

## PERTH AND KINROSS COUNCIL

## Audit Sub-Committee – 14 November 2012

## INTERNAL AUDIT FOLLOW UP

## Report by Chief Internal Auditor

**ABSTRACT**

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

**1. RECOMMENDATIONS**

## 1.1 The Audit Sub-Committee is asked to:

- (i) note the current position in respect of the agreed actions arising from internal and external audit work;
- (ii) consider the most appropriate action to be taken to progress the agreed action plans, taking into account the recorded audit opinions.

**2. BACKGROUND**

- 2.1 CIPFA's "Code of Practice for Internal Audit in Local Government in the United Kingdom" places upon management the responsibility for ensuring that the agreed actions arising from audit reports are implemented. It is the duty of the Chief Internal Auditor to seek assurance that the actions have been completed and to put in place 'escalation procedures' where this does not appear to have been the case. To assist the Audit Sub-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 them.
- 2.2 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 118. Table 2 shows the number of agreed actions that have been reported as incomplete as at their original agreed completion date; these total 31, of which 10 had a completion date of July and August 2012 and are therefore detailed in the following appendices B to D. A further 21 actions not completed by their original date have been allocated dates in the future for completion and progress will be reported on at a future committee date. Therefore, the number of agreed actions which have yet to be followed up as their date has yet to pass is 87. In both tables, the numbers are grouped by service and reported by 'importance' of the agreed actions.

- 2.3 Appendices B to D present detailed follow-up information on a service-by-service basis, in respect of actions agreed for completion in the period of July and August 2012. In each case 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 for Education & Children's Services which were due for completion in July and August 2012 which have not been completed and therefore there is no appendix for this Service.

### **3. PROPOSALS**

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

### **4. CONSULTATION**

- 4.1 All Council services have been consulted in the preparation of the report.

### **5. RESOURCE IMPLICATIONS**

- 5.1 There are no resource implications arising from this report.

### **6. COUNCIL CORPORATE PLAN OBJECTIVES 2009-2012**

- 6.1 The Council's Corporate Plan 2009-2012 lays out five Objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:-

- (i) A Safe, Secure and Welcoming Environment
- (ii) Healthy, Caring Communities
- (iii) A Prosperous, Sustainable and Inclusive Economy
- (iv) Educated, Responsible and Informed Citizens
- (v) Confident, Active and Inclusive Communities

- 6.2 The Chief Executive's Service provides a range of functions for internal and front-line customers alike. These functions support the work of the whole Council by assisting them in the delivery of the Council's Corporate Objectives. As a consequence, this report does not specifically relate to one of the objectives, but assists with the delivery of all five.

### **7. EQUALITIES ASSESSMENT**

- 7.1 The Council's Corporate Equalities Assessment Framework requires an assessment of functions, policies, procedures or strategies in relation to race, gender and disability and other relevant equality categories. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new policies to ensure there is no adverse impact on any community group or employees.

- 7.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Assessment Framework and the determination was made that the items summarised in this report do not require further assessment as they do not have an impact on people's wellbeing.

## **8. STRATEGIC ENVIRONMENTAL ASSESSMENT**

- 8.1 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS).
- 8.2 However, no action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

## **9. CONCLUSION**

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

**J CLARK**  
**Chief Internal Auditor**

**Note:** 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.

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**Date:** October 2012

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## Appendix A: Summary of Agreed Actions

Table 1: All Agreed Actions for Follow-Up (figures in brackets reported in September 2012)

Service	Importance					
	Critical	High	Medium	Low	Not Rated	Total
Chief Executive's	0 (0)	7 (2)	24 (24)	11 (10)	0 (0)	42 (36)
Education & Children's Services	1 (1)	0 (0)	6 (9)	2 (5)	0 (0)	9 (15)
Housing & Community Care	0 (0)	5 (1)	27 (15)	17 (7)	0 (0)	49 (23)
The Environment Service	0 (0)	2 (2)	12 (20)	4 (5)	1 (1)	18 (28)
<b>All Services</b>	<b>1 (1)</b>	<b>14 (5)</b>	<b>69 (68)</b>	<b>34 (27)</b>	<b>1 (1)</b>	<b>118 (102)</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)	0 (0)	6 (5)	0 (0)	0 (0)	6 (5)
Education & Children's Services	1 (1)	0 (0)	4 (5)	1 (3)	0 (0)	6 (9)
Housing & Community Care	0 (0)	0 (3)	4 (1)	1 (0)	0 (0)	5 (4)
The Environment Service	0 (0)	1 (1)	10 (13)	3 (3)	1 (1)	14 (18)
<b>All Services</b>	<b>1 (1)</b>	<b>1 (4)</b>	<b>24 (24)</b>	<b>5 (6)</b>	<b>1 (1)</b>	<b>31 (34)</b>
Those actions where the agreed date is not July and August 2012 which have been previously reported to Audit Sub-Committee						21
Actions with a completion date of July and August 2012 which have not been completed and therefore included on Appendices B to D						10



## **Appendix B: Internal Audit Follow-Up**

### **Chief Executive's Service**

**(Reporting for actions due to be completed in July & August 2012)**

<b>Action Plan</b>	<b>Dates</b>	<b>Status/Explanation</b>
<p>09/013 - Applications Software - Development &amp; Maintenance Action Point: 7 - Information Security Awareness - Acquisitions &amp; Management Importance: Medium</p> <p>Work is under way to identify asset owners and managers (whose roles have been agreed including security of information systems) in order to advance their understanding of relevant issues.</p> <p>(D Henderson, Information Security Manager)</p>	<p>Dec 2011 Jul 2012 Nov 2012</p>	<p>The IT Team have advised that work on identifying owners and managers is anticipated to be completed shortly. Following receipt of the list, the relevant personnel will be contacted to raise awareness of information security issues.</p> <p>Internal Audit Opinion: Satisfactory</p>





**Appendix C: Internal Audit Follow-Up**  
**The Environment Service**  
**(Reporting for actions due to be completed in July & August 2012)**

Action Plan	Dates	Status/Explanation
<p>09/010 - Corporate Health, Safety and Well-being: Statutory Action Point: 2 - The previous Occupational Health and Safety Policy  Importance: Medium</p> <p>Following the revision of the Occupational Health and Safety Policy there now follows a substantial programme of policy revision and development in support of this general policy. Revising the accident reporting and investigation procedures will be included in this programme of policy/procedure revision and development.</p> <p>(J Handling, Corporate Health Safety &amp; Wellbeing Manager)</p>	<p>Jul 2011  Dec 2011  Jul 2012  March 2013</p>	<p>To ensure that incidents are appropriately reported to the Health and Safety Executive (HSE) the Corporate Consultative Committee agreed in December 2011 that all accidents and incidents notifiable to HSE should be made through the Corporate Health Safety and Wellbeing team (Report G/11/376 refers). Due to management structure changes within The Environment Service, the implementation of this change has still to be ratified at Corporate Management Group, Executive Officer Team and Strategic Policy &amp; Resources Committee and is currently being progressed. The Corporate Health, Safety and Wellbeing Team are, however, advised of all reportable incidents and, where required, liaise with the HSE in any follow up activity.</p> <p>Internal Audit Opinion: Accepted</p>
<p>09/010 – Corporate Health, Safety and Well-being: Statutory Action Point: 3 - Service Health and Safety Policies  Importance: Medium</p> <p>Inconsistency between Service Health &amp; Safety Policies is being addressed through the new Occupational Health and Safety policy approved by SP&amp;R in December 2010 and the review of the Health &amp; Safety structure for the Council. The requirement</p>	<p>Dec 2011  Jul 2012  Mar 2013</p>	<p>Work has commenced on a rolling review of H&amp;S policies to ensure they are framed in terms of being consistent and applicable across the Council with supplementary guidance to address Service specific issues.</p> <p>Internal Audit Opinion: Accepted</p>

<p>for consistency between health and safety documents within Services is to be addressed with Services with a view to ensuring that a consistent approach is adopted. It will also be addressed through the development of accident responding procedures as outlined in the Service's response to Action Point 2.</p> <p>(J Handling, Corporate Health Safety &amp; Wellbeing Manager)</p>		
<p>09/010 - Corporate Health, Safety and Well-being: Statutory Action Point: 4 - Corporate Health and Safety Guidance Importance: Low</p> <p>It is recognised the procedural documentation setting out how incidents must be recorded, investigated and reported under RIDDOR require to be revised as has been stated in the Service's Management Action Plan for Action Point 2</p> <p>(J Handling, Corporate Health Safety &amp; Wellbeing Manager)</p>	<p>Jul 2011 Dec 2011 Jul 2012 Mar 2013</p>	<p>See Action Point 2 above</p> <p>Internal Audit Opinion: Accepted</p>
<p>09/010 - Corporate Health, Safety and Well-being: Statutory Action Point: 5 - Performance information for corporate managers Importance: Medium</p> <p>It is recognised the procedural documentation setting out how incidents must be recorded, investigated and reported under RIDDOR require to be revised as has been stated in Management Action Plan for Action Point 2. In addition, the Service will incorporate the changes consequent on the above</p>	<p>Jul 2011 Dec 2011 Jul 2012 Mar 2013</p>	<p>The co-ordination of RIDDOR reporting through the Corporate Health, Safety &amp; Wellbeing Team (as detailed in Action Point 2 above) is intended to strengthen the Council's reporting arrangements by ensuring the process is overseen by professional H&amp;S staff. The arrangements will be supported by an update of the guidance documentation and monitored through the Service Health &amp; Safety Committees.</p> <p>Internal Audit Opinion: Accepted</p>

<p>comments in the Annual Report for 2010/11.</p> <p>(J Handling, Corporate Health Safety &amp; Wellbeing Manager)</p>		
<p>09/010 - Corporate Health, Safety and Well-being: Statutory</p> <p>Action Point: 7 - Reminding staff of RIDDOR requirements</p> <p>Importance: Medium</p> <p>Clarification of responsibilities with regard to ensuring that the Council is able to comply with RIDDOR requirements will be addressed through the development of a clear procedure for incident recording, investigation and reporting as identified under the Management Action Plan for Action Point 2.</p> <p>(J Handling, Corporate Health Safety &amp; Wellbeing Manager)</p>	<p>Jul 2011 Dec 2011 Jul 2012 Mar 2013</p>	<p>See Action Point 2 above.</p> <p>Internal Audit Opinion: Accepted</p>
<p>11/15 - Carbon Reduction Commitment</p> <p>Action Point: 7 - Consistency of Management Information</p> <p>Importance: Medium</p> <p>The Service will prepare a Report for their Senior Management Team detailing the need to ensure a consistent approach in describing and reporting carbon emissions.</p> <p>(K Colville, Senior Premises Management Officer)</p>	<p>Dec 2011 Aug 2012 Nov 2012</p>	<p>The Service has advised that following the very recent approval at the Property Sub-Committee and SP&amp;R, a report will (subject to agenda constraints) be submitted to a future Senior Management Team meeting. This report will be based on a draft document already forwarded to Internal Audit.</p> <p>Internal Audit Opinion: Accepted</p>
<p>11/15 - Carbon Reduction Commitment</p>	<p>Aug 2012 Nov 2012</p>	<p>As above</p>

<p>Follow Up Action Point Number: 7.2</p> <p>Any carbon emissions that relate to the CRC scheme will be described as CRC emissions in any future reports.</p> <p>(K Colville, Senior Premises Management Officer)</p>		
<p>11/16 - Waste Management Plan</p> <p>Action Point: 2 - Strategic Waste Member Officer Group Remit</p> <p>Importance: Low</p> <p>A revised remit of the Strategic Waste Member Officer Working Group will be drawn up for agreement by the Group, to incorporate the stated lifespan and the scope of the group in relation to the Waste Management Plan and Zero Waste Scotland.</p> <p>(B Reekie, Waste Services Manager)</p>	<p>Mar 2012 Jul 2012 Aug 2012 Jan 2013</p>	<p>The Strategic Waste Member Officer Working Group has not been re-established following the local government elections and this will be considered as part of the review of the Council's decision making process.</p> <p>Auditor's Comments: Accepted</p>

**Appendix D: Internal Audit Follow-Up****Housing & Community Care****(Reporting for actions due to be completed in July & August 2012)**

<b>Action Plan</b>	<b>Dates</b>	<b>Status/Explanation</b>
11-03 - Income Debtors/Integra Sales Ledger Action Point : 3 - Working Group Recommendations Importance: Medium  Reporting on outstanding debt will be included on the agenda of Service Management Teams on a quarterly basis.  (C Crawford, Finance & Business Support Manager)	Jul 2012 Nov 2012	The Service states that, due to other workload priorities, progress has been slower than anticipated and the development of reports for consideration by Housing & Community Care Service Management Team has not yet been completed.  Audit Opinion: Accepted

