Treasury Management	√	√	√				
Follow Up Reviews							
Homelessness	√	√	√	√	√		
Regularity Audits							
CSA CHCP	√	√	√	√	√	√	January 2015
CSA Education	√						
Performance Reviews							
SOLACE Indicators	√	√	√	√	√	√	January 2015
Performance Management - ECS							
Technical Services							
Corporate Governance							
Annual Governance Statement 2013-2014	Input provided by CIA.						
Projects/Key Change Initiatives							
Information Governance and Management	Input provided by CIA via Information Governance Steering Group.						

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.

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
AT 31 OCTOBER 2014

Summary: Section 1 Summary of Management Actions due for completion by 31/10/14

There was one item due for completion by 31 October 2014 and action in relation to this item has been revised.

Section 2 Summary of Current Management Actions Plans at 31/10/14

At 31 October 2014 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 31/10/14

At 31 October 2014 there was a total of 28 current audit action points.

Section 4 Analysis of Missed Deadlines

At 31 October 2014 there was a total of 5 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 31.10.14**

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)				
Education, Communities and Organisational Development	1		1	
Total	1		1	

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

In addition, the undernoted action has now been closed on the database as the follow up audit of Homelessness is now underway which will establish the current position of all agreed actions that were presented as part of the original report and any further issues to be raised will supersede this action plan.

Audit	Agreed Action
Homelessness (January 2010)	<p>Writing-off irrecoverable rent arrears (Amber) 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>

**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 31.10.14**

SECTION 2

CURRENT ACTIONS BY DIRECTORATE

Environment Regeneration and Resources	
Due for completion November 2014	1
Due for completion January 2015	3
Due for completion March 2015	1
Due for completion August 2015	1
Completion date to be advised	1
Total Actions	7
Community Health and Care Partnership	
Due for completion November 2014	9
Due for completion February 2015	1
Due for completion March 2015	3
Due for completion April 2015	3
Total Actions	16
Education, Communities and Organisational Development	
Due for completion April 2015	4
Due for completion August 2015	1
Total Actions	5
Total current actions:	28

**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 31.10.14**

SECTION 3

Environment Regeneration and Resources

Action	Owner	Expected Date
Property Assets Management (October 2014)		
<p>Monitoring and Reporting on the Implementation of the Corporate Asset Management Strategy (Amber) The Operational Property Assets Management Plan will be submitted to the Environment and Regeneration Committee for approval and will include provision for monitoring progress by the submission of an annual report to the Corporate Management Team detailing the projects planned, progress made and recording any changes to the Plan.</p>	Head of Legal and Property Services	31.03.15
<p>Property Management System (PAMIS) (Amber) The project plan will be updated and formalised.</p> <p>The project plan will be implemented.</p>	Property Assets Manager	30.11.14
	Property Assets Manager	Dependent on project plan dates
<p>Management of Property Leases (Amber) A formal lease management policy will be drafted and approved by the Environment and Regeneration Committee.</p> <p>Action in relation to pursuing outstanding historical leases will be documented within the lease management policy and implemented following Committee approval of the policy.</p>	Property Assets Manager	31.01.15
	Property Assets Team Leader	31.08.15
Grounds Maintenance – Whinhill Golf Course (October 2014)		
<p>Cash Handling and Banking Arrangements (Amber) Adequate cash handling and banking arrangements will be implemented for the issues identified by the review.</p> <p>Written procedures will be reviewed and updated for the issues identified by the review.</p>	Environment and Commercial Services Manager	31.01.15
	Environment and Commercial Services Manager	31.01.15

* 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 31.10.14**

SECTION 3

Community Health & Care Partnership

Action	Owner	Expected Date
Information Governance and Management (May 2009)		
<p>People (Amber) 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>	Corporate Director CHCP	31.03.15*
<p>Process (Amber) 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"> • Identifying owners for critical information and systems • Developing an options appraisal in relation to secure archiving facilities for appropriate hard copy records that must be retained in accordance with relevant legislation. 	Corporate Director CHCP	31.03.15*
Client Accounts – CHCP (March 2014)		
<p>Managing client and trust accounts across CHCP teams (Amber) CHCP Management will;</p> <ul style="list-style-type: none"> • develop and apply a single assessment mechanism for creating new clients and trust accounts. The assessment process will be informed by the experience of other Scottish local authorities whilst complying with relevant legislation. • obtain legal advice regarding the validity of the Community Care client account policy and, if appropriate, the drafting of mandates whereby clients consent to support with managing their personal finances. If appropriate, all existing clients will be requested to sign these mandates. • introduce the Access to Funds scheme for new and existing clients along with determining the roles of all relevant staff. Initially, a suitable existing case will be used to pilot the move to in-house administration. • review and update the policy for trust accounts to allow for current processes and the ATF scheme. The review will draw on the findings of this audit and best practice obtained from other Scottish local authorities. 	Service Manager (Mental Health and Wellbeing)	30.11.14
	Team Lead (Community Care)	30.11.14
	Service Manager (Mental Health and Wellbeing)	30.11.14
	Service Manager (Mental Health and Wellbeing)	30.11.14

* 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 31.10.14**

SECTION 3

Community Health & Care Partnership (Continued)

Action	Owner	Expected Date
<ul style="list-style-type: none"> introduce a specific mechanism for regularly reviewing, recording and reporting to the DWP changes in client circumstances when corporate appointments apply. This mechanism will ensure that the Council fully meets its legal obligations to the DWP in respect of those clients. 	Team Lead – CMH/Team Lead CC	30.11.14*
<p>Management will ensure clients and trust accounts where next of kin;</p> <ul style="list-style-type: none"> are available and co-operate are closed by administrative and frontline staff working together and so continue existing practices; are available but do not co-operate will be closed using a newly developed procedure which allows for the Council's legal obligations and staff roles; and cannot be traced accounts will be closed in line with legal guidance on remitting unclaimed estates to the relevant government department. The working group will seek legal advice on this subject and Finance will close individual trust accounts when required. 	Service Manager (Mental Health and Wellbeing)	30.11.14
<p>CHCP management will;</p> <ul style="list-style-type: none"> ensure that implementation of policy for clients and trust accounts is fully co-ordinated across relevant CHCP teams. This will include fully specifying and agreeing staff roles across and within teams; 	Service Manager (Mental Health and Wellbeing)	30.11.14
<ul style="list-style-type: none"> ensure that all relevant officers are fully trained in the revised processes for managing clients and trust accounts. 	Service Manager (Mental Health and Wellbeing)	28.02.15
<p>Following implementation of the recommendations arising from this review the Working Group will agree a timetable for examining the costs and benefits of using electronic client account management services.</p>	Service Manager (Mental Health and Wellbeing)	31.03.15
<p>Where appropriate the above recommendations will be implemented following consultation with Finance staff and Legal & Democratic Services.</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 31.10.14**

SECTION 3

Community Health & Care Partnership (Continued)

Action	Owner	Expected Date
<p>Reconciling trust bank accounts (Amber) As a one-off exercise Finance staff will work with relevant administration staff and Business Support Co-ordinators to ensure that all trust bank accounts are regularly reconciled against newly created cashbook records.</p> <p>Clarification will be obtained from the Council's Insurance Officer that insurance cover applies to clients trust account cash balances held within Crown House. If necessary, arrangements will be made to supply the Council's insurer with technical details of the safe used to hold clients monies. In addition, this subject will be examined to ensure that all safes operated in similar circumstances across the CHCP are covered by insurance.</p>	<p style="text-align: center;">Finance Supervisor</p> <p style="text-align: center;">Head of Administration</p>	<p style="text-align: center;">30.11.14</p> <p style="text-align: center;">30.11.14</p>
Control Self-Assessment CHCP (October 2014)		
<p>Awareness Training on Subject Access Requests (Amber) Training will be in place by end of March 2015 by formal training carried out by legal services.</p> <p>CHCP Complaints Logging and Reporting (Amber) It has been agreed to have sessions for staff to be aware of how to recognise a complaint and how to investigate a complaint. This will include e-learning courses for staff to access.</p> <p>Additional input will be commissioned from SPSO both for front line staff recognising when a complaint is being made and team leaders in relation to investigations.</p> <p>F/Up 2013-2014 Actions – Secure Printing (Amber) A pilot is currently underway in Hector McNeil House by Procurement. Once the pilot has been analysed, a decision will be taken as to whether this facility is to be rolled out across CHCP.</p>	<p style="text-align: center;">Head of Administration</p> <p style="text-align: center;">Head of Administration</p> <p style="text-align: center;">Head of Administration</p>	<p style="text-align: center;">30.04.15</p> <p style="text-align: center;">30.04.15</p> <p style="text-align: center;">30.04.15</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 31.10.14**

SECTION 3

Education, Communities and Organisational Development

Action	Owner	Expected Date
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)	01.04.15*
Control Self-Assessment – Education (April 2013)		
<p>Managing Pupil Transport (Amber) 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"> • examine greater use of Strathclyde Passenger Transport's complaints procedure; • clarify the role of Schools Support Managers and Headquarters staff in managing pupil transport, including the production of appropriate action plans; and • ask Head Teachers to advise the working group of any other unresolved issues associated with contract buses. 	Policy & Commissioning Team Leader	31.08.15*
SOLACE Indicators (October 2015)		
<p>Equal Opportunities – SOLACE Indicator 2 (Amber) HR Management will ensure that:</p> <ul style="list-style-type: none"> • For 14/15, HR staff obtain a list of CHCP employee structure and funding structure to ensure correct source data is included in the calculation of the indicator; • Procedural documentation is updated to ensure accurate and complete reporting; • Steps are taken to add formulae to spreadsheets and protect cells containing that formulae from erroneous update; and • Arrangements are put in place to ensure that information used to compile the indicator is independently reviewed by an appropriate officer prior to sign-off. 	HR Manager (Operations)	30.04.15
<p>Sickness Absence – SOLACE Indicator 1 A half-yearly audit review will be carried out to follow-up the new process for the indicator.</p>	HR Manager (Operations)	30.04.15

* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
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STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.10.14**

SECTION 3

Education, Communities and Organisational Development

Action	Owner	Expected Date
The Health and Safety Team Leader will also ensure that: <ul style="list-style-type: none">• Procedural documentation is put in place to complete this indicator;• Steps are taken to add formulae to spreadsheets and protect cells containing that formulae from erroneous update; and;• Arrangements are put in place to ensure that information used to compile the indicator is independently reviewed by an appropriate officer prior to sign-off.	HR Manager (Operations)	30.04.15

* 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
Information Governance and Management (May 2009)	People (Amber) 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 01.04.14	31.03.15	<p>A report will be presented to CMT in December which proposes new induction procedures for employees. Linked to this are proposals that ICT are notified of any new employee's start date and they are not given access to any council information systems until mandatory e-learning training has been undertaken.</p> <p>A number of Data Protection seminars have been facilitated by Legal Services and further seminars have been planned for 2014/early 2015.</p> <p>Communication messages are going out to employees.</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
<p>Information Governance and Management (May 2009)</p>	<p>Process (Amber) 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"> • Identifying owners for critical information and systems • Developing an options appraisal in relation to secure archiving facilities for appropriate hard copy records that must be retained in accordance with relevant legislation. 	<p>31.03.11 31.12.12</p>	<p>31.03.15</p>	<p>An Information Asset Register is being developed and will be implemented in conjunction with the approval of the Information Classification scheme. Services are completing and submitting asset inventories however there are still a few outstanding.</p> <p>The objective is to establish a corporate inventory of information that the Council holds as well as a management tool to ensure information activities are monitored. Once Information Asset Officers are identified, and trained, it will allow them apply controls to the information they are responsible for.</p> <p>The IAR will be work in progress and will need to be developed into fully accessible database which employees can access and be aware of what information the Council holds and their associated behaviour and ownership.</p> <p>An options appraisal report was done, however much prep work will need to be done before we can consider what our requirements will be for storage.</p> <p>Services will be required to carry out clear outs, archiving and destruction of existing records in GMB basement before any option can be considered.</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
Travel and Subsistence (June 2010)	<p>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 45p per mile to ensure that all employees are treated fairly and equitably.</p>	<p>31.12.10 31.03.11 30.04.11 30.09.11 31.03.12 31.03.14 31.10.14</p>	01.04.15	Agreement has been reached with the union to move to Inland Revenue rate of 45p for teachers from 1 April 2015. This will be reported to P&R Committee in early 2015.
Client Accounts – CHCP (March 2014)	<p>Managing client and trust accounts across CHCP teams (Amber) Management will introduce a specific mechanism for regularly reviewing, recording and reporting to the DWP changes in client circumstances when corporate appointments apply. This mechanism will ensure that the Council fully meets its legal obligations to the DWP in respect of those clients.</p>	31.08.14	30.11.14	Although work is progressing, there is a need to prepare final written procedures to allow for practical guidance for staff.
Control Self-Assessment – Education (April 2013)	<p>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"> • examine greater use of Strathclyde Passenger Transport's complaints procedure; • clarify the role of Schools Support Managers and Headquarters staff in managing pupil transport, including the production of appropriate action plans; and • ask Head Teachers to advise the working group of any other unresolved issues associated with contract buses. 	30.09.14	31.08.15	A working group is being organised but will have to deal with a number of issues. This has been delayed due to the development of the new Transport Policy.

**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 October 2014.

Audit Year	Total Agreed Actions	Total Actions Completed	Total Current Actions		
			Red	Amber	Green
2006/2007	26	26	0	0	0
2007/2008	174	174	0	0	0
2008/2009	214	212	0	2	0
2009/2010	194	193	0	1	0
2010/2011	118	118	0	0	0
2011/2012	62	62	0	0	0
2012/2013	76	75	0	1	0
2013/2014	116	80	0	11	25
2014/2015	35	4	0	13	18
Total	1015	944	0	28	37