

PERTH AND KINROSS COUNCIL

Audit Committee

1 April 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 90. Table 2 shows the number of agreed actions that have been reported as incomplete as at their original agreed completion date; these total 24, of which 11 had a completion date of November and December 2014 and are therefore detailed in the following Appendices B to D. A further 13 actions not completed by their original date have been allocated revised dates for completion after 31 December 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 December 2014 is 66. 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 November and December 2014. 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 November and December 2014 that have not been completed for Housing & Community Care.

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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If you or someone you know would like a copy of this document in another language or format, (on occasion only, a summary of the document will be provided in translation), this can be arranged by contacting *Jackie Clark*



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ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	None
Communication	
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 Education & Children's Services

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 February 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 (4)	13 (18)	10 (10)	4 (5)	28 (37)
Education & Children's Services	0 (0)	0 (0)	4 (6)	6 (10)	0 (0)	10 (16)
Housing & Community Care	0 (0)	1 (1)	21 (12)	11 (7)	0 (0)	33 (20)
The Environment Service	0 (0)	2 (6)	6 (5)	9 (7)	2 (2)	19 (20)
All Services	0 (0)	4 (11)	44 (41)	36 (34)	6 (7)	90 (93)

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 (0)	4 (8)	1 (0)	3 (4)	9 (12)
Education & Children's Services	0 (0)	0 (0)	1 (1)	2 (1)	0 (0)	3 (2)
Housing & Community Care	0 (0)	0 (0)	2 (0)	2 (0)	0 (0)	4 (0)
The Environment Service	0 (0)	1 (3)	1 (1)	4 (2)	2 (2)	8 (8)
All Services	0 (0)	2 (3)	8 (10)	9 (3)	5 (6)	24 (22)
Actions with a completion date of November and December 2014 which have not been completed and therefore included on Appendices B						11
Those actions where the agreed date is not November and December 2014 which have been previously reported to Audit Committee						13

**Appendix B - Audit Follow-up
Chief Executive's Service
(Reporting for All dates on or before: December 2014)**

Action Plan	Dates	Status/Explanation
<p>12-02 - Following the Public Pound Action Point : 23 - Intranet Access to Current Local Code Importance: Medium</p> <p>Audit Committee Date: June 2013</p> <p>Appropriate version control will be used for any future changes made to the Local Code of Guidance</p> <p>(P Dickson, Complaints & Governance Officer)</p>	<p>Mar 2014 Nov 2014 Apr 2015</p>	<p>The Code of Guidance was presented to the EOT in January. As a result of this, further revisions are required prior to its finalisation.</p> <p>Internal Audit Opinion: Accepted</p>
<p>14-07 - Data Protection Action Point : 8 - Data Protection Policy and Procedures Importance: Low</p> <p>Audit Committee Date: November 2014</p> <p>The Information Compliance Manager will update the various Legal Services' intranet pages to ensure that they provide clear information regarding data protection responsibilities this will include for example, a statement that the Information Compliance Manager is the Council's designated data protection officer.</p> <p>(D Henderson, Information Compliance Manager)</p>	<p>Nov 2014 Mar 2015</p>	<p>The changes are due to be uploaded onto the intranet site shortly.</p> <p>Internal Audit Opinion: Satisfactory</p>
<p>14-07 - Data Protection Action Point : 15 - Disposal of Confidential Information Importance: High</p> <p>Audit Committee Date: November 2014</p> <p>The disposal of confidential information guidance has been removed from Eric. This will be replaced with new guidance related to the Council's information security classification standards which will ensure that documents for disposal are properly stored and destroyed.</p> <p>(D Henderson, Information Compliance Manager)</p>	<p>Dec 2014 May 2015</p>	<p>Consultation on the information security classification is ongoing and is due for submission to the Corporate Management Group in April. The action will be able to be completed thereafter.</p> <p>Internal Audit Opinion: Satisfactory</p>

Action Plan	Dates	Status/Explanation
<p>Audit Scotland 6 - Annual report on the 2011/12 audit Action Point : 11 - Action point 4.1</p> <p>Audit Committee Date: January 2013</p> <p>The Head of Legal Services will review the Minute of Agreement for Tayside Contracts.</p> <p>(I Innes, Head of Legal Services)</p>	<p>Jun 2013 Oct 2013 Apr 2014 Dec 2014 Jun 2015</p>	<p>The Audit Committee had previously been advised that there was substantive agreement for the Minute of Agreement to be signed. However, before the agreed changes were finalised, other issues have arisen which has caused some sections of the Minute of Agreement to be considered further before the agreement can be signed.</p> <p>Internal Audit Opinion: Accepted</p>
<p>Audit Scotland 7 - Audit Scotland's Review of Data Management Action Point : 6 - Privacy Impact Assessment</p> <p>Audit Committee Date: September 2013</p> <p>Full Privacy Impact Assessments are not always being carried out, however it is already planned to embed Privacy Impact Assessments in the committee report process.</p> <p>(D Henderson, Information Compliance Manager)</p>	<p>Mar 2014 Jun 2014 Nov 2014 Jun 2015</p>	<p>A report which will improve the privacy impact assessment process is due to be considered by the Corporate Management Group in June.</p> <p>Internal Audit Opinion: Accepted</p>

**Appendix C - Audit Follow-up
Education & Children's Services
(Reporting for All dates on or before: December 2014)**

Action Plan	Dates	Status/Explanation
<p>13-35 - Looked after Services - The Cottages Action Point : 5 - Performance monitoring Importance: Medium</p> <p>Audit Committee Date: April 2014</p> <p>Building on the quarterly reporting of occupancy for The Cottages to Children and Families' Service Management Team, a 'balanced scorecard' approach will be introduced. This will include information and statistics covering the work undertaken by the team, such as community support, assessment, outreach and out of hours support. Monitoring of the outcomes in relation to these interventions will be collated. Qualitative information that is already collected from residents and their families/carers as part of the Care Inspectorate annual report will be included in this performance overview. The service Improvement Plans already in place were developed as part of the recent inspections, and these will be used as the basis for the new 2014/15 improvement plan. A process for reporting information with trends from previous years will be developed in draft format initially.</p> <p>(J Pepper, Head of Children & Families' Services)</p>	<p>May 2014 Dec 2014 Apr 2015</p>	<p>The Service is reviewing the services provided by The Cottages with the Improvement Service. Any outcomes will take into consideration the issues highlighted by this action.</p> <p>Internal Audit Opinion: Accepted</p>
<p>14-09(b) - Perth Grammar School Action Point : 3 - School Funds - Trips Importance: Low</p> <p>Audit Committee Date: November 2014</p> <p>The Business Manager will publish school trip financial statements on the school's website</p> <p>(H Davidson, Business Manager, Perth Grammar School)</p>	<p>Dec 2014 April 2015</p>	<p>The school is working with IT to ensure that this information can be uploaded onto the school's website.</p> <p>Internal Audit opinion: Accepted</p>

**Appendix D - Audit Follow-up
The Environment Service
(Reporting for All dates on or before: December 2014)**

Action Plan	Dates	Status/Explanation
<p>13-05 - Roads Management Inspection & Maintenance Action Point: 9 - Roads Inspection Policy and Manual Importance: Medium</p> <p>Audit Committee Date: September 2013</p> <p>The Roads Inspection Manual will thereafter be reviewed and updated to reflect the Strategy and the Roads Maintenance Partnership with Tayside Contracts.</p> <p>(S D'All, Deputy Roads Maintenance Partnership Manager)</p>	<p>Mar 2014 Dec 2014 Dec 2015</p>	<p>The Service has advised this is in progress and the Service is currently assessing the road hierarchy and inspection frequency.</p> <p>Internal Audit Opinion: Accepted</p>
<p>13-18 - Fleet Management Action Point: 13 - Embedding the Policy and Procedures Importance: Low</p> <p>Audit Committee Date: June 2014</p> <p>E-learning modules will be developed on the Corporate Fleet and Transport Policy and Procedure Arrangements, to inform staff and to provide guidance on the application of relevant procedures.</p> <p>(B Morton, Fleet Manager)</p>	<p>Dec 2014 Aug 2015</p>	<p>The Service has advised that it is currently working on developing an e-learning package for driving licence checking with HR and Organisational Development.</p> <p>Full implementation is scheduled for late summer 2015 after the Driver Licence legislation changes. The government is expected to implement these changes on 8 June 2015.</p> <p>Internal Audit Opinion: Accepted</p>
<p>13-18 - Fleet Management Action Point: 16 - Embedding the Policy and Procedures Importance: Low</p> <p>Audit Committee Date: June 2014</p> <p>The CFTPPA will be the subject of an Inside News Bulletin.</p> <p>(B Morton, Fleet Manager)</p>	<p>Dec 2014 Aug 2015</p>	<p>The Service has advised that this will be finalised after legislative changes.</p> <p>Internal Audit Opinion: Satisfactory</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>Jun 2013 Mar 2014 Jul 2014 Dec 2014 Jun 2015</p>	<p>The Service has advised that the Roads Asset Management Plan has been completed and will be presented to the Enterprise & Infrastructure Committee in June 2015</p> <p>Internal Audit Opinion: Accepted</p>

Action Plan	Dates	Status/Explanation
<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>		