

<b>Report To:</b>	<b>Audit Committee</b>	<b>Date:</b>	<b>25 August 2015</b>
<b>Report By:</b>	<b>Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>AC/11/15/AF/APr</b>
<b>Contact Officer:</b>	<b>Andi Priestman</b>	<b>Contact No:</b>	<b>01475 712251</b>
<b>Subject:</b>	<b>Internal Audit Progress Report – 30 March to 29 July 2015</b>		

## 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 30 March to 29 July 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 Two internal audit report has been finalised since the last Audit Committee meeting:
- Libraries and Museums; and
  - CSA – Education.

- 2.2 These reports contain 9 issues categorised as follows:

Red	Amber	Green
0	2	7

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

Stage	Number of Reports
Final Report	11
Draft Report	3
Fieldwork Complete	1
Fieldwork in Progress	0
Planning	0
Not started/Deferred	2
<b>Total</b>	<b>17</b>

- 2.4 In relation to deferred audits, the audit of Capital Projects – Authorisation Process and the VFM Study of Technical Services has been 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 The fieldwork for the 2015/16 audit plan is now underway and the current status of the plan is as follows:

<b>Stage</b>	<b>Number of Reports</b>
Final Report	0
Draft Report	0
Fieldwork Complete	1
Fieldwork in Progress	1
Planning	2
Not started/Deferred	11
<b>Total</b>	<b>15</b>

2.6 In relation to Internal Audit follow up, there were 5 items due for completion by 30 June 2015 and action in relation to all items has been revised by management. The current status report is attached at Appendix 2. **Appendix 2**

2.7 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 30 March to 29 July 2015.

**Aubrey Fawcett**  
**Corporate Director Environment, Regeneration and Resources**

#### 4.0 BACKGROUND

- 4.1 In April 2015, the Audit Committee approved the current Internal Audit Annual Plan which detailed a programme of activity to be undertaken during 2015-16.
- 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 April 2015.
- 5.2 The fieldwork for the 2014/15 plan is now complete and the current status of the plan is as follows:

Stage	Number of Reports
Final Report	11
Draft Report	3
Fieldwork Complete	1
Fieldwork in Progress	0
Planning	0
Not started/Deferred	2
<b>Total</b>	<b>17</b>

- 5.3 The fieldwork for the 2015/16 audit plan is now underway and the current status of the plan is as follows:

Stage	Number of Reports
Final Report	0
Draft Report	0
Fieldwork Complete	1
Fieldwork in Progress	1
Planning	2
Not started/Deferred	11
<b>Total</b>	<b>15</b>

- 5.4 There are 20 current action points being progressed by officers. There were 5 actions due for completion by 30 June 2015, all of which have 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

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

Annually Recurring Costs/ (Savings)

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>With Effect from</b>	<b>Annual Net Impact</b>	<b>Virement From (If Applicable)</b>	<b>Other Comments</b>
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  
30 March to 29 July 2015**

<b>Section</b>	<b>Contents</b>	<b>Page</b>
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5	Ad hoc activities undertaken since the previous Audit Committee	6

**1 Audit work undertaken in the period**

**Reports issued since last update**

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

<b>Red</b>	<ul style="list-style-type: none"> <li>• In our opinion the control environment is insufficient to address the risk and this could impact the Council as a whole.</li> <li>• Corrective action must be taken and should start immediately.</li> <li>• Overseen to completion by Corporate Management Team.</li> </ul>
<b>Amber</b>	<ul style="list-style-type: none"> <li>• In our opinion there are areas of control weakness which we consider to be individually significant but which are unlikely to affect the Council as a whole.</li> <li>• Corrective action must be taken (some exceptions may be agreed with IA) within reasonable timeframe.</li> <li>• Overseen to completion by Head of Service.</li> </ul>
<b>Green</b>	<ul style="list-style-type: none"> <li>• In our opinion the risk area is well controlled or our audit highlighted areas for minor control improvement and/or areas of minor control weakness.</li> <li>• Process improvements/efficiencies may be actioned at management discretion in consultation with Internal Audit (IA).</li> <li>• Managed by service owner.</li> </ul>

1.2 There were two audit reports finalised since the April 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 review.

Reports finalised since previous Audit Committee	Grading			Total Number of Issues
	Red	Amber	Green	
<b>2014/2015 plan</b>				
Libraries and Museums	0	1	5	<b>6</b>
CSA - Education	0	1	2	<b>3</b>
<b>Total</b>	<b>0</b>	<b>2</b>	<b>7</b>	<b>9</b>

**Other activities**

**Risk Management**

1.4 Risk Management is the subject of separate reporting to Audit Committee and a full report is submitted separately 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 27 March 2015.

**Libraries and Museums**

2.2 The Council's seven libraries and McLean Museum and Art Gallery are widely perceived as representing a longstanding public service which is rooted in local communities. With a revenue budget this year of almost £1.5m the Libraries, Museum & Archives Service aims to serve a customer base which varies widely in age and interests. Promoting reading, literacy, local research and the appreciation of artworks are central to the Service even although resources continue to be under pressure.

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 the key risks faced by Inverclyde Council in relation to the Libraries, Museum & Archives Service.

2.4 The overall control environment opinion for this audit was **Satisfactory**. The review identified one AMBER issue as follows:

**Managing fines and charges for late and non-returned library materials**

Some library users do not return lending materials on time or at all, which results in the penalties being levied. As at the 31<sup>st</sup> March 2015 approximately £1,920 was outstanding in fines and around £10,180 in charges for lost and damaged stock. We identified some weaknesses with the current arrangements, namely;

- Timescales for issuing overdue notices should be reduced as current timescales at 21 and 63 days do not result in the return of items and lead to delays in the issuing of charging notices;
- Guidelines are not in place across branches when customers pay charges by instalments;
- Debt recovery action is not taken for unpaid charges, although branch services are withheld from customers owing £5 or more;
- The overall effectiveness of operating a fines regime for late returns has not recently been assessed; and
- library users are exempt from paying fines if they are under 12 or over 60 years old. However, the validity of this policy has not been tested against current equalities legislation.

It is more difficult to take effective action when overdue notices are not issued within a reasonable time. In addition, customers who borrow and return items are disadvantaged when insufficient action is taken against those customers who fail to return lending materials and some customers who are subject to fines could be disgruntled where other customers in the same situation are exempt from fines.



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

- 2.5 The review identified a total of 6 issues, one of which we consider to be individually significant, and an action plan is in place to address all issues by 31 March 2016.

**CSA – Education**

- 2.6 Control Self-Assessment is a process through which the adequacy and effectiveness of internal controls are examined, with the goal of providing assurance that key objectives are being met. It allows Heads of Establishments and selected staff to participate in the assessment of internal controls and develop action plans to address any weaknesses that may be identified. In turn these action plans assist in evaluating risks which, if not properly addressed, could undermine the achievement of key objectives. Furthermore, Control Self-Assessments can increase awareness of internal control issues and motivate staff to carefully design and implement control processes.
- 2.7 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding a number of key risks faced by Education Services.
- 2.8 The overall control environment opinion for this audit was **Satisfactory**. The review identified one AMBER issue as follows:

**Management of Health and Safety requirements**

The Control Self Assessment returns showed that although all establishments are fully aware of Inverclyde Council's Health and Safety policies and procedures, a number of operational issues were highlighted including:-

- 75% of establishments had an out of date Health and Safety Charter and many establishments, although aware of the safety representative, did not have a published list on display.
- Almost 50% of the returns showed that a training needs analysis had not been completed for staff in relation to Health and Safety training requirements.
- More than 75% of establishments had not completed their DSE assessments and in some establishments a responsible staff member had yet to be established as DSE assessor.
- 50% of the returns showed that no tracking system for risk assessments was in place to record all completed assessments and record actions due. 50% of the establishments did not have an action plan in place to actively manage all health and safety issues.
- 6 out of the 8 establishments that require a noise assessment had not carried out this exercise.

Where Health and Safety policies and procedures are not followed, there is a risk that education establishments do not meet their legal responsibilities.

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

**3. Audit Plan for 2014/15 – Progress to 29 July 2015**

<b>Planned Audit Cover</b>	<b>Planning</b>	<b>TOR Issued</b>	<b>Fieldwork in Progress</b>	<b>Fieldwork Complete</b>	<b>Draft Report</b>	<b>Report Finalised</b>	<b>Reported to Audit Committee</b>
<b>Risk-Based Reviews</b>							
Property Asset Management	√	√	√	√	√	√	January 2015
Environmental Health	√	√	√	√	√	√	October 2014
Libraries and Museums	√	√	√	√	√	√	August 2015
Grounds Maintenance – Whinhill Golf Course	√	√	√	√	√	√	January 2015
Homecare – CM2000 System	√	√	√	√	√	√	January 2015
Corporate Complaints	√	√	√	√	√	√	April 2015
Quality Assurance - IHSCP	√	√	√	√	√		
Business Support - IHSCP	√	√	√	√	√		
<b>Limited Scope Financial System Reviews</b>							
Payroll and Expenses	√	√	√	√	√		
Treasury Management	√	√	√	√	√	√	February 2015
<b>Follow Up Reviews</b>							
Homelessness	√	√	√	√	√	√	February 2015
<b>Regularity Audits</b>							
CSA IHSCP	√	√	√	√	√	√	January 2015
CSA Education	√	√	√	√	√	√	August 2015
<b>Performance Reviews</b>							
SOLACE Indicators	√	√	√	√	√	√	January 2015
Performance Management - ECS	√	√	√	√			
Technical Services	Deferred to 2015/2016 Annual Audit Plan						
<b>Corporate Governance</b>							
Annual Governance Statement 2013-2014	Input provided by CIA.						
<b>Projects/Key Change Initiatives</b>							
Information Governance and Management	Input provided by CIA via Information Governance Steering Group.						

**4. Audit Plan for 2015/16 – Progress to 29 July 2015**

<b>Planned Audit Cover</b>	<b>Planning</b>	<b>TOR Issued</b>	<b>Fieldwork in Progress</b>	<b>Fieldwork Complete</b>	<b>Draft Report</b>	<b>Report Finalised</b>	<b>Reported to Audit Committee</b>
<b>Risk-Based Reviews</b>							
HR Operations	√	√	√				
Learning Disability Services – Client Money Arrangements	√						
<b>Regularity Audits</b>							
CSA IHSCP	√						
<b>Performance Reviews</b>							
SOLACE Indicators	√	√	√	√			
<b>Corporate Governance</b>							
Annual Governance Statement 2013-2014	Input provided by CIA.						
<b>Projects/Key Change Initiatives</b>							
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 30 JUNE 2015**

**Summary: Section 1 Summary of Management Actions due for completion by 30/06/15**

There were 5 actions due for completion by 30 June 2015 and action in relation to all items has been revised.

**Section 2 Summary of Current Management Actions Plans at 30/06/15**

At 30 June 2015 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

**Section 3 Current Management Actions at 30/06/15**

At 30 June 2015 there was a total of 20 current audit action points.

**Section 4 Analysis of Missed Deadlines**

At 30 June 2015 there was a total of 16 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 30.06.15**

**SECTION 2**

<b>Directorate</b>	<b>No. of Actions Due</b>	<b>No. of Actions Completed</b>	<b>Deadline missed Revised date set*</b>	<b>Deadline missed Revised date to be set*</b>
Environment, Regeneration & Resources	0			
Health and Social Care Partnership (HSCP)	5		5	
Education, Communities and Organisational Development	0			
<b>Total</b>	<b>5</b>		<b>5</b>	

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

**INVERCLYDE COUNCIL INTERNAL AUDIT  
 REPORT TO AUDIT COMMITTEE ON  
 STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
 SUMMARY OF CURRENT MANAGEMENT ACTION PLANS AS AT 30.06.15**

**SECTION 2**

**CURRENT ACTIONS BY DIRECTORATE**

<b>Environment Regeneration and Resources</b>	
Due for completion September 2015	2
Due for completion October 2015	1
<b>Total Actions</b>	<b>3</b>
<b>Health and Social Care Partnership</b>	
Due for completion September 2015	3
Due for completion October 2015	1
Due for completion November 2015	2
Due for completion December 2015	4
Due for completion January 2016	2
Due for completion March 2016	4
<b>Total Actions</b>	<b>16</b>
<b>Education, Communities and Organisational Development</b>	
Due for completion October 2015	1
<b>Total Actions</b>	<b>1</b>
<b>Total current actions:</b>	<b>20</b>

**INVERCLYDE COUNCIL INTERNAL AUDIT  
 REPORT TO AUDIT COMMITTEE ON  
 STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
 CURRENT MANAGEMENT ACTIONS AS AT 30.06.15**

**SECTION 3**

**Environment Regeneration and Resources**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Property Assets Management (October 2014)</b>		
<b>Property Management System (PAMIS) (Amber)</b> The project plan will be implemented.	<b>Property Assets Manager</b>	<b>01.10.15</b>
<b>Management of Property Leases (Amber)</b> A formal lease management policy will be drafted and approved by Committee.	<b>Property Assets Manager</b>	<b>30.09.15*</b>
Action in relation to pursuing outstanding historical leases will be documented within the lease management policy and implemented following Committee approval of the policy.	<b>Property Assets Team Leader</b>	<b>30.09.15</b>

\* See Analysis of Missed Deadlines – Section 4



**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
CURRENT MANAGEMENT ACTIONS AS AT 30.06.15**

**SECTION 3**

**Health and Social Care Partnership**

Action	Owner	Expected Date
<b>Information Governance and Management (May 2009)</b>		
<p><b>Process (Amber)</b> Processes will be developed and implemented to strengthen the system of internal control over information governance and management. This will include:</p> <ul style="list-style-type: none"> <li>Implementation of preferred option for secure archiving facilities for appropriate hard copy records that must be retained in accordance with relevant legislation. This is dependent on funding being identified.</li> </ul>	<b>Corporate Director HSCP</b>	<b>Phase 1 Pilot by 31.12.15*</b>
<b>Client Accounts – HSCP (March 2014)</b>		
<p><b>Managing client and trust accounts across HSCP teams (Amber)</b> HSCP Management will;</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul> <p>HSCP management will;</p> <ul style="list-style-type: none"> <li>ensure that implementation of policy for clients and trust accounts is fully co-ordinated across relevant HSCP teams. This will include fully specifying and agreeing staff roles across and within teams;</li> <li>ensure that all relevant officers are fully trained in the revised processes for managing clients and trust accounts.</li> </ul>	<p><b>Team Lead (Community Care)</b></p> <p><b>Service Manager (Mental Health and Wellbeing)</b></p> <p><b>Service Manager (Mental Health and Wellbeing)</b></p> <p><b>Service Manager (Mental Health and Wellbeing)</b></p> <p><b>Service Manager (Mental Health and Wellbeing)</b></p>	<p><b>30.11.15*</b></p> <p><b>31.03.16*</b></p> <p><b>31.03.16*</b></p> <p><b>31.01.16*</b></p> <p><b>31.01.16*</b></p>

\* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
CURRENT MANAGEMENT ACTIONS AS AT 30.06.15**

**SECTION 3**

**Health and Social Care Partnership (Continued)**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<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>	<b>Service Manager (Mental Health and Wellbeing)</b>	<b>31.03.16*</b>
<p><b>Reconciling Trust Bank Accounts (Amber)</b> 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>	<b>Finance Supervisor</b>	<b>31.10.15*</b>
<b>Homelessness F/Up (January 2015)</b>		
<p><b>Processing Housing Benefits Income (Amber)</b> A reconciliation of the total income posted to the SDM System against the income received via FMS will be introduced.</p>	<b>Service Manager Homelessness</b>	<b>30.09.15*</b>
<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>	<b>Service Manager Homelessness</b>	<b>30.09.15*</b>
<p><b>Managing Rent Arrears (Amber)</b> Management will review the arrears figures for completeness and accuracy and age profile the outstanding debt.</p>	<b>Service Manager Homelessness</b>	<b>30.11.15</b>
<p>The working group will examine the draft Rent Arrears Policy and update it for the improvements identified, before being approved by Management.</p>	<b>Service Manager Homelessness</b>	<b>31.12.15*</b>
<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>	<b>Service Manager Homelessness</b>	<b>31.12.15*</b>
<p><b>Writing-off Irrecoverable Rent Arrears (Amber)</b> 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>	<b>Service Manager Homelessness</b>	<b>31.03.16</b>

\* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
CURRENT MANAGEMENT ACTIONS AS AT 30.06.15**

**SECTION 3**

**Health and Social Care Partnership (Continued)**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Homelessness F/Up (January 2015)</b>		
<p>Management will agree with Finance the:-</p> <ul style="list-style-type: none"> <li>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;</li> <li>b) procedure for and the frequency of posting the rent charge, the void rents and the arrears to the general ledger;</li> <li>c) establishment of a budget for a provision for bad debts in the general ledger, in line with the Council bad debt policy; and</li> <li>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.</li> </ul>	<b>Service Manager Homelessness</b>	<b>30.09.15*</b>
<p>Management will retain records of all cases submitted for write-off.</p>	<b>Service Manager Homelessness</b>	<b>31.12.15*</b>

\* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT  
REPORT TO AUDIT COMMITTEE ON  
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
CURRENT MANAGEMENT ACTIONS AS AT 30.06.15**

**SECTION 3**

**Education, Communities and Organisational Development**

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<b>Control Self-Assessment – Education (April 2013)</b>		
<p><b>Managing Pupil Transport (Amber)</b> Education management will convene a short life working group to fully identify and actively manage the issues involving contract buses. The working group will:</p> <ul style="list-style-type: none"> <li>• examine greater use of Strathclyde Passenger Transport's complaints procedure;</li> <li>• clarify the role of Schools Support Managers and Headquarters staff in managing pupil transport, including the production of appropriate action plans; and</li> <li>• ask Head Teachers to advise the working group of any other unresolved issues associated with contract buses.</li> </ul>	<b>Policy &amp; Commissioning Team Leader</b>	<b>31.10.15*</b>

\* See Analysis of Missed Deadlines – Section 4

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

**SECTION 4**

Report	Action	Original Date	Revised Date	Management Comments
<b>Information Governance and Management (May 2009)</b>	<p><b>Process (Amber)</b> Processes will be developed and implemented to strengthen the system of internal control over information governance and management. This will include:</p> <ul style="list-style-type: none"> <li>• Implementation of preferred option for secure archiving facilities for appropriate hard copy records that must be retained in accordance with relevant legislation. This is dependent on funding being identified.</li> </ul>	<p><b>31.03.11</b> <b>31.12.12</b> <b>31.03.15</b></p>	<p><b>Phase 1 Pilot by 31.12.15</b></p>	<p>An options appraisal has been developed outlining the preferred solution for secure archiving facilities for hard copy records. Indicative costs have been provided and funding is now being identified. A phased approach will be undertaken with a pilot service being implemented by end of December 2015.</p> <p>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>
<b>Control Self-Assessment – Education (April 2013)</b>	<p><b>Managing Pupil Transport (Amber)</b> Education management will convene a short life working group to fully identify and actively manage the issues involving contract buses. The working group will:</p> <ul style="list-style-type: none"> <li>• examine greater use of Strathclyde Passenger Transport’s complaints procedure;</li> <li>• clarify the role of Schools Support Managers and Headquarters staff in managing pupil transport, including the production of appropriate action plans; and</li> <li>• ask Head Teachers to advise the working group of any other unresolved issues associated with contract buses.</li> </ul>	<p><b>30.09.14</b></p>	<p><b>31.10.15</b></p>	<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. The first meeting is scheduled to take place in August 2015.</p>

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**SECTION 4**

Report	Action	Original Date	Revised Date	Management Comments
<b>Client Accounts – HSCP (March 2014)</b>	<p><b>Managing client and trust accounts across HSCP teams (Amber)</b> HSCP Management will;</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>	30.11.14 31.03.15	30.11.15	HSCP set-up a working group to manage the various actions from the audit and Council solicitors have provided valuable input. A HSCP 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 HSCP Services. This continues to be a major exercise as a range of HSCP staff contribute to it and due to other work pressures there has been slippage.
<b>Client Accounts – HSCP (March 2014)</b>	<p><b>Managing client and trust accounts across HSCP teams (Amber)</b> HSCP Management will;</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>	30.11.14 31.03.15	31.03.16	HSCP management are continuing to assess the practicalities of in-house operation of the Access to Fund scheme as anticipated capacity limits within both HSCP 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.

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Report	Action	Original Date	Revised Date	Management Comments
<b>Client Accounts – HSCP (March 2014)</b>	<p><b>Managing client and trust accounts across HSCP teams (Amber)</b> HSCP Management will;</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<b>30.11.14</b>	<b>31.01.16</b>	The HSCP 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 HSCP operational and administrative arrangements.
<b>Client Accounts – HSCP (March 2014)</b>	<p><b>Reconciling Trust Bank Accounts (Amber)</b> 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>	<b>30.11.14</b> <b>31.03.15</b>	<b>31.10.15</b>	Revised to allow for spreadsheet changes and to clarify staff roles within HSCP.
<b>Client Accounts – HSCP (March 2014)</b>	<p><b>Managing client and trust accounts across HSCP teams (Amber)</b> HSCP Management will;</p> <ul style="list-style-type: none"> <li>ensure that implementation of policy for clients and trust accounts is fully co-ordinated across relevant HSCP teams. This will include fully specifying and agreeing staff roles across and within teams</li> </ul>	<b>30.11.14</b>	<b>31.01.16</b>	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 HSCP which are most involved with managing clients monies i.e. Community Care and Community Mental Health Services.

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Report	Action	Original Date	Revised Date	Management Comments
<b>Property Assets Management (October 2014)</b>	<b>Management of Property Leases (Amber)</b> A formal lease management policy will be drafted and approved by Committee.	<b>31.01.15</b>	<b>30.09.15</b>	The policy has been drafted and will be presented to CMT in August. It will then be remitted to Committee for approval thereafter.
<b>Client Accounts – HSCP (March 2014)</b>	<b>Managing client and trust accounts across HSCP teams (Amber)</b> HSCP Management will; <ul style="list-style-type: none"> <li>• ensure that all relevant officers are fully trained in the revised processes for managing client and trust accounts.</li> </ul>	<b>28.02.15</b> <b>30.06.15</b>	<b>31.01.16</b>	Revised to allow for development of revised policy and procedures.
<b>Client Accounts – HSCP (March 2014)</b>	<b>Managing client and trust accounts across HSCP teams (Amber)</b> 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.	<b>31.03.15</b>	<b>31.01.16</b>	This has been revised to allow for development of revised policy and procedures.
<b>Homelessness F/Up (January 2015)</b>	<b>Processing Housing Benefits Income (Amber)</b> A reconciliation of the total income posted to the SDM System against the income received via FMS will be introduced.	<b>31.03.15</b>	<b>30.09.15</b>	This has been impacted by the level of work required to review AVD for historic arrears.
<b>Homelessness F/Up (January 2015)</b>	<b>Processing Housing Benefits Income (Amber)</b> Evidence will be generated which supports the above measure such as FMS and SDM printouts which are signed and dated by the staff involved.	<b>31.03.15</b>	<b>30.09.15</b>	This has been impacted by the level of work required to review AVD for historic arrears.



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Report	Action	Original Date	Revised Date	Management Comments
<b>Homelessness F/Up (January 2015)</b>	<b>Managing Rent Arrears (Amber)</b> The working group will examine the draft Rent Arrears Policy and update it for the improvements identified, before being approved by Management.	<b>30.06.15</b>	<b>31.12.15</b>	This will be developed once all work required to address the outstanding rent arrears position has been completed.
<b>Homelessness F/Up (January 2015)</b>	<b>Managing Rent Arrears (Amber)</b> The working group will examine how the arrears will be managed by the Team Leader - Temporary Accommodation and establish a new operating procedure.	<b>30.06.15</b>	<b>31.12.15</b>	This will be developed once all work required to address the outstanding rent arrears position has been completed.
<b>Homelessness F/Up (January 2015)</b>	<b>Managing Rent Arrears (Amber)</b> 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.	<b>30.06.15</b>	<b>30.09.15</b>	This will be prioritised once work on historic debt has been completed.
<b>Homelessness F/Up (January 2015)</b>	<b>Managing Rent Arrears (Amber)</b> Management will retain records of all cases submitted for write-off.	<b>30.06.15</b>	<b>31.12.15</b>	This will be prioritised once work on historic debt has been completed.

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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 30 June 2015.

<b>Audit Year</b>	<b>Total Agreed Actions</b>	<b>Total Actions Completed</b>	<b>Total Current Actions Not Yet Due*</b>		
			<b>Red</b>	<b>Amber</b>	<b>Green</b>
2008/2009	214	212	0	1	1
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	102	0	7	7
2014/2015	57	32	0	11	13
<b>Total</b>	<b>837</b>	<b>795</b>	<b>0</b>	<b>20</b>	<b>21</b>

\*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.