

**PERTH AND KINROSS COUNCIL****Audit Committee****24 June 2015****INTERNAL AUDIT FOLLOW UP****Report by Chief Internal Auditor****PURPOSE OF REPORT**

This report presents a current summary of Internal Audit's 'follow up' work.

**1. BACKGROUND AND MAIN ISSUES**

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor establishes a follow-up process to monitor and ensure that management actions have been effectively implemented. To assist the Audit Committee, the appendices to this report provide information on those actions that have not been implemented in accordance with the original agreed timetable, or where there is insufficient information on the current situation. Some dates have been revised and agreed with Services in recognition of the need for more time to complete the actions.
- 1.2 Appendix A presents a summary of the number of actions arising from internal and external audit reports. Table 1 shows the total number of agreed actions which Internal Audit will be following up even where the originally agreed completion dates have not yet been reached; the total number of actions is 89. Table 2 shows the number of agreed actions that have been reported as incomplete as at their original agreed completion date; these total 20, of which 8 had a completion date of January to March 2015 and are therefore detailed in the following Appendices B to D. A further 12 actions not completed by their original date have been allocated revised dates for completion after 31 March and progress will be reported on these at a future Committee. Therefore, the number of agreed actions which have yet to be followed up as the date for completion is after 31 March 2015 is 69. In both tables, the actions are grouped by Service and reported by 'importance' of the agreed actions.
- 1.3 Appendices B to D present detailed follow-up information in respect of actions agreed for completion in the period of January to March 2015. The appendices also record service management's explanations of the status of each action point and internal audit comments where relevant. There are no actions with a completion date of January to March 2015 that have not been completed for Education & Children's Services.

## 2. PROPOSALS

- 2.1 It is recommended that the Committee seeks assurance that there are clear and achievable action plans for completing the agreed actions noted above.

## 3 CONCLUSION AND RECOMMENDATIONS

- 3.1 The Audit Committee is asked to consider the most appropriate action to be taken to progress the agreed Action Plans.
- 3.2 It is recommended that the Audit Committee:
- (i) Note the current position in respect of the agreed actions arising from internal and external work;
  - (ii) Consider the most appropriate action to be taken to progress the agreed action plans, taking into account the recorded audit opinions.

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
<b>Resource Implications</b>	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
<b>Assessments</b>	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
<b>Consultation</b>	
Internal	Yes
External	None
<b>Communication</b>	
Communications Plan	None

### 1. Strategic Implications

#### 1.1 Corporate Plan

- 1.1.1 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.1.2 This report relates to all of these objectives.

## 2. Assessments

### 2.1 Equality Impact Assessment

- 2.1.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

- 2.1.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

2.2 Risk

- 2.2.1 There is a risk to the strength of the control environment if the agreed action plans are not carried out in a timely manner.

**3. Consultation**

3.1 Internal

- 3.1.1 The Chief Executive and all Executive Directors have been consulted in the preparation of this report.

**2. BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

**3. APPENDICES**

Appendix A - Summary of Agreed Actions

Appendix B - Audit Follow-Up Chief Executive's Service

Appendix C - Audit Follow-Up Housing & Community Care

Appendix D - Audit Follow-Up The Environment Service

## Appendix A: Summary of Agreed Actions

Table 1: All Agreed Actions for Follow-Up (figures in brackets reported in April 2015). This table includes actions not yet due for completion.

Service	Importance					
	Critical	High	Medium	Low	Not Rated	Total
Chief Executive's	0 (0)	1 (1)	11 (13)	3 (10)	4 (4)	19 (28)
Education & Children's Services	0 (0)	3 (0)	7 (4)	10 (6)	0 (0)	20 (10)
Housing & Community Care	0 (0)	0 (1)	21 (21)	17 (11)	0 (0)	38 (33)
The Environment Service	0 (0)	1 (2)	6 (6)	4 (9)	1 (2)	12 (19)
<b>All Services</b>	<b>0 (0)</b>	<b>5 (4)</b>	<b>45 (44)</b>	<b>34 (36)</b>	<b>5 (6)</b>	<b>89 (90)</b>

Table 2: All Actions Reported as Incomplete on their Original Agreed Date

Service	Importance					
	Critical	High	Medium	Low	Not Rated	Total
Chief Executive's	0 (0)	1 (1)	7 (4)	0 (1)	3 (3)	11 (9)
Education & Children's Services	0 (0)	0 (0)	1 (1)	1 (2)	0 (0)	2 (3)
Housing & Community Care	0 (0)	0 (0)	1 (2)	0 (2)	0 (0)	1 (4)
The Environment Service	0 (0)	0 (1)	1 (1)	4 (4)	1 (2)	6 (8)
<b>All Services</b>	<b>0 (0)</b>	<b>1 (2)</b>	<b>10 (8)</b>	<b>5 (9)</b>	<b>4 (5)</b>	<b>20 (24)</b>
Actions with a completion date of January to March 2015 which have not been completed and therefore included on Appendices B to D						8
Those actions where the agreed date is not January to March 2015 which have been previously reported to Audit Committee						12



**Appendix B - Audit Follow-up**  
**Chief Executive's Service**  
**(Reporting for All dates on or before: March 2015)**

Action Plan	Dates	Status/Explanation
<p>14-07 - Data Protection  Action Point : 13 - Subject Access Requests  Importance: Medium</p> <p>Audit Committee Date: November 2014</p> <p>The centralisation of the processing of subject access requests is dependent on the availability of adequate resources in the FOI team. An additional FOI Officer is currently being sought. This will be completed by March 2015 or an update report will be provided to EOT.</p> <p>(D Henderson, Information Compliance Manager)</p>	<p>Mar 2015  Sep 2015</p>	<p>The additional FOI Officer did not take up post until March 2015 and it has not yet been possible to review the situation regarding subject access requests. As a result, a revised completion date has been set.</p> <p>Internal Audit Opinion: Satisfactory</p>
<p>14-07 - Data Protection  Action Point : 14 - Subject Access Requests  Importance: Medium</p> <p>Management information about the processing of SARs will be reported when the centralisation of processing has been completed.</p> <p>(D Henderson, Information Compliance Manager)</p>	<p>Mar 2015  Sep 2015</p>	<p>The additional FOI Officer did not take up post until March 2015 and it has not yet been possible to review the situation regarding subject access requests.</p> <p>Internal Audit opinion: Satisfactory</p>
<p>14-08 - Employee Expenses  Action Point : 2 - Guidance on the intranet regarding expenses  Importance: Low</p> <p>The information provided on ERIC and MyView has grown over time in response to changing processes; e.g., the use of new software to handle claims from most staff. Human Resources will work together with the Finance Division to revise the ERIC and MyView guidance, with a view to simplifying and consolidating the information for managers and staff.</p> <p>(K Ridley, Personnel Manager)</p>	<p>Mar 2015  Oct 2015</p>	<p>HR and Payroll have had an initial meeting to scope out the work required. This work is not considered a high priority in relation to other HR Strategy activities at the moment but resources will be allocated to this later in 2015.</p> <p>Internal Audit Opinion: Satisfactory</p>

Action Plan	Dates	Status/Explanation
<p>Audit Scotland 7 - Audit Scotland's Review of Data Management</p> <p>Action Point : 2 - Corporate Risk Assessment</p> <p>Importance:</p> <p>Consideration will be given to undertaking a corporate risk assessment, which would establish where information security measures are lacking and which, if any, mitigating controls are required.</p> <p>(D Henderson, Information Compliance Manager)</p>	<p>Mar 2014 Jun 2014 Oct 2014 Mar 2015 Dec 2015</p>	<p>The Service states that, following changes to the national situation, a corporate risk assessment is now in progress and will be presented to EOT when complete. It is anticipated this will be December 2015.</p> <p>Internal Audit Opinion: Accepted</p>
<p>Audit Scotland 7 - Audit Scotland's Review of Data Management</p> <p>Action Point : 4 - Data Sharing Agreements</p> <p>Importance:</p> <p>A register of data sharing agreements is already planned to be published including the responsible officer and the review date. Responsible officers will be given reminders of the need to review agreements.</p> <p>(D Henderson, Information Compliance Manager)</p>	<p>Mar 2015 Mar 2016</p>	<p>The Service states that major work on Data Protection has been delayed due to unavoidable staff absence. It is now anticipated completion now March 2016</p> <p>Internal Audit Opinion: Accepted</p>



**Appendix C - Audit Follow-up  
Housing & Community Care  
(Reporting for All dates on or before: March 2015)**

Action Plan	Dates	Status/Explanation
<p>14-10 - Rent Arrears Action Point : 1b - Rent Arrears Procedures Importance: Medium</p> <p>Audit Committee Date: November 2014</p> <p>Procedures for Northgate Reporting will be revised and updated.</p> <p>(M Dow, Neighbourhood Operations Service Manager)</p>	<p>Jan 2015 Jun 2015</p>	<p>The Service states that Northgate is to be updated and alignment with procedures will follow.</p> <p>Internal Audit Opinion: Satisfactory</p>

**Appendix D - Audit Follow-up**  
**The Environment Service**  
**(Reporting for All dates on or before: March 2015)**

Action Plan	Dates	Status/Explanation
<p>13-18 - Fleet Management  Action Point: 9 - Service Level Agreement  Importance: Low</p> <p>Audit Committee Date: June 2014</p> <p>Service level agreements will be finalised between Fleet and other Council services which detail the requirement to comply with the Corporate Fleet and Transport Policy and Procedural Arrangements.</p> <p>(B Morton, Fleet Manager)</p>	<p>Sep 2014  Mar 2015  Aug 2015</p>	<p>The Service has advised that work is progressing on the SLA along with Driver Licence check e-learning module &amp; recording on MyView.</p> <p>Internal Audit Opinion: Accepted</p>
<p>Audit Scotland 4 - Maintaining Scotland's Roads - Follow up  Action Point: 2 - AP 2  Importance: N/A</p> <p>Audit Committee Date: September 2012</p> <p>See Action Point 1. The Roads Asset Management Plan is being developed as part of the Society of Chief Officers for Transportation (SCOTS) national project.</p> <p>(S Terras, Team Leader, Corporate Asset Management Team)</p>	<p>Jun 2013  Mar 2014  Jul 2014  Dec 2014  Mar 2015  Jun 2015</p>	<p>The roads Asset Management Plan is due to be considered by the Strategic Policy &amp; Resources Committee in June 2015.</p> <p>Internal Audit Opinion: Accepted.</p>