

<b>Report To:</b>	<b>Audit Committee</b>	<b>Date:</b>	<b>5 January 2016</b>
<b>Report By:</b>	<b>Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>AC/02/16/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 – 28 September to 4 December 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 28 September to 4 December 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 Three internal audit reports have been finalised since the last Audit Committee meeting:
- HR Operations (Recruitment and Selection)
  - Facilities Services - Cleaning
  - HSCP Learning Disabilities Service – Client Money Arrangements
- 2.2 These reports contain 17 issues categorised as follows:

Red	Amber	Green
0	7	10

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

Stage	Number of Reports
Final Report	4
Draft Report	2
Fieldwork Complete	1
Fieldwork in Progress	3
Planning	0
Not started/Deferred	4
<b>Total</b>	<b>14</b>

- 2.4 In relation to Internal Audit follow up, there were 4 items due for completion by 31 October 2015 and all items have been reported as completed by management. The current status report is attached at Appendix 2. **Appendix 2**

2.5 The CMT has reviewed and agreed the current status of actions.

### **3.0 RECOMMENDATIONS**

3.1 It is recommended that Members agree to note the progress made by Internal Audit in the period from 28 September to 4 December 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 October 2015.
- 5.2 The fieldwork for the 2015/16 audit plan is underway and the current status of the plan is as follows:

Stage	Number of Reports
Final Report	4
Draft Report	2
Fieldwork Complete	1
Fieldwork in Progress	3
Planning	0
Not started/Deferred	4
<b>Total</b>	<b>14</b>

- 5.3 There are 18 current action points being progressed by officers. There were 4 actions due for completion by 31 October 2015 and action in relation to all items has been reported as completed by management.
- 5.4 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  
28 September to 4 December 2015**

<b>Section</b>	<b>Contents</b>	<b>Page</b>
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 2015-2016 – progress to 4 December 2015	7
4	Ad hoc activities undertaken since the previous Audit Committee	8

**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 three audit reports finalised since the October 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	
HR Operations (Recruitment and Selection)	0	0	5	5
Facilities Services – Cleaning	0	3	1	4
HSCP Learning Disabilities Service – Client Money Arrangements	0	4	4	8
<b>Total</b>	<b>0</b>	<b>7</b>	<b>10</b>	<b>17</b>

**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 an annual 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 25 September 2015.

**HR Operations – Recruitment and Selection**

2.2 Organisational Development and Human Resources provides an administration and professional support service for recruitment and selection to all Council Services, Inverclyde Leisure, Riverside Inverclyde and as required by the HSCP jointly with the NHS. The myjobscotland website is operated and controlled by a partnership between Lumesse, CoSLA and individual Councils and is the national shared recruitment portal for Scotland's 32 Local Authorities. It advertises job vacancies and allows candidates to view vacancies and submit applications online.

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 Recruitment and Selection.

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

Areas of good practice were identified as follows:-

- We observed a strong customer focus and good working relationships with other Services and external agencies.
- Many of the Human Resources staff have substantial experience in their roles and a detailed knowledge of employment legislation governing the recruitment and selection of staff.

2.5 The review identified 5 GREEN issues and an action plan is in place to address all issues by 30 June 2016.



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

**Facilities Services – Cleaning**

- 2.6 Staff and customers using Council buildings have expectations regarding the cleanliness of those buildings. It is important that the Facilities Management function of Environmental & Commercial Services delivers minimum cleaning standards across dozens of Council properties each working day. Delivery of cleaning standards helps avoid reputational damage amongst service users and staff alike. Also, maintaining minimum cleaning standards assists in complying with health and safety regulations.
- 2.7 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks faced by Inverclyde Council in relation to cleaning services.
- 2.8 The overall control environment opinion for this audit was **Satisfactory**. There were 3 AMBER issues summarised as follows:

Managing cleaning services delivered to external customers

A cleaning service is delivered to three external organisations. It is important that adequate contract management arrangements are in place when dealing with them. However, we have identified some weaknesses in the arrangements as follows:

- current contracts for all external customers were not available; only older and limited contract documentation is available regarding the Scottish Police Authority sites; and
- the charges made to all external customers have not been reviewed for cost increases.

It is more difficult to demonstrate compliance with best practice in contract management when key documentation is either not available or out of date. In addition, there will be a lower than expected profit contribution to fixed costs when costs rises cannot be offset by higher charges.

Managing vacancies and absences amongst cleaning staff

Delivering cleaning services across multiple sites involves deploying all available staff and this requires effective management of vacancies and staff absences. Following discussions with Human Resources (HR) and service management we have identified some specific issues in these arrangements, namely;

- a variety of factors can delay the filling of vacancies, some of which are unavoidable. These factors range from generating budget savings to completing safe recruitment checks. There is scope to investigate the underlying causes of controllable delays and bottlenecks in the process for filling vacancies; and
- staff absent for less than seven days are required to complete self-certification forms. Through audit testing we found that these forms are not always completed.

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

In addition, long-term staff absences impact adversely on service delivery and providing cover increases costs. With complex cases a combination of factors can inadvertently cause delays as:

- cases always need to be submitted to HR within the absence policy trigger points;
- the extent of co-ordination between managers and HR Advisors during each stage of each case could be strengthened, especially when the occupational health contractor becomes involved;
- a clearer mechanism is required for reconciling different approaches to progressing cases when differences in opinion arise;
- there is scope to clarify the decision-making and advisory roles of managers and HR staff in deciding when to terminate employment.

The quality and capacity of the cleaning service may be reduced when arrangements for managing vacancies and staff absences do not operate effectively. In addition, additional expenditure is incurred when long-term absence cases become overly protracted.

### Managing cleaning services delivered to Council services

Delivering an efficient and effective cleaning service involves managing staff productivity and maintaining service income. However, we found some weaknesses in these arrangements, namely;

- a formula used to allocate staff resources has not been reviewed for many years;
- a process for resourcing and planning the replacement of cleaning equipment has not been fully developed;
- agreed service level agreements are not in place;
- approximately £86,000 of cleaning costs are not recharged to internal customers; and
- there is scope to review the timing of cleaning recharges made to services.

It is more difficult to increase staff productivity when the formula used to allocate staff resources is out of date and service level agreements are not operating.

The cost of cleaning across service budgets is understated when the in-house service is not fully recharged.

- 2.9 The review identified a total of 4 issues, 3 of which we consider to be individually significant and an action plan is in place to address all issues by 31 October 2016.

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

**HSCP Learning Disabilities Service – Client Money Arrangements**

- 2.10 Learning Disabilities Services provides services to adults with learning disabilities, offering care and support to enhance an individual's quality of life. In addition, many of the service users need support to manage their own finances. It is important that the processes associated with handling clients' money are robust and applied consistently over time. Selected HSCP staff are involved in managing the personal finances of these clients.
- 2.11 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 client money arrangements within the Learning Disabilities Service.
- 2.12 The overall control environment opinion for this audit was **Satisfactory**. There were 4 AMBER issues summarised as follows:

Adequacy of security arrangements for client information

In relation to client financial transactions, client information is stored in hard copy files. However, through observation and enquiry, it was found that client information is not stored securely at 7 out of 8 Learning Disabilities Service locations.

Some locations store files within filing cabinets which are not locked when not in use. For other locations, client files are stored on top of the office safe or on top of office shelves. Where files are not securely held, there is a risk of unauthorised access to client information.

Evidence of Independent check of money handling process

In relation to client money arrangements, a weekly check is carried out of the individual income and expenditure transactions to ensure they are valid and have been completely and accurately recorded. However, through observation and enquiry we identified although transactions are checked, no evidence is recorded of this check at 3 locations.

Where evidence is not available to demonstrate that an independent check has been carried out for client money arrangements, management cannot be confident that any inaccurate, incomplete or invalid entries are identified and corrected.

Adequacy of client money arrangement process – Purchase of Meals

At one location, client money arrangements are in place for service users in relation to the purchase of meals and activities. Through observation and enquiry and review of available paperwork, we identified the following issues with the process:

- the service user is always charged £2.35 at the point of sale for lunch, irrespective of the actual cost of the meal, which in some cases can be less than £2.35. Any change from the £2.35 payment is held in a separate money bag which is not banked but is subsequently used to fund other activities such as arts and crafts or purchasing gifts for a service user's birthday or other special occasion; and
- through a review of shopping receipts we identified that a personal debit card and clubcard were being used to purchase clients' shopping from a supermarket. This breaches the guidelines set out which states that only cash should be used for the client expenditure. Also the owner of the clubcard has taken personal advantage from the loyalty scheme on offer.

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

Where service users are not being correctly charged for meals, there is a risk that all service users are not being treated fairly as those service users not having a full priced lunch are therefore subsidising other activities.

Client money arrangements

A new financial protocol has been in place since September 2014, which states that:

- two members of staff must be present when money is signed out on a daily basis. This is evidenced on the banking log; and
- on a weekly basis, each tenant's weekly finance sheet is audited by the senior staff member and a monthly reconciliation is carried out to reconcile the finance sheet to the bank statement.

Through discussions with staff and testing, we identified issues in these arrangements at one location including:

- not all banking log entries were countersigned; for one client, logs were missing;
- incorrect opening balances were recorded on the daily finance sheet due to bank statements not being received in a timely manner;
- no separation of duties is in place as the senior staff member who acts as verifier for the monthly bank reconciliations also completes and updates all other financial paperwork used; and;
- Reconciliations for all service users are not being completely and accurately carried out in a timely manner.

Where reconciliations are not complete and accurate or carried out in a timely manner it is more difficult to identify errors and validate clients' financial transactions. In addition, the lack of separation of duties exacerbates this risk.

- 2.13 The review identified a total of 8 issues, 4 of which we consider to be individually significant and an action plan is in place to address all issues by 31 March 2016.

3. Audit Plan for 2015/16 – Progress to 4 December 2015

Planned Audit Cover	Planning	TOR Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report	Report Finalised	Reported to Audit Committee
<b>Risk-Based Reviews</b>							
HR Operations – Recruitment and Selection	✓	✓	✓	✓	✓	✓	January 2016
Learning Disability Services – Client Money Arrangements	✓	✓	✓	✓	✓	✓	January 2016
ECS – Overtime Claims	✓	✓	✓	✓	✓		
Facilities Management - Cleaning	✓	✓	✓	✓	✓	✓	January 2016
<b>Limited Scope Financial System Reviews</b>							
General Ledger	✓	✓	✓	✓	✓		
<b>Regularity Audits</b>							
CSA IHSCP	✓	✓	✓	✓	✓		
CSA Education	✓						
<b>Post Implementation Review</b>							
Vehicle Tracking System	✓						
<b>Performance Reviews</b>							
SOLACE Indicators	✓	✓	✓	✓	✓	✓	October 2015
VFM – Technical Services	✓						
<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.						
Complaints Handling Working Group	Input provided by CIA via Steering Group and People Sub-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.
  - Facilitating workshop for LDS Care Assessment Team.

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

**Summary: Section 1 Summary of Management Actions due for completion by 31/10/15**

There were 4 actions due for completion by 31 October 2015 and all actions have been reported as completed by management.

**Section 2 Summary of Current Management Actions Plans at 31/10/15**

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

**Section 3 Current Management Actions at 31/10/15**

At 31 October 2015 there was a total of 16 current audit action points.

**Section 4 Analysis of Missed Deadlines**

At 31 October 2015 there was a total of 13 audit action points where the agreed deadline had been missed.

**Section 5 Summary of Action Plan Points by Audit Year**

**INVERCLYDE COUNCIL INTERNAL AUDIT  
 REPORT TO AUDIT COMMITTEE ON  
 STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)  
 SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 31.10.15**

**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	2	2		
Health and Social Care Partnership (HSCP)	2	2		
Education, Communities and Organisational Development	0	0		
<b>Total</b>	<b>4</b>	<b>4</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 31.10.15**

**SECTION 2**

**CURRENT ACTIONS BY DIRECTORATE**

<b>Environment Regeneration and Resources</b>	
Due for completion March 2016	1
<b>Total Actions</b>	<b>1</b>
<b>Health and Social Care Partnership</b>	
Due for completion January 2016	1
Due for completion March 2016	12
<b>Total Actions</b>	<b>13</b>
<b>Education, Communities and Organisational Development</b>	
Due for completion March 2016	2
<b>Total Actions</b>	<b>2</b>
<b>Total current actions:</b>	<b>16</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 31.10.15**

**SECTION 3**

**Environment Regeneration and Resources**

Action	Owner	Expected Date
<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>31.03.2016</b>

**Health and Social Care Partnership**

Action	Owner	Expected Date
<b>Information Governance and Management (May 2009)</b>		
<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: <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 31.01.16*</b>
<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>• 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>	<b>Service Manager (Mental Health and Wellbeing)</b>	<b>31.03.16*</b>
	<b>Service Manager (Mental Health and Wellbeing)</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 31.10.15**

**SECTION 3**

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

<b>Action</b>	<b>Owner</b>	<b>Expected Date</b>
<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>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>
	<b>Service Manager (Mental Health and Wellbeing)</b>	<b>31.03.16*</b>
	<b>Service Manager (Mental Health and Wellbeing)</b>	<b>31.03.16*</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> <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> <p>The working group will examine the draft Rent Arrears Policy and update it for the improvements identified, before being approved by Management.</p> <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>31.03.16*</b>
	<b>Service Manager Homelessness</b>	<b>31.03.16*</b>
	<b>Service Manager Homelessness</b>	<b>31.03.16*</b>
	<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 31.10.15**

**SECTION 3**

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

<b>Action</b>	<b>Owner</b>	<b>Expected Date</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>
<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>31.03.16*</b>
<p>Management will retain records of all cases submitted for write-off.</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 31.10.15**

**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>31.03.16*</b>
<b>Control Self-Assessment – Education (August 2015)</b>		
<p><b>Health and Safety (Amber)</b> Education management will liaise with the Health and Safety Team to ensure that:-</p> <ul style="list-style-type: none"> <li>• all relevant up to date Health and Safety notices are delivered to all establishments;</li> <li>• a published list of Safety Representatives is displayed clearly at all establishments;</li> <li>• a training needs analysis is carried out for each post to formally identify Health and Safety training needs and a formal list drawn up;</li> <li>• all establishments have established the role of DSE Assessor at their establishment and that DSE assessments are carried out on all users. An accurate record of each assessment should be maintained and subject to regular review to ensure it remains up to date;</li> <li>• all establishments develop a tracking system to record all completed risk assessments and actions to be completed;</li> <li>• an action plan is put in place to manage all health and safety issues in a timely manner in accordance with the Council's Health and Safety policies; and</li> <li>• noise assessments are carried out at all applicable education establishments in accordance with Health and Safety regulations.</li> </ul>	<b>Policy &amp; Commissioning Team Leader</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)  
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</b> <b>31.01.16</b></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 January 2016.
<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>30.09.14</b>	<b>31.03.16</b>	A working group has been organised but will have to deal with a number of issues. This will be further informed through the business support review which is currently underway.

**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>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.
<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>	30.11.14	31.03.16	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.

**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>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>31.03.16</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.
<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 all relevant officers are fully trained in the revised processes for managing client and trust accounts.</li> </ul>	<b>28.02.15 30.06.15</b>	<b>31.03.16</b>	Revised to allow for development of revised policy and procedures.
<b>Client Accounts – HSCP (March 2014)</b>	<p><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.</p>	<b>31.03.15</b>	<b>31.03.16</b>	This has been 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)  
ANALYSIS OF MISSED DEADLINES**

**SECTION 4**

Report	Action	Original Date	Revised Date	Management Comments
<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>31.03.16</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>31.03.16</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>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>31.03.16</b>	Policy has been drafted and final version will be informed by legal and debt recovery advice being obtained prior to management approval.
<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>31.03.16</b>	This will be informed by the new arrears policy which has been drafted.

**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>Homelessness F/Up (January 2015)</b>	<p><b>Managing Rent Arrears (Amber)</b> 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>30.06.15</b>	<b>31.03.16</b>	This will be prioritised once work on historic debt has been completed.
<b>Homelessness F/Up (January 2015)</b>	<p><b>Managing Rent Arrears (Amber)</b> Management will retain records of all cases submitted for write-off.</p>	<b>30.06.15</b>	<b>31.03.16</b>	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 October 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	106	0	6	4
2014/2015	66	39	0	8	19
2015/2016	2	1	0	0	1
<b>Total</b>	<b>848</b>	<b>807</b>	<b>0</b>	<b>16</b>	<b>25</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.