
Report	Audit Committee	Date:	20 October 2015
Report By:	Corporate Director Environment, Regeneration & Resources	Report to:	AC/15/15/AF/APr
Contact Officer:	Andi Priestman	Contact No:	01475 712251
Subject:	Internal Audit Progress Report – 3 August to 25 September 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 3 August to 25 September 2015 is attached as an **Appendix 1** Appendix to this report since its content is essential to the understanding of the Council's control environment.

2.0 SUMMARY

- 2.1 Three internal audit reports have been finalised since the last Audit Committee meeting:-
- Quality Assurance Arrangements – HSCP;
 - SOLACE Indicators; and
 - Business Support – HSCP.

- 2.2 These reports contain issues categorised as follows:-

Red	Amber	Green
0	1	8

- 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	13
Draft Report	2
Fieldwork Complete	0
Fieldwork in Progress	0
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 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:-

Stage	Number of Reports
Final Report	1
Draft Report	0
Fieldwork Complete	1
Fieldwork in Progress	4
Planning	0
Not started/Deferred	8
Total	14

2.6 In relation to Internal Audit follow up, there were no items due for completion by 31 August 2015. 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 3 August to 25 September 2015.

Aubrey Fawcett
Corporate Director Environment, Regeneration & 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 Three internal audit reports have been finalised since the last Audit Committee meeting in August 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	13
Draft Report	2
Fieldwork Complete	0
Fieldwork in Progress	0
Planning	0
Not started/Deferred	2
Total	17

- 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	1
Draft Report	1
Fieldwork Complete	0
Fieldwork in Progress	3
Planning	2
Not started/Deferred	7
Total	14

- 5.4 There are 21 current action points being progressed by Officers. There were no actions due for completion by 31 August 2015.
- 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
3 August to 25 September 2015**

Section	Contents	Page
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1 Audit work undertaken in the period

Reports issued since last update

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

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

1.2 There were three audit reports finalised since the August 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.

Reports finalised since previous Audit Committee	Grading			Total Number of Issues
	Red	Amber	Green	
2014/2015 plan				
HSCP Quality Assurance	0	0	2	2
HSCP Business Support	0	1	4	5
2015/2016 plan				
SOLACE Indicators	0	0	2	2
Total	0	1	8	9

Other activities

Risk Management

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

Internal Audit Action Plan Follow Up

- 1.4 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 31 August 2015.

HSCP Quality Assurance – Children and Families Service

- 2.2 The principal responsibilities of the Children and Families Service are:-

- To protect children from abuse and maintain a Child Protection Register;
- To provide support and practical assistance to children and families;
- To look after children who cannot stay at home;
- To work with young people in trouble and who are vulnerable;
- To assess need and provide support to children who have additional support needs;
- To provide an Adoption and Fostering Agency;
- To monitor service quality; and
- To meet national and local standards for all service provision.

The quality assurance framework in operation monitors the service and is based on national themes for child protection and looked after away from home children. It aims to protect and ensure the wellbeing of children and young people.

- 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 HSCP Quality Assurance.

- 2.4 The overall control environment opinion for this audit was **Strong**.

Areas of good practice were identified as follows:-

- We observed that the quality assurance staff had good working relationships with other members of staff and partners working in child protection and a strong client focus in order to ensure their safety, care and wellbeing.
- Methodical planning of work is undertaken by experienced staff to deliver a high quality service.

- 2.5 The review identified two GREEN issues and an action plan is in place to address both issues by 31 December 2015.

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

SOLACE Indicators

2.6 The Local Government Act (1992) requires the Accounts Commission to direct Councils to publish information relating to the performance of their activities, so that comparisons can be made between authorities and between years. Since 2010, the Society of Local Authority Chief Executives (SOLACE) has been working with the Improvement Service and all 32 Scottish Local Authorities to develop a new set of benchmarking indicators. On 7 March 2013, the SOLACE Benchmarking indicators were published. These replace the existing Audit Scotland set of Statutory Performance Indicators (SPIs) for reporting year 2013/14 onwards. The financial year 2014/15 is the second year of these new Local Government Benchmarking Framework (LGBF) indicators.

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 over the key risks faced by Inverclyde Council in relation to the Local Government Benchmarking Framework (LGBF) Indicators.

2.8 The audit focussed on the 11 indicators which the Council formally reports to the Improvement Service. Most of the indicators which were not examined either do not apply to the Council or are sourced separately.

• Sickness Absence	Indicator 1 (Corp 6)	• Sport & Leisure Management	Indicator 10 (C and L 1)
• Equal Opportunities policy	Indicator 2 (Corp 3b)	• Museum Services	Indicator 11 (C and L 3)
• Council Tax Collection	Indicator 5 (Corp 4)	• Use of Libraries	Indicator 12 (C and L 2)
• Council Tax income	Indicator 6 (Corp 7)	• Domestic noise complaints	Indicator 20 (Corp 5b2)
• Payment of invoices	Indicator 7 (Corp 8)	• Refuse Collection	Indicator 23 (ENV1, 1a, 2, 2a)
• Asset Management	Indicator 8 (Corp Asset 1 and 2)		

2.9 The overall control environment opinion for this audit was **Strong**. In terms of good practice we found that the officers who prepare the indicators have a greater understanding of the overall process, including Internal Audit's role. In addition, some officers have made changes which enhanced the process for preparing the indicators, for example Human Resources in relation to the Equal Opportunities indicator.

2.10 The review identified 2 GREEN issues and an action plan is in place to address both issues by 30 April 2016.

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

HSCP Business Support

- 2.11 The Business Support function provides all the clerical and administration support to all Services within the HSCP at the various premises occupied by the partnership. These duties include specialist minute taking, data input, front line reception, systems administration, raising debtors invoices, payment of creditors invoices, timesheets, absent management, cash duties, mail service, Freedom of Information requests and complaints handling. At present there are approximately 87 full time equivalent members of staff providing the business support service.

The operation of Client Bank Accounts and complaints handling was excluded from this review as these were/will be the subject of separate audit reviews.

- 2.12 The overall control environment opinion for this audit was **Satisfactory**. There was one AMBER issue summarised as follows:

Mail Distribution

The main location for the sorting and distributing of mail is the HSCP Headquarters at Hector McNeil House. Other HSCP locations either bring their mail to Headquarters for distribution, have their own franking machine or use postage stamps. All mail should be posted second class unless a form is completed and authorised for it to be sent first class or recorded delivery together with the justification for sending by these methods. Through audit testing and discussions with staff it was identified that:-

- there is no written guidance regarding the justification for sending mail first class or recorded delivery;
- forms used to authorise first class or recorded delivery were not always fully completed in terms of justification of authorisation;
- mail being routinely posted without considering sending it using other more cost-effective methods; and
- internal mail from other teams within the HSCP being posted out directly.

Sending mail by first class post without proper justification and considering other processing methods incurs an additional cost and is not value for money.

- 2.13 The review identified a total of 5 issues, one of which we consider to be individually significant and an action plan is in place to address all issues by 31 January 2016.

3. Audit Plan for 2014/15 – Progress to 25 September 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	✓	✓	✓	✓	✓	✓	August 2015
Grounds Maintenance – Whinhill Golf Course	✓	✓	✓	✓	✓	✓	January 2015
Homecare – CM2000 System	✓	✓	✓	✓	✓	✓	January 2015
Corporate Complaints	✓	✓	✓	✓	✓	✓	April 2015
Quality Assurance - IHSCP	✓	✓	✓	✓	✓	✓	October 2015
Business Support - IHSCP	✓	✓	✓	✓	✓	✓	October 2015
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	✓	✓	✓	✓	✓	✓	August 2015
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. Audit Plan for 2015/16 – Progress to 25 September 2015

Planned Audit Cover	Planning	TOR Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report	Report Finalised	Reported to Audit Committee
Risk-Based Reviews							
HR Operations – Recruitment and Selection	✓	✓	✓	✓	✓		
Learning Disability Services – Client Money Arrangements	✓	✓	✓				
Contract Management – RAMP	✓	✓					
Facilities Management - Cleaning	✓	✓	✓				
Limited Scope Financial System Reviews							
General Ledger	✓	✓					
Regularity Audits							
CSA IHSCP	✓	✓	✓				
Performance Reviews							
SOLACE Indicators	✓	✓	✓	✓	✓	✓	October 2015
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.
 - Responding to corporate FOI requests.

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
AT 31 AUGUST 2015

Summary: Section 1 Summary of Management Actions due for completion by 31/08/15

There were no actions due for completion by 31 August 2015.

Section 2 Summary of Current Management Actions Plans at 31/08/15

At 31 August 2015 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 31/08/15

At 31 August 2015 there was a total of 21 current audit action points.

Section 4 Analysis of Missed Deadlines

At 31 August 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 31.08.15**

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			
Health and Social Care Partnership (HSCP)	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 31.08.15**

SECTION 2

CURRENT ACTIONS BY DIRECTORATE

Environment Regeneration and Resources	
Due for completion October 2015	2
Due for completion December 2015	1
Total Actions	3
Health and Social Care Partnership	
Due for completion October 2015	2
Due for completion November 2015	1
Due for completion December 2015	4
Due for completion January 2016	5
Due for completion March 2016	5
Total Actions	17
Education, Communities and Organisational Development	
Due for completion October 2015	1
Total Actions	1
Total current actions:	21

**INVERCLYDE COUNCIL INTERNAL AUDIT
 REPORT TO AUDIT COMMITTEE ON
 STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
 CURRENT MANAGEMENT ACTIONS AS AT 31.08.15**

SECTION 3

Environment Regeneration and Resources

Action	Owner	Expected Date
Property Assets Management (October 2014)		
Property Management System (PAMIS) (Amber) The project plan will be implemented.	Property Assets Manager	31.12.15
Management of Property Leases (Amber) A formal lease management policy will be drafted and approved by Committee.	Property Assets Manager	31.10.15*
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	31.10.15

* 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 31.08.15**

SECTION 3

Health and Social Care Partnership

Action	Owner	Expected Date
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"> 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. 	Corporate Director HSCP	Phase 1 Pilot by 31.12.15*
Client Accounts – HSCP (March 2014)		
<p>Managing client and trust accounts across HSCP teams (Amber) HSCP 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. 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. <p>HSCP 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 HSCP 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>Team Lead (Community Care)</p> <p>Service Manager (Mental Health and Wellbeing)</p> <p>Service Manager (Mental Health and Wellbeing)</p> <p>Service Manager (Mental Health and Wellbeing)</p> <p>Service Manager (Mental Health and Wellbeing)</p>	<p>30.11.15*</p> <p>31.03.16*</p> <p>31.03.16*</p> <p>31.01.16*</p> <p>31.01.16*</p>

* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.08.15**

SECTION 3

Health and Social Care Partnership (Continued)

Action	Owner	Expected Date
<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>	Service Manager (Mental Health and Wellbeing)	31.03.16*
<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>	Finance Supervisor	31.10.15*
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	31.01.16*
<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	31.01.16*
<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	31.01.16
<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	31.12.15*
<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	31.12.15*
<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	31.03.16

* See Analysis of Missed Deadlines – Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.08.15**

SECTION 3

Health and Social Care Partnership (Continued)

Action	Owner	Expected Date
Homelessness F/Up (January 2015)		
<p>Management will agree with Finance the:-</p> <p>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;</p> <p>b) procedure for and the frequency of posting the rent charge, the void rents and the arrears to the general ledger;</p> <p>c) establishment of a budget for a provision for bad debts in the general ledger, in line with the Council bad debt policy; and</p> <p>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.</p>	Service Manager Homelessness	31.12.15*
<p>Management will retain records of all cases submitted for write-off.</p>	Service Manager Homelessness	31.03.16*
Business Support (September 2015)		
<p>Mail Distribution</p> <p>Consideration will be given to the best process in terms of mail for services outwith Hector McNeil House. A scoping exercise will be undertaken to gather appropriate information in order to make an informed choice.</p>	Business Support Co-ordinator	31.10.15

* 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 31.08.15**

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	31.10.15*

* 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)	<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"> • 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. 	<p>31.03.11 31.12.12 31.03.15</p>	<p>Phase 1 Pilot by 31.12.15</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>
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. 	<p>30.09.14</p>	<p>31.10.15</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.</p>

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

SECTION 4

Report	Action	Original Date	Revised Date	Management Comments
Client Accounts – HSCP (March 2014)	<p>Managing client and trust accounts across HSCP teams (Amber) HSCP 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	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 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.
Client Accounts – HSCP (March 2014)	<p>Managing client and trust accounts across HSCP teams (Amber) HSCP 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	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.

**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 – HSCP (March 2014)	<p>Managing client and trust accounts across HSCP teams (Amber) HSCP 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	31.01.16	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 issues 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.
Client Accounts – HSCP (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	31.10.15	Revised to allow for spreadsheet changes and to clarify staff roles within HSCP.
Client Accounts – HSCP (March 2014)	<p>Managing client and trust accounts across HSCP teams (Amber) HSCP 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 HSCP teams. This will include fully specifying and agreeing staff roles across and within teams 	30.11.14	31.01.16	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.

**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
Property Assets Management (October 2014)	Management of Property Leases (Amber) A formal lease management policy will be drafted and approved by Committee.	31.01.15	31.10.15	The policy has been drafted and will be presented to CMT in October. It will then be remitted to Committee for approval thereafter.
Client Accounts – HSCP (March 2014)	Managing client and trust accounts across HSCP teams (Amber) HSCP Management will; <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	31.01.16	Revised to allow for development of revised policy and procedures.
Client Accounts – HSCP (March 2014)	Managing client and trust accounts across HSCP teams (Amber) 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.	31.03.15	31.01.16	This has been revised to allow for development of revised policy and procedures.
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.	31.03.15	31.01.16	This has been impacted by the level of work required to review AVD for historic arrears.
Homelessness F/Up (January 2015)	Processing Housing Benefits Income (Amber) Evidence will be generated which supports the above measure such as FMS and SDM printouts which are signed and dated by the staff involved.	31.03.15	31.01.16	This has been impacted by the level of work required to review AVD for historic arrears.

**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
Homelessness F/Up (January 2015)	Managing Rent Arrears (Amber) The working group will examine the draft Rent Arrears Policy and update it for the improvements identified, before being approved by Management.	30.06.15	31.12.15	This will be developed once all work required to address the outstanding rent arrears position has been completed.
Homelessness F/Up (January 2015)	Managing Rent Arrears (Amber) The working group will examine how the arrears will be managed by the Team Leader - Temporary Accommodation and establish a new operating procedure.	30.06.15	31.12.15	This will be developed once all work required to address the outstanding rent arrears position has been completed.
Homelessness F/Up (January 2015)	Managing Rent Arrears (Amber) 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.	30.06.15	31.12.15	This will be prioritised once work on historic debt has been completed.
Homelessness F/Up (January 2015)	Managing Rent Arrears (Amber) Management will retain records of all cases submitted for write-off.	30.06.15	31.03.16	This will be prioritised once work on historic debt has been completed.

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

SECTION 5

The following table sets out the total number of agreed actions raised by audit year together with their completion status as at 31 August 2015.

Audit Year	Total Agreed Actions	Total Actions Completed	Total Current Actions Not Yet Due*		
			Red	Amber	Green
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	105	0	7	4
2014/2015	63	35	0	12	16
2015/2016	2	1	0	0	1
Total	845	802	0	21	22

*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.