

Report To: Audit Committee **Date:** 21 April 2015

Report By: Corporate Director Environment, Regeneration & Resources **Report No:** AC/07/15/AF/APr

Contact Officer: Andi Priestman **Contact No:** 01475 712251

Subject: Internal Audit Progress Report – 2 February To 27 March 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 2 February to 27 March 2015 is attached as an Appendix to this report since its content is essential to the understanding of the Council's control environment. Appendix 1

2.0 SUMMARY

- 2.1 One internal audit report has been finalised since the last Audit Committee meeting:
- Corporate Complaints

- 2.2 This report contain 10 issues categorised as follows:

Red	Amber	Green
0	9	1

- 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	9
Draft Report	1
Fieldwork Complete	1
Fieldwork in Progress	4
Planning	0
Not started/Deferred	2
Total	17

- 2.4 In relation to deferred audits, the audit of Capital Projects – Authorisation Process and the VFM Study of Technical Services will be merged into one review and carried forward to the 2015-2016 Annual Audit Plan. This will allow for follow up of the agreed action plan in relation to the targeted follow up review of Major Capital Projects which was reported by external audit in December 2014.
- 2.5 In relation to Internal Audit follow up, there was one item due for completion by 28 February 2015 which has been revised by management. The current status report is attached at Appendix 2. Appendix 2

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 2 February to 27 March 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 One internal audit report have been finalised since the last Audit Committee meeting in February 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	9
Draft Report	1
Fieldwork Complete	0
Fieldwork in Progress	5
Planning	0
Not started/Deferred	2
Total	17

- 5.4 There are 30 current action points being progressed by officers. There was one action due for completion by 28 February 2015 which has been revised by management.
- 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
2 February to 27 March 2015**

Section	Contents	Page
1	Audit work undertaken in the period	1
2	Summary of main findings from reports issued since previous Audit Committee	2
3	Audit Plan for 2014-2015 – progress to 27 March 2015	9
4	Ad hoc activities undertaken since the previous Audit Committee	10

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 There was one audit report finalised since the February 2015 Audit Committee, which is 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 review.

Reports finalised since previous Audit Committee	Grading			Total Number of Issues
	Red	Amber	Green	
2014/2015 plan				
Corporate Complaints	0	9	1	10
Total	0	9	1	10

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 30 January 2015.

Corporate Complaints

2.2 By definition the Council and Inverclyde Health and Social Care Partnership (HSCP) deal with local residents and external organisations when delivering frontline services. Service users may complain whenever failures in service delivery occur, including perceived failures. Therefore, the Council and Inverclyde HSCP must have effective processes and controls in place for managing complaints.

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 surrounding a number of key risks faced by both the Council and Inverclyde HSCP regarding complaints.

2.4 The overall control environment opinion for this audit was **Requires Improvement**. The review identified 9 AMBER issues as follows:

Managing initial contacts with complainants and the early stages of cases

Successfully handling complaints involves structured interactions between complainants and staff. However, complaints must be separated from requests for service, information, Freedom of Information and subject access requests (under Data Protection law) along with feedback. Interactions with service users must be streamed correctly. We found that the arrangements for ensuring only complaints enter the complaints system are not always effective, partly due to misunderstandings on how to classify these interactions.

All formal Council complaints must be recorded using the “LAGAN” computer system. We found insufficient evidence to show that all formal complaints are being consistently recorded when received directly by services. Instead, services manage complaints locally, which Education does. Inverclyde HSCP uses a Microsoft database to manage Social Work complaints.

Delays in acknowledging receipt of complaints can frustrate some complainants and managers must be aware of such delays. We found that a formal mechanism is not in place to adequately identify and minimise delays in acknowledging complaints. Also, consistency in managing complaints is more easily achieved when standard template letters are used. We found that there is no central mechanism in place which regularly ensures all services use approved standard template letters.

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

Complainants may face delays and staff lose time when service user interactions are not handled correctly. It is also more difficult to demonstrate complaints are being handled correctly whenever there are inconsistencies in recording complaints.

Unresolved weaknesses in handling complaints may undermine the reputation of services in the minds of some complainants.

Managing complainants who contact Councillors and Chief Officers directly

Some service users wrongly assume that complaints must be addressed to Councillors and Chief Officers (or both) to obtain quick responses, with e-mail facilitating direct contact. However, it is normally best for complainants if Councillors and Chief Officers only become involved at designated and appropriate stages. For these situations we found that there is no overall mechanism to ensure compliance with the approved complaints process.

Services take action (or choose not to act) due to legal and resource limits. Many service users do not possess a deep knowledge of the operational processes of the Council and IHSCP and this contributes to complaints being made directly to Councillors and Chief Officers. This lack of knowledge by complainants is an issue for services. We found a general need to help complainants to better understand these legal and resource issues at an early stage.

It is more difficult to effectively manage complaints whenever complainants and officers are not supported by adequate processes. Also, not helping complainants understand the legal and resource issues faced by services at an early stage may lead to more time being spent on resolving complaints.

Complaints policy and managing its implementation

An effective complaint handling process involves more than interactions between complainants and staff. A combination of adequate policy, clear organisation and staff who have a good understanding of their roles are all critical to the successful management of complaints. We therefore identified the following the issues, namely;

- the existing Council complaints policy does not fully comply with the requirements specified by the Scottish Public Services Ombudsman (SPSO), for example fully defining staff roles and responsibilities;
- Education's separate guidelines on complaints have not been aligned to the corporate policy;
- there is a lack of clarity concerning the recording of informal complaints which are resolved quickly. We understand that informal complaints are not always recorded when dealt with successfully by frontline staff;
- there is insufficient formal co-ordination between all services (including Customer Services), Corporate Communications and the Chief Executive's Office regarding the overall management of complaints; and
- there has been no recent assessment of the extent to which complaints management could be centralised whilst still applying service knowledge to cases. We found that the centralised approach used by the IHSCP is more coherent than the Council's largely decentralised approach to complaints. The IHSCP applies central co-ordination of complaints but investigations involve all relevant teams.

The Council may be unable to fully demonstrate compliance with the SPSO model complaints handling policy. Also, in the absence of recording it is more difficult to identify the underlying

causes of informal complaint

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

Insufficient co-ordination between services may make the complaints process less effective. In addition, it is more difficult to achieve agreed outcomes when organisational arrangements do not fully support the handling of complaints.

Ensuring the effectiveness of complaints procedures

Complainants and staff expect procedures to support them in achieving reasonable outcomes. During our fieldwork we identified a number of issues with the Council's complaints procedures which do not;

- fully outline the steps staff at different levels must follow for each way complaints can be received, including complaints received by Chief Officers or via Councillors;
- require each service to fully specify the local roles and responsibilities of staff and information flows at each stage;
- make sufficiently clear the need to distinguish complaints from other categories of customer interaction such as feedback or Freedom of Information requests;
- include standard form template letters (and anonymised examples of these) for each stage of a complaint and guidance on their completion;
- include the use of explanatory leaflets for issue alongside standard form template letters;
- sufficiently emphasise the proper acknowledgement of all complaints within prescribed timescales;
- sufficiently emphasise that officers investigating complaints must draw upon specialist input from all relevant officers;
- sufficiently emphasise the investigation of complaints by officers who are as independent as possible whilst still having enough relevant experience;
- sufficiently make clear the awarding of financial compensation for upheld complaints;
- give sufficient guidance on compiling complaint files and gathering appropriate evidence which supports decisions and responses;
- contain a checklist for staff to confirm compliance with the complaints process;
- fully specify the level of management required to sign-off responses to complaints;
- adequately support staff when dealing with persistent complainants and bogus complainants. Similarly, there is no guidance on when advice from Council solicitors must be sought;
- adequately warn staff that they must take care when compiling written records about complainants (including e-mail) as they can use the Data Protection Act and Freedom of Information Act to discover any inappropriate comments;

In addition, the current arrangements for managing the complaints procedures do not adequately allow for equalities legislation. Also, a review mechanism is not in place to assess the effectiveness of the complaints procedures on an annual basis, including the use of a Citizens Panel survey.

It is essential that all relevant staff have ready access to the procedures they need. We understand that the March 2013 complaints procedures were not fully distributed to all staff and there is scope to re-examine the intranet ("ICON") as a means of promoting revised procedures.

Staff are more likely to make mistakes and possibly aggravate complainants when procedures are incomplete, unclear or not accessible to staff. Also, the Council's commitment to equalities is undermined whenever key processes are not adequately assessed for equalities obligations.

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

Managing the reporting of complaints

The reporting arrangements for complaints must be linked to the accountability of services. We found from our fieldwork that;

- oversight of complaints is not fully in place at each level of management across all Council Services, including oversight by the Corporate Management Team (CMT). However, this is less of an issue for the IHSCP;
- the frequency of reporting at each level of management has not been centrally determined;
- the content of reporting at each level of management has not been centrally determined nor benchmarked against best practice, such as summarising the causes of complaints;
- preparing complaints performance indicators have not yet been fully implemented or decisions taken on how best to promote access to such information;
- reporting on complaints to Service Committees and providing an overview to the Policy & Resources Committee is not in place, although the IHSCP produces an annual report; and
- there is scope for Council Services to benchmark their reporting arrangements against the IHSCP which has more robust reporting arrangements in place. However, there is scope for the IHSCP to re-examine its arrangements to include within its annual report summarised service improvement plans for upheld complaints.

Without adequate oversight of complaints at each level of management it is more difficult to demonstrate compliance with policies and procedures. Also, infrequent and inadequate reporting of complaints may cause some external stakeholders to conclude that the Council does not regard complaints as a priority.

Managing the LAGAN system when processing complaints

It is important that the LAGAN computer system fully supports the handling of complaints. During our fieldwork we found that;

- complete separation of cases by Service is not in place and LAGAN users can access details of complaints which relate to other Services;
- arrangements are not in place to ensure the regular production of reliable management information, especially that required by the SPSO;
- an agreed plan is not in place to fully investigate the production of bespoke complaints management information following upgrade of the LAGAN system, due this Spring; and
- during our fieldwork we found that there is scope to re-consider (and possibly reduce) the input of free text by call-takers when processing complaints by making greater use of pre-determined online descriptions. It is understood that excessive use of free text by call-takers makes it more difficult to ensure consistency when recording details of incoming complaints and producing management information.

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

In addition, we understand that LAGAN management information indicates an unacceptable level of complaints which are not responded to within prescribed timescales. However, the control self-assessment form, which we issued to all service managers, did not show this as a significant issue. This contradiction indicates that there are unresolved issues involving the management of complaints and the LAGAN system.

Neither Education Services nor the IHSCP uses the LAGAN system. However, we understand that there may be scope to make partial use of an alternative complaints management system, known as CIVICA.

Data protection breaches are more likely to arise when complete separation of complaint cases by service is not enforced within the LAGAN system. Also, the expectations of external stakeholders, especially the SPSO, may not be met without regular and reliable complaints management information.

The use of different management information systems for handling complaints may make the overall management of complaints more complex for senior officers.

Learning Lessons from valid complaints

Public services are mostly monopolistic in nature and legally restricted which impacts on customers whenever service failures arise. Service failures require managers to make reasonable changes to demonstrate lessons learned and contribute to the performance management framework. During our fieldwork we identified some issues, namely;

- the use of formal action plans for managing changes following valid complaints varies too much by service. Some services take a more informal approach but still aim to improve internal communications, manage underperforming staff or co-ordinate more effectively with other teams;
- even when actions plans are used, staff may treat valid complaints as isolated incidents and not identify or accept emerging problems or patterns. Although this varies by management team, overall we found that there are inadequate arrangements to derive common themes and issues from valid complaints which require to be changed;
- there is insufficient linkage of lessons learned from valid complaints to the performance management framework.

It is more difficult to demonstrate changes following valid complaints whenever formal action plans are not used, especially for complex cases.

Without identifying common themes and issues for change it will be more difficult to manage emerging issues and contribute positively to the performance management framework.

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

Training arrangements for staff involved in handling complaints

The effective management of complaints includes training staff, especially those on the frontline and their supervisors. During our fieldwork we identified some issues with the current training arrangements, namely;

- the training needs of posts which involve any aspect of handling complaints have not been formally determined;
- the specific training needs of each post-holder when handling complaints have not generally been identified except for the use of performance appraisal by proactive managers;
- the extent to which mandatory training in handling complaints is required has not been fully determined across all relevant posts, although Customer Services has specified compulsory e-learning for its frontline staff;
- except for the IHSCP, the extent to which training in complaints handling complaints needs to be given by external providers has not been determined;
- a formal timetable of service specific refresher training has not been agreed; and
- a formal analysis of the budget implications of organising complaints handling training for Council staff has not been undertaken.

In addition, we found that there is no formal mechanism for obtaining and promoting recognised best practice materials, including those provided by the SPSO. Although we acknowledge that the IHSCP has been more proactive in this regard.

Successful implementation of the complaints handling policy and procedures may be less likely without determining the training needs of each relevant post or identifying each post-holders training needs. Also, not specifying the extent to which mandatory training complaints handling is required may result in unacceptable variances in the management of cases.

The overall effectiveness of the complaints handling process may be reduced when refresher training and the use of external providers have not been adequately considered or budgeted for.

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

Identified training needs for staff handling complaints

The training needs of staff involved in handling complaints must be derived from the daily experience of services and those cases which cause difficulties. During our fieldwork we identified some of these training needs and found that no formal arrangements are in place to fully address them. These training needs include how to;

- recognise and understand what is a complaint and what is another category of customer interaction;
- gather facts during initial interactions with complainants;
- manage conflicts of interest during complaints investigations;
- draft full responses to matters raised by complainants using language which strikes a balance between formality and ease of understanding;
- deal with situations when complaints go back and forward between those involved;
- support staff when complainants want to change valid Council and IHSCP decisions;
- close complaints properly using the LAGAN computer system;
- help staff feel comfortable about raising issues (whilst avoiding retribution) arising from complaints as means of avoiding new complaints and improving services;
- prepare appropriate service improvement action plans following valid complaints;
- enable managers to make organisational changes when implementing service improvement plans;
- link service improvement plans to staff training needs and arrangements;
- manage the impact of underperforming staff who contribute to complaints; and
- manage inappropriate staff attitudes towards complainants whilst also supporting staff against unfair and invalid complaints.

It will be more difficult to implement an effective complaints handling process without adequately addressing the specific and current training needs of staff within each service.

- 2.5 A number of recommendations have been made to address the issues identified which are being considered for implementation by the Corporate Complaints Working Group. An update on progress will be provided at the August meeting of the Audit Committee.

3. Audit Plan for 2014/15 – Progress to 27 March 2015

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	√	√	√	√	√	√	April 2015
Quality Assurance - IHSCP	√	√	√				
Business Support - IHSCP	√	√	√	√			
Limited Scope Financial System Reviews							
Payroll and Expenses	√	√	√	√	√		
Treasury Management	√	√	√	√	√	√	February 2015
Follow Up Reviews							
Homelessness	√	√	√	√	√	√	February 2015
Regularity Audits							
CSA IHSCP	√	√	√	√	√	√	January 2015
CSA Education	√	√	√				
Performance Reviews							
SOLACE Indicators	√	√	√	√	√	√	January 2015
Performance Management - ECS	√	√	√				
Technical Services	Deferred to 2015/2016 Annual Audit Plan						
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.
 - Review of SPT grant claims.

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
AT 28 FEBRUARY 2015

Summary: Section 1 Summary of Management Actions due for completion by 28/02/15

There was one action due for completion by 28 February 2015 which has been revised by management.

In addition, one action due for completion in April 2015 has been reported as completed by management.

Section 2 Summary of Current Management Actions Plans at 28/02/15

At 28 February 2015 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 28/02/15

At 28 December 2015 there was a total of 30 current audit action points.

Section 4 Analysis of Missed Deadlines

At 28 December 2015 there was a total of 10 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 28.02.15**

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	0			
Inverclyde Health and Social Care Partnership (IHSCP)	1		1	
Education, Communities and Organisational Development	0			
Total	1		1	

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

In addition, one action with a completion date of 1 April 2015 has been reported as completed as follows:

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*

**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 28.02.15**

SECTION 2

CURRENT ACTIONS BY DIRECTORATE

Environment Regeneration and Resources	
Due for completion March 2015	1
Due for completion June 2015	1
Due for completion August 2015	1
Due for completion October 2015	1
Total Actions	4
Inverclyde Health and Social Care Partnership (IHSCP)	
Due for completion March 2015	9
Due for completion April 2015	3
Due for completion June 2015	5
Due for completion August 2015	2
Due for completion September 2015	3
Total Actions	22
Education, Communities and Organisational Development	
Due for completion April 2015	3
Due for completion August 2015	1
Total Actions	5
Total current actions:	30

**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 28.02.15**

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 implemented.</p>	Property Assets Manager	01.10.15
<p>Management of Property Leases (Amber) A formal lease management policy will be drafted and approved by the Environment and Regeneration Committee.</p>	Property Assets Manager	31.03.15*
<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 Team Leader	31.08.15

* 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 28.02.15**

SECTION 3

Inverclyde HSCP

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 IHSCP	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 IHSCP	31.03.15*
Client Accounts – IHSCP (March 2014)		
<p>Managing client and trust accounts across IHSCP teams (Amber) IHSCP 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)	31.03.15*
	Team Lead (Community Care)	31.03.15*
	Service Manager (Mental Health and Wellbeing)	30.09.15*
	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 28.02.15**

SECTION 3

Community Health & Care Partnership (Continued)

Action	Owner	Expected Date
<p>IHSCP 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 IHSCP teams. This will include fully specifying and agreeing staff roles across and within teams; • ensure that all relevant officers are fully trained in the revised processes for managing clients and trust accounts. <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> <p>Where appropriate the above recommendations will be implemented following consultation with Finance staff and Legal Services.</p> <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>	Service Manager (Mental Health and Wellbeing)	30.09.15*
	Service Manager (Mental Health and Wellbeing)	30.06.15*
	Service Manager (Mental Health and Wellbeing)	31.03.15
	Finance Supervisor	31.03.15*
Control Self-Assessment IHSCP (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>	Head of Administration	30.04.15
<p>IHSCP 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>	Head of Administration	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)
CURRENT MANAGEMENT ACTIONS AS AT 28.02.15**

SECTION 3

Community Health & Care Partnership (Continued)

Action	Owner	Expected Date
<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 IHSCP.</p>	Head of Administration	30.04.15
Homelessness F/Up (January 2015)		
<p>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.</p>	Service Manager Homelessness	31.03.15
<p>Evidence will be generated which supports the above measure such as FMS and SDM printouts which are signed and dated by the staff involved.</p>	Service Manager Homelessness	31.03.15
<p>Managing Rent Arrears (Amber) Management will review the arrears figures for completeness and accuracy and age profile the outstanding debt.</p>	Service Manager Homelessness	31.08.15
<p>Management will set up a short-life working group to define roles and responsibilities for managing rent arrears.</p>	Service Manager Homelessness	31.03.15
<p>The working group will examine the draft Rent Arrears Policy and update it for the improvements identified, before being approved by Management.</p>	Service Manager Homelessness	30.06.15
<p>The working group will examine how the arrears will be managed by the Team Leader - Temporary Accommodation and establish a new operating procedure.</p>	Service Manager Homelessness	30.06.15
<p>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.</p>	Service Manager Homelessness	31.08.15

* 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 28.02.15**

SECTION 3

Community Health & Care Partnership (Continued)

Action	Owner	Expected Date
Homelessness F/Up (January 2015)		
<p>Management will agree with Finance the:-</p> <ul style="list-style-type: none"> 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
<p>Management will retain records of all cases submitted for write-off.</p>	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 28.02.15**

SECTION 3

Education, Communities and Organisational Development

Action	Owner	Expected Date
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 2014)		
<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 IHSCP 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

**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 28.02.15**

SECTION 3

Education, Communities and Organisational Development (Continued)

Action	Owner	Expected Date
<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
<p>The Health and Safety Team Leader will also ensure that:</p> <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
<p>Information Governance and Management (May 2009)</p>	<p>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.</p>	<p>31.03.11 31.12.12 01.04.14</p>	<p>31.03.15</p>	<p>Mandatory e-learning training in:</p> <ul style="list-style-type: none"> • Information Governance – Introduction • Information Security • Records Management <p>is now available on Brightwave.</p> <p>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.</p> <p>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.</p> <p>A number of Data Protection seminars have been facilitated by Legal Services and further seminars have been planned for 2015.</p> <p>Key messages continuing to be sent to all staff on ICON.</p>

**INVERCLYDE COUNCIL INTERNAL AUDIT
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ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Information Governance and Management (May 2009)	<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>	31.03.15	<p>Services have populated a template detailing key information assets. This will then be reviewed to identify owners for each information asset/system.</p> <p>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.</p>
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	<p>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.</p>

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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
Client Accounts – IHSCP (March 2014)	<p>Managing client and trust accounts across IHSCP teams (Amber) IHSCP 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. 			IHSCP set-up a working group to manage the various actions from the audit and Council solicitors have provided valuable input. An IHSCP 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 IHSCP Services. This continues to be a major exercise as a range of IHSCP staff contribute to it and due to other work pressures there has been slippage.
Client Accounts – IHSCP (March 2014)	<p>Managing client and trust accounts across IHSCP teams (Amber) IHSCP Management will;</p> <ul style="list-style-type: none"> • 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	IHSCP set-up a working group to manage the various actions from the audit and Council solicitors have provided valuable input. An IHSCP 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 IHSCP Services. This continues to be a major exercise as a range of IHSCP staff contribute to it and due to other work pressures there has been slippage.

**INVERCLYDE COUNCIL INTERNAL AUDIT
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ANALYSIS OF MISSED DEADLINES**

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Client Accounts – IHSCP (March 2014)	<p>Managing client and trust accounts across IHSCP teams (Amber) IHSCP Management will;</p> <ul style="list-style-type: none"> 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	IHSCP management are continuing to assess the practicalities of in-house operation of the Access to Fund scheme as anticipated capacity limits within both IHSCP 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 – IHSCP (March 2014)	<p>Managing client and trust accounts across IHSCP teams (Amber) IHSCP Management will;</p> <ul style="list-style-type: none"> 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 IHSCP 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 IHSCP operational and administrative arrangements.
Client Accounts – IHSCP (March 2014)	<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>	30.11.14	31.03.15	Revised to allow for spreadsheet changes and to clarify staff roles within IHSCP.

**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
Client Accounts – IHSCP (March 2014)	<p>Managing client and trust accounts across IHSCP teams (Amber) IHSCP 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 IHSCP 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 IHSCP which are most involved with managing clients monies i.e. Community Care and Community Mental Health Services.
Property Assets Management (October 2014)	<p>Management of Property Leases (Amber) A formal lease management policy will be drafted and approved by the Environment and Regeneration Committee.</p>	31.01.15	30.06.15	The policy has been drafted for review by CMT and will then be remitted to Committee for approval thereafter.
Client Accounts – IHSCP (March 2014)	<p>Managing client and trust accounts across IHSCP teams (Amber) IHSCP Management will;</p> <ul style="list-style-type: none"> • ensure that all relevant officers are fully trained in the revised processes for managing client and trust accounts. 	28.02.15	30.06.15	Revised to allow for development of revised policy and procedures.

**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 28 February 2015.

Audit Year	Total Agreed Actions	Total Actions Completed	Total Current Actions Not Yet Due*		
			Red	Amber	Green
2008/2009	214	212	0	2	0
2009/2010	194	194	0	0	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	94	0	10	12
2014/2015	52	21	0	17	14
Total	832	776	0	30	26

*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.