Inverclyde council

Report To:	Audit Committee	Date:	24 February 2015
Report By:	Corporate Director Environment, Regeneration and Resources	Report No:	AC/04/15/AF/APr
Contact Officer:	Andi Priestman	Contact No:	01475 712251
Subject:	Internal Audit Progress Report – 8 December 2014 to 30 January 2015		

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 8 December 2014 to 30 January 2015 is attached as **Appendix 1** to this report since its content is essential to the understanding of the Council's control environment.

2.0 SUMMARY

2.1 Two internal audit reports have been finalised since the last Audit Committee meeting:
- Treasury Management – Limited Scope Finance Review
- Homelessness Follow Up Review

2.2 These report contain 8 issues categorised as follows:

Red	Amber	Green
0	3	5

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	8
Draft Report	0
Fieldwork Complete	1
Fieldwork in Progress	3
Planning	2
Not started/Deferred	3
Total	17

2.4 In relation to Internal Audit follow up, there were no items due for completion by 31 December 2014. The current status report is attached at **Appendix 2**.

2.5 In relation to revised deadlines for internal audit action plans, a number of agreed actions relating to the audit of Client Accounts have been delayed. Management have commented

that the CHCP working group set up to deliver the agreed action plan has concentrated on client accounts mainly operated by Community Care. For trust accounts and Access to Funds there are practical and organisational which require further consideration by management, although the work done to date will greatly assist in that.

2.6   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 8 December 2014 to 30 January 2015.

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 Two internal audit reports have been finalised since the last Audit Committee meeting in January 2015.

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	8
Draft Report	0
Fieldwork Complete	1
Fieldwork in Progress	3
Planning	2
Not started/Deferred	3
Total	17

5.4 There are 36 current action points being progressed by officers. There were no actions due for completion by 31 December 2014.

5.5 In relation to revised deadlines, a number of agreed actions relating to the audit of Client Accounts have been delayed. Management have commented that the CHCP working group set up to deliver the agreed action plan has concentrated on client accounts mainly operated by Community Care. For trust accounts and Access to Funds there are practical and organisational which require further consideration by management, although the work done to date will greatly assist in that.

5.6 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.

Inverclyde council

Audit Committee Report
Report on Internal Audit Activity from
8 December 2014 to 30 January 2015

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 Two reports have been finalised since the January 2015 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.

	Grading			
Reports finalised since previous Audit Committee	**Red**	**Amber**	**Green**	**Total Number of Issues**
2014/2015 plan				
Treasury Management – Limited Scope Financial Review	0	0	1	**1**
Homelessness – Follow Up Review	0	3	4	**7**
Total	**0**	**3**	**5**	**8**

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 5 December 2014.

Treasury Management – Limited Scope Finance Review

2.2 There are substantial revenue and capital cash inflows and outflows arising from the wide range of operational activities undertaken by the Council, namely;

- for 2014/15 the net revenue budget (before savings) was set at £203.927m;
- revenue grants and non-domestic rates are budgeted at £165.173m along with £33.138m raised through the Council Tax; and
- in relation to the Capital Programme, the three years to March 2016 will involve total expenditure of £118.83m and £59m of this will be borrowed.

It is in this context that on 31st March 2014 total historic debt amounted to £220.111m. For investments the corresponding total was £48.109m. The treasury management function of Finance arranges borrowing to fund the capital programme and invests temporary surplus funds.

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 Treasury Management.

2.4 The overall control environment opinion for this audit was **Strong.** In terms of good practice we found that;

- the treasury management function is supported by comprehensive and detailed policies and procedures; and
- officers demonstrated a strong commitment to complying with treasury management policies and procedures.

2.5 The audit identified one GREEN issue and action has already been taken by management to address this issue.

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

Homelessness – Follow Up Audit

2.6 The Homelessness Service aims to help people who are homeless or worried that they may lose their home. Core functions include trying to prevent homelessness, assessing clients, managing accommodation options and resettlement work. The Homelessness Service provides accommodation at the Inverclyde Centre. In addition, the Homelessness Service also provides temporary furnished accommodation and attempts to obtain offers of permanent accommodation from local Registered Social Landlords to enable clients to move out of temporary accommodation and into permanent homes.

2.7 The objective of this follow-up audit was to determine the status of the agreed actions arising from the full scope review of Homelessness carried out during 2009/10.

2.8 The overall control environment opinion for this audit was **Satisfactory**. The review identified that 8 of the originally agreed actions have been fully implemented, 6 actions have been partially implemented and one action remains outstanding. The completion status of the action plan is set out in the table below:

No.	Original Agreed Action	Original Grade	Implementation Status			New Grade
			Complete	**Partial**	**Outstanding**	
1	Obtaining offers of permanent accommodation from Registered Social Landlords (RSLs)	**Amber**	✓	-	-	-
2	Processing Housing Benefits Income	**Amber**	-	✓	-	**Amber**
3	Estimating rental income	**Amber**	-	✓	-	**Green**
4	Managing un-let properties	**Amber**	✓	-	-	-
5	Managing rent arrears	**Amber**	-	✓	-	**Amber**
6	Writing-off irrecoverable rent arrears	**Amber**	-	-	✓	**Amber**
7	Securing value for money on furnishing temporary accommodation	**Amber**	✓	-	-	-
8	Council Tax liability within the Inverclyde Centre	**Amber**	✓	-	-	-
9	Demonstrating value for money when using agency staff	**Amber**	✓	-	-	-
10	Protecting client information from loss or damage	**Amber**	-	✓	-	**Green**
11	Single Person Dependency – AFO Post	**Amber**	-	✓	-	**Green**
12	Completeness of client records	**Green**	✓		-	-
13	Managing expenditure on property repairs	**Green**	✓	-	-	-
14	Recording staff competence against key tasks	**Green**	✓	-	-	-
15	Written Procedures for Financial Activities	**Green**	-	✓	-	**Green**

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

Three AMBER actions remain to be fully implemented as follows:

<u>Processing Housing Benefits Income</u>

It was not possible to use the SWIFT financial module for rental income. Rather, steps were taken to use the Oaktree system SDM, which has been operational since May 2014. However, the introduction of a check by a separate officer of the input of client details has not been implemented as there is no functionality to undertake this check on SDM.

In addition, the reconciliation of the total income posted to the homelessness database against the income received via FMS has still to be implemented which will include generating evidence which supports the reconciliation such as FMS and database printouts which are signed and dated by the staff involved.

<u>Managing rent arrears</u>

It was not possible to use the SWIFT financial module for managing rent arrears. AVD continued to be used until the Oaktree system, SDM was introduced in May 2014 to manage the rent function.

Currently, there remain issues with the accuracy of the arrears figures held on AVD meaning that the true figure of arrears has still to be determined.

In addition, although management have developed a draft Rent Arrears Policy, the policy does not make clear how the rent arrears of new clients who do not receive full Housing Benefits should be managed.

Furthermore, although more accurate arrears information is now available from the SDM system, detailing the rent charges, payments received and the balance outstanding, it is not clear from the arrears spreadsheets supplied by the Homelessness Administration & Finance Officer that the arrears are being actively managed.

Management will set up a short-life working group to define roles and responsibilities for managing rent arrears.

<u>Writing-off irrecoverable rent arrears</u>

No write-off activity has taken place for a number of years. This will be progressed as part of the action plan for managing rent arrears.

2.9   The review identified that 8 actions have been fully completed and 7 actions have still to be implemented in full, 3 of which we consider to be individually significant. An action plan has been agreed by management to fully address the remaining issues by 31 August 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	√	√	√	√	√	√	Gary 2015
Homecare – CM2000 System	√	√	√	√	√	√	January 2015
Corporate Complaints	√	√	√				
Quality Assurance - CHCP							
Business Support - CHCP	√	√	√				
Limited Scope Financial System Reviews							
Payroll and Expenses	√	√	√	√	√		
Treasury Management	√	√	√	√	√	√	February 2015
Follow Up Reviews							
Homelessness	√	√	√	√	√	√	February 2015
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.
- Provision of relevant input to short-life complaints handling working group.

INVERCLYDE COUNCIL INTERNAL AUDIT

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

Summary: **Section 1**   **Summary of Management Actions due for completion by 31/12/14**

There were no items due for completion by 31 December 2014.

Section 2   **Summary of Current Management Actions Plans at 31/12/14**

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

Section 3   **Current Management Actions at 31/12/14**

At 31 December 2014 there was a total of 36 current audit action points.

Section 4   **Analysis of Missed Deadlines**

At 31 December 2014 there was a total of 13 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 31.12.14

Directorate	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*
Environment, Regeneration & Resources	0			
Community Health & Care Partnership (CHCP)	0			
Education, Communities and Organisational Development	0			
Total	**0**			

* 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 31.12.14

SECTION 2

CURRENT ACTIONS BY DIRECTORATE

Environment Regeneration and Resources	
Due for completion January 2015	3
Due for completion March 2015	1
Due for completion August 2015	1
Completion date to be advised	2
Total Actions	**7**
Community Health and Care Partnership	
Due for completion January 2015	2
Due for completion February 2015	1
Due for completion March 2015	9
Due for completion April 2015	3
Due for completion June 2015	4
Due for completion August 2015	2
Due for completion September 2015	3
Total Actions	**24**
Education, Communities and Organisational Development	
Due for completion April 2015	4
Due for completion August 2015	1
Total Actions	**5**
Total current actions:	**36**

SECTION 3

Environment Regeneration and Resources

Action	Owner	Expected Date
Property Assets Management (October 2014)		
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.	**Head of Legal and Property Services**	**31.03.15**
Property Management System (PAMIS) (Amber) The project plan will be updated and formalised.	**Property Assets Manager**	**To be advised***
The project plan will be implemented.	**Property Assets Manager**	**Dependent on project plan dates**
Management of Property Leases (Amber) A formal lease management policy will be drafted and approved by the Environment and Regeneration Committee.	**Property Assets Manager**	**31.01.15**
Action in relation to pursuing outstanding historical leases will be documented within the lease management policy and implemented following Committee approval of the policy.	**Property Assets Team Leader**	**31.08.15**
Grounds Maintenance – Whinhill Golf Course (October 2014)		
Cash Handling and Banking Arrangements (Amber) Adequate cash handling and banking arrangements will be implemented for the issues identified by the review.	**Environment and Commercial Services Manager**	**31.01.15**
Written procedures will be reviewed and updated for the issues identified by the review.	**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 31.12.14

SECTION 3

Community Health & Care Partnership

Action	Owner	Expected Date
Information Governance and Management (May 2009)		
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.	**Corporate Director CHCP**	**31.03.15***
Process (Amber) Processes will be developed and implemented to strengthen the system of internal control over information governance and management. This will include: • 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)		
Managing client and trust accounts across CHCP teams (Amber) CHCP Management will; • 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.	**Service Manager (Mental Health and Wellbeing)**	**31.03.15***
• 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.	**Team Lead (Community Care)**	**31.03.15***
• 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.	**Service Manager (Mental Health and Wellbeing)**	**30.09.15***
• 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)**	**30.09.15***

* 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 31.12.14

SECTION 3

Community Health & Care Partnership (Continued)

Action	Owner	Expected Date
• introduce a specific mechanism for regularly reviewing, recording and reporting to the DWP changes in client circumstances when corporate appointee-ships 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**	**31.01.15***
Management will ensure clients and trust accounts where next of kin; • 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)**	**31.01.15***
CHCP management will; • 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)**	**30.09.15***
• 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**
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. Where appropriate the above recommendations will be implemented following consultation with Finance staff and Legal Services.	**Service Manager (Mental Health and Wellbeing)**	**31.03.15**

* 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 31.12.14

SECTION 3

Community Health & Care Partnership (Continued)

Action	Owner	Expected Date
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.	**Finance Supervisor**	**31.03.15***
Control Self-Assessment CHCP (October 2014)		
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.	**Head of Administration**	**30.04.15**
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. 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.	**Head of Administration**	**30.04.15**
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.	**Head of Administration**	**30.04.15**
Homelessness F/Up (January 2015)		
Processing Housing Benefits Income (Amber) A reconciliation of the total income posted to the SDM System against the income received via FMS will be introduced.	**Service Manager Homelessness**	**31.03.15**
Evidence will be generated which supports the above measure such as FMS and SDM printouts which are signed and dated by the staff involved.	**Service Manager Homelessness**	**31.03.15**

* 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 31.12.14

SECTION 3

Community Health & Care Partnership (Continued)

Action	Owner	Expected Date
Homelessness F/Up (January 2015)		
Managing Rent Arrears (Amber) Management will review the arrears figures for completeness and accuracy and age profile the outstanding debt.	**Service Manager Homelessness**	**31.08.15**
Management will set up a short-life working group to define roles and responsibilities for managing rent arrears.	**Service Manager Homelessness**	**31.03.15**
The working group will examine the draft Rent Arrears Policy and update it for the improvements identified, before being approved by Management.	**Service Manager Homelessness**	**30.06.15**
The working group will examine how the arrears will be managed by the Team Leader - Temporary Accommodation and establish a new operating procedure.	**Service Manager Homelessness**	**30.06.15**
Writing-off Irrecoverable Rent Arrears (Amber)		
Management will identify cases which are deemed non-recoverable and refer them to the Chief Financial Officer for write-off or if considered recoverable pass to the Debt Recovery Team.	**Service Manager Homelessness**	**31.08.15**
Management will agree with Finance the:- a) calculation of the gross rent charge for the Inverclyde Centre in line with the existing policy, taking account of the furnished flats rent set by Housing Providers and the weekly void rent charge; b) procedure for and the frequency of posting the rent charge, the void rents and the arrears to the general ledger; c) establishment of a budget for a provision for bad debts in the general ledger, in line with the Council bad debt policy; and d) introduction of a monthly reconciliation between the rent outstanding in the SDM system and the arrears figure in the Balance Sheet, to be undertaken by the Homelessness Service.	**Service Manager Homelessness**	**30.06.15**
Management will retain records of all cases submitted for write-off.	**Service Manager Homelessness**	**30.06.15**

* 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 31.12.14

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)		
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: • 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 2014)		
Equal Opportunities – SOLACE Indicator 2 (Amber) HR Management will ensure that: • 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**

* See Analysis of Missed Deadlines – Section 4

SECTION 3

Education, Communities and Organisational Development (Continued)

Action	Owner	Expected Date
Sickness Absence – SOLACE Indicator 1 A half-yearly audit review will be carried out to follow-up the new process for the indicator.	**HR Manager (Operations)**	**30.04.15**
The Health and Safety Team Leader will also ensure that: • 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**	Mandatory e-learning training in: • Information Governance – Introduction • Information Security • Records Management is now available on Brightwave. Staff with access to a PC will be notified of this through an ICON message with a deadline to complete training by 1 April 2015. Staff without access to a PC will be briefed by line managers on basic information security awareness. This will be complimented with a leaflet on information governance. A number of Data Protection seminars have been facilitated by Legal Services and further seminars have been planned for 2015. Key messages continuing to be sent to all staff on ICON and email, i.e. Data Protection Day 28th Jan.

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)	**Process (Amber)** Processes will be developed and implemented to strengthen the system of internal control over information governance and management. This will include: • 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.	**31.03.11** **31.12.12**	**31.03.15**	Services have populated a template detailing key information assets. This will then be reviewed to identify owners for each information asset/system. An options appraisal will be developed outlining the preferred solution for secure archiving facilities for hard copy records and indicative costs by 31 March 2015. Benefits are already being delivered via the rollout of CIVICA Electronic Document Records Management System which is reducing the amount of hard copy records requiring to be archived.
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 45p 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** **31.03.14** **31.10.14**	**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)	**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 appointee-ships apply. This mechanism will ensure that the Council fully meets its legal obligations to the DWP in respect of those clients.	**31.08.14** **30.11.14**	**31.01.15**	Although work is progressing, there is a need to prepare final written procedures to allow for practical guidance for staff.

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
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ANALYSIS OF MISSED DEADLINES

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Control Self-Assessment – Education (April 2013)	Education management will convene a short life working group to fully identify and actively manage the issues involving contract buses. The working group will: • 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.
Property Asset Management (October 2014)	**Property Management System (PAMIS) (Amber)** The project plan will be updated and formalised.	**30.11.14**	**To be advised**	Project plan has been drafted. Further discussion required with Head of Service prior to finalisation.
Client Accounts – CHCP (March 2014)	**Managing client and trust accounts across CHCP teams (Amber)** CHCP Management will; • 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.	**30.11.14**	**31.03.15**	CHCP set-up a working group to manage the various actions from the audit and Council solicitors have provided valuable input. A CHCP Policy Officer is currently organising early draft policies and procedures for managing clients' monies. Once approved the updated policy and procedure will be implemented by CHCP Services. This continues to be a major exercise as a range of CHCP staff contribute to it and due to other work pressures there has been slippage.

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Report	Action	Original Date	Revised Date	Management Comments
Client Accounts – CHCP (March 2014)	**Managing client and trust accounts across CHCP teams (Amber)** CHCP Management will; • 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.	30.11.14	31.03.15	CHCP management are continuing to assess the practicalities of in-house operation of the Access to Fund scheme as anticipated capacity limits within both CHCP and Legal mean that an alternative set of actions may be implemented which would still address the audit finding. The emphasis is on obtaining a solution which works in practice and complying with all relevant national guidelines.
Client Accounts – CHCP (March 2014)	**Managing client and trust accounts across CHCP teams (Amber)** CHCP Management will; • 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.	30.11.14	30.09.15	The CHCP working group on managing clients' monies has concentrated on client accounts, mainly operated by Community Care. For trust accounts and Access to Funds there are practical and organisational which require further consideration by management, although the work done to date will greatly assist in that. With trust accounts the requirements set by the DWP must be integrated into the CHCP operational and administrative arrangements.
Client Accounts – CHCP (March 2014)	**Managing client and trust accounts across CHCP teams (Amber)** CHCP Management will; • introduce a specific mechanism for regularly reviewing, recording and reporting to the DWP changes in client circumstances when corporate appointee-ships apply. This mechanism will ensure that the Council fully meets its legal obligations to the DWP in respect of those clients.	30.11.14	31.01.15	Arrangements continue to be progressed to ensure that there is complete clarity in roles and responsibilities between operational CHCP staff (such as Social Workers) and administrative support staff when managing client trust accounts i.e. those with DWP corporate appointee-ships in place and a bank account for each client.

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SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Client Accounts – CHCP (March 2014)	**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.	**30.11.14**	**31.03.15**	Revised to allow for spreadsheet changes and to clarify staff roles within CHCP.
Client Accounts – CHCP (March 2014)	**Managing client and trust accounts across CHCP teams (Amber)** Management will ensure clients and trust accounts where next of kin; • 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.	**30.11.15**	**31.01.15**	Much progress has been made on this action following the receipt of advice from Council solicitors and its application on the very few cases involved, which almost always amount to less than a few hundred pounds at most. The aim is to ensure that the Council does not hold onto client monies any longer than necessary whilst ensuring that monies are remitted to an authorised representative of a deceased client. However, the practical steps required for case management still need to be reflected in written procedures for staff and these continue to be developed by officers.

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Report	Action	Original Date	Revised Date	Management Comments
Client Accounts – CHCP (March 2014)	**Managing client and trust accounts across CHCP teams (Amber)** CHCP Management will; • 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	**30.11.14**	**30.09.15**	A reasonable amount of time is required to ensure that issues which emerge from the practical application of new procedures are identified and acted upon by management. The client account working group is actively addressing the issue of staff roles and concentrating on those parts of the CHCP which are most involved with managing clients monies i.e. Community Care and Community Mental Health Services.

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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 December 2014.

Audit Year	Total Agreed Actions	Total Actions Completed	Total Current Actions Not Yet Due*		
			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	84	0	10	22
2014/2015	52	12	0	22	18
Total	**1032**	**956**	**0**	**36**	**40**

*This part of the table sets out the total number of current actions not yet due at the date of the follow up report. The AMBER actions are included in Section 3 of the follow up report.