

Report To: Audit Committee **Date:** 19.10.2021

Report By: Interim Service Director **Report No:** AC/05/21/AP/APr
Corporate Services and
Organisational Recovery

Contact Officer: Andi Priestman **Contact No:** 01475 712251

Subject: INTERNAL AUDIT PROGRESS REPORT – 4 APRIL TO 24 SEPTEMBER 2021

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 4 April to 24 September 2021 is attached as an Appendix Appendix 1 to this report since its content is essential to the understanding of the Council's control environment.

2.0 SUMMARY

- 2.1 There were 3 internal audit reports finalised since the last Audit Committee meeting in April 2021:
- Cash and Banking (2020/21)
 - Homelessness (2020/21)
 - Taxi Licensing (2020/21)

- 2.2 These reports contained 11 issues categorised as follows:

Red	Amber	Green
0	3	8

- 2.3 The 2020/21 plan is complete.
- 2.4 The fieldwork for the 2021/22 is underway and the status is as follows:

Stage	Number of Reports
Final Report	0
Draft Report	0
Fieldwork Complete	0
Fieldwork in Progress	6
Planning	0
Not started	7
Total	13

2.5 There were 2 actions with an interim update due for completion by 31 August 2021 which has been provided by management. A further update will be provided on both actions to the January Audit Committee. The current status report is attached at Appendix 2.

2.6 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 4 April to 24 September 2021.

Alan Puckrin
Interim Service Director
Corporate Services and Organisational Recovery

4.0 BACKGROUND

- 4.1 In February 2020 and February 2021, the Audit Committee approved the Internal Audit Annual Plans which detailed a programme of activity to be undertaken during 2020-21 and 2021-22.
- 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 There were 3 internal audit reports finalised since the last Audit Committee meeting in April 2021:
- Cash and Banking (2020/21)
 - Homelessness (2020/21)
 - Taxi Licensing (2020/21)

5.2 The 2020/21 Internal Audit plan is complete.

5.3 The fieldwork for the 2021/22 plan is underway and the current status of the plan is as follows:

Stage	Number of Reports
Final Report	0
Draft Report	0
Fieldwork Complete	0
Fieldwork in Progress	6
Planning	0
Not started	7
Total	13

- 5.4 There were 2 actions with an interim update due for completion by 31 August 2021 which has been provided by management. A further update will be provided on both actions to the January Audit Committee. The current status report is attached at Appendix 2.
- 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
4 April to 24 September 2021**

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1 Audit work undertaken in the period

Reports issued since last update

1.1 In each audit, one of 4 overall opinions is expressed:

Strong	In our opinion there is a sound system of internal controls designed to ensure that the organisation is able to achieve its objectives.
Satisfactory	In our opinion isolated areas of control weakness were identified which, whilst not systemic, put some organisation objectives at risk.
Requires improvement	In our opinion systemic and/or material control weaknesses were identified such that some organisation objectives are put at significant risk.
Unsatisfactory	In our opinion the control environment was considered inadequate to ensure that the organisation is able to achieve its objectives.

1.2 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.

1.3 There were 3 audit reviews finalised since the April 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 review.

Reports finalised since previous Audit Committee	Grading			Total Number of Issues
	Red	Amber	Green	
Cash and Banking	0	0	3	3
Homelessness	0	2	2	4
Taxi Licensing	0	1	3	4
Total	0	3	8	11

Other activities

Risk Management

- 1.4 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

- 1.5 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 1 April 2021.

Cash and Banking

- 2.2 All Council income is processed through a computerised cash receipting system. Both the Cash and Banking staff and the Customer Service staff process income payments for a range of Council Services such as Council Tax, Domestic and Non-Domestic rates, debtor invoices and taxi licences which can be received via direct debits, bank credits, cheques via post or cash over the counter at the Customer Service Centre.
- 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 cash and banking.
- 2.4 The review focused on the high level processes and procedures in relation to cash and banking and concentrated on identified areas of perceived higher risk, such as ensuring income transactions are valid and accurately recorded and processed correctly in a timely manner and that income reconciliations are completely and accurately performed on a daily basis. At the time of fieldwork, due to lockdown restrictions, cash on site was at a minimum, therefore we excluded face to face cash transactions from the review.
- 2.5 The overall control environment opinion for this audit review was **Strong**. There were 3 Green issues identified which if implemented would enhance the control environment.
- 2.6 The review identified 3 issues, none of which we consider to be individually significant and an action plan is in place to address all issues by 30 September 2021.

Homelessness

- 2.7 The HSCP's Homelessness Service supports Inverclyde residents who have become homeless or are concerned that they may become homeless within the near future. Core aims of the service include trying to prevent homelessness from occurring and assessing service users housing needs. The service also provides eligible service users with temporary accommodation and housing related support work.

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

Homelessness (Continued)

- 2.8 Temporary accommodation comprises of flats within the Inverclyde Centre and properties which are leased from local Registered Social Landlords (RSLs). This accommodation is used before resettling service users within permanent accommodation, which is usually sourced from RSLs. During 2020/21 the service was operationally and financially impacted by the Covid-19 pandemic. Net expenditure on Homelessness Services of approximately £1.1m was supplemented by pandemic related expenditure of £712,000. The service required additional temporary furnished flats and also had to make use of Bed & Breakfast accommodation.
- 2.9 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 the Homelessness Service.
- 2.10 The review focused on the high level processes and procedures in relation to the Homelessness Service and concentrated on identified areas of perceived higher risk, such as not securing appropriate accommodation for all service users whenever they present as homeless and not effectively managing the rental income and expenditure which is incurred when providing service users with temporary accommodation. Where appropriate and to the extent possible, we excluded those aspect of the Homelessness Service which are reviewed by the Care Inspectorate and Scottish Housing Regulator. In addition, due to Covid-19 restrictions we did not review specific cases but instead concentrated on management's policies and procedures for controlling or mitigating identified risks. We have placed reliance on the work undertaken by the Care Inspectorate and Scottish Housing Regulator.
- 2.11 The overall control environment opinion for this audit review was **Satisfactory**. There were 2 AMBER issues identified as follows:

Adequacy of Homelessness Policies & Procedures (AMBER)

Staff within the Homelessness Service use a number of policies, procedures and standard forms when providing housing support and temporary accommodation. However, through discussions with Homelessness and HSCP Accountancy staff we have identified some gaps in the rent management policy and procedures documentation which require to be updated.

In addition, we understand that procedures are not yet finalised for a number of key tasks.

Also, through our review of a sample of Homelessness procedures we found that version control has not been consistently or fully applied.

Whenever gaps exist in operational procedures there is a risk that tasks are not completely and accurately performed in a consistent manner, particularly where there is an absence of key staff. Staff may not use approved procedures whenever those procedures have not been fully version controlled.

Compliance with Records Retention & Disposal Policy Requirements (AMBER)

When providing eligible service users with housing support and temporary accommodation, Homelessness staff gather details of applicant's household composition and the circumstances which triggered their application. Staff used paper based case files up until an electronic records management system became operational during April 2021. According to the Council's records management policy these paper records are meant to be disposed of five years after the last action has occurred.

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

Homelessness (Continued)

However, we understand that due to staff changes and other operational priorities a considerable backlog of hard copy files are awaiting disposal.

Prescribed retention periods will be breached when information supplied by homeless service users is retained for longer than necessary.

- 2.12 The review identified 4 issues, 2 of which we consider to be individually significant and an action plan is in place to address all issues identified by 30 June 2022.

Taxi Licensing

- 2.13 The Licensing section is responsible for the administration of a large number of licences and permits under the Civic Government (Scotland) Act 1982 (as amended). Inverclyde Council is responsible for issuing taxi driver vehicle and operator licences for the Inverclyde area.

The Council must ensure that it uses the licensing powers available to ensure that drivers have been sufficiently vetted before the issuance of a licence, that licences are issued accurately and completely and in a timely manner in order to deliver an efficient and effective service to customers. Currently there are 290 taxi and private hire care operator licences and 565 tax driver licences in operation.

- 2.14 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 in relation to Taxi Licensing.
- 2.15 The review focused on the high level processes and procedures in relation to taxi licensing and concentrated on identified areas of perceived higher risk, such as the complete and accurate processing of taxi licensing applications and ensuring that taxi licenses are issued in accordance with the procedures required by statute or delegated powers.
- 2.16 The overall control environment opinion for this audit review was **Satisfactory**. There was one AMBER issue identified as follows:

Adequacy of Address Checks on Licensing Renewal Applications (AMBER)

As part of the taxi licensing process, the Licensing team carry out a number of checks on each new application form, including checking that the address on the new application matches the address on the applicant's driver's licence. Where the address on the licence does not match the application form, the Licensing staff contact the applicant to prompt the applicant to update the driver's licence to their current address and provide a copy of the new updated driver's licence once this has been actioned.

However, through walkthrough it was identified that where an application for a renewal is received and the address entered on the application form for a renewal does not match the information already stored on the licensing database for that applicant, the Licensing staff do not carry out any further checks on the address of the applicant.

Where the address on a renewal application does not match the address held on the database there is a risk that this information may be fraudulent where adequate checks are not undertake to verify the information provided.

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

Taxi Licensing (Continued)

- 2.17 The review identified 4 issues, one of which we consider to be individually significant and an action plan is in place to address all issues by 31 March 2022.

3 Audit Plan for 2021/2022 – Progress to 24 September 2021

Planned Audit Coverage	Not started	Planning	TOR Issued	Fieldwork in Progress	Fieldwork Complete	Draft Report	Report Finalised	Reported to Audit Committee
Risk-Based Reviews								
Learning Disabilities Service – Transitioning to Adult Services		✓	✓	✓				
Trading Standards	✓							
Registration Process – Births, Deaths and Marriages		✓	✓	✓				
Self-Directed Support	✓							
Residential Care – Childrens’ Services	✓							
Limited Scope Financial Reviews								
Insurance		✓	✓	✓				
Project Assurance Reviews								
Greenock Ocean Terminal (b/f from 2020-21)	✓							
Devolved School Management		✓	✓	✓				
Corporate Fraud Reviews								
Employee Expenses – Quarterly Checks	Fieldwork not started.							
Client Accounts – Quarterly Checks	Fieldwork not started.							
Catering – Quarterly Stock Checks	Fieldwork underway.							
Regularity Audits								
Education CSA	✓							
Corporate Purchase Cards – Quarterly Checks	Fieldwork underway.							
Corporate Governance								
Annual Governance Statement 2020-21	Complete - Input provided by CIA.							
Other Work								
Council Tax Reduction Scheme/Discounts/Exemptions	Checks are carried out to establish the validity of discounts and exemptions – see section 4							
National Fraud Initiative	Work underway on the 20/21 Exercise. An update will be provided to the October 2021 meeting.							
SPOC Liaison with DWP	Ongoing – see paragraph 4 for detailed activity.							
Covid-19 - Recovery Process – Advice and Assurance	Ongoing – support provided by CIA.							
Inverclyde IJB	40 days allocated to IJB audit plan. Two audits have been planned. One audit is complete.							

4 Corporate Fraud Activity

4.1 The undernoted table sets out progress to date on corporate fraud activity in the period 4 April to 24 September 2021:

National Fraud Initiative Exercise					
In relation to the 2020/2021 Exercise, matches have now been received and a detailed review of matches is now underway by Internal Audit and Services.					
Matches received	Number Investigated	No issues	Fraud	Error	Value of Fraud/Error
Housing Benefit					
45	43	40	1	2	£3736.81
Blue Badge					
373	372	191	0	181	N/A
Council Tax Reduction Scheme					
659	632	632	0	0	£0
Procurement					
46	46	46	0	0	£0
Payroll					
49	2	2	0	0	£0
Creditors					
1117	694	694	0	0	£0
VAT					
69	69	69	0	0	£0
Small Business Bonus Scheme					
45	28	28	0	0	£0
TOTALS					
2403	1886	1702	1	183	£3736.81
The recheck exercise was refreshed in May 2021 resulting in 5301 matches being received and these are now being progressed by officers.					
Matches received	Number Investigated	No issues	Fraud	Error	Value of Fraud/Error
5301	994	994	0	0	£0
Employee Expenses Quarterly Checks – 2021-2022					
A new Travel and Subsistence policy was approved in September 2019. Checks to ensure ongoing compliance with the policy will be undertaken from Q3 2021.					
Corporate Purchase Cards Quarterly Checks – 2021-2022					
Quarterly checks are underway. No significant issues have arisen to date.					
Client Money Accounts Quarterly Checks – 2021-2022					
The new policy was introduced in May 2020. Checks to ensure ongoing compliance with the policy will be undertaken from Q3 2021.					
Catering – Quarterly Stock Checks – 2021-2022					
Stock checks are now underway. No significant issues have arisen.					

4 Corporate Fraud Activity (Continued)

4.2 The status of NFI cases being reviewed by Corporate Fraud since the last Audit Committee are set out below:

NFI Enquiries					
Number of Enquiries	Fraud Established	No Fraud	Referred to Finance	Referred to External Agency	Ongoing
46	0	11	25	1	9

4.3 SPOC Liaison 4 April to 24 September 2021

DWP Referrals	2 this period	2 to date
LAIEF requests actioned	3 this period	3 to date

4.4 Whistleblowing/Other Referrals

Files closed/being investigated since the last Audit Committee are as follows:

File Ref	Description	Status
21-47	Allegation that an organisation had received multiple COVID-19 business grant payments.	Investigation complete. Fully investigated and no fraud identified.
21-48	Allegation that 2 organisations have claimed and received business grant payments for the same property.	Investigation complete. Insufficient information provided to fully investigate the allegation.
21-57	Allegation of fraudulent business grant payments.	Investigation complete. Fully investigated and no fraud identified.

4.5 In addition, the status of other enquiries received between 4 April and 24 September 2021 is as follows:

Blue Badge Enquiries					
Number of Enquiries	Misuse Identified	No misuse	Ongoing		
42	38	2	2		
Council Tax Referrals (Whistleblower/Services)					
Number of Enquiries	Fraud Established	No Fraud	Referred to Finance	Referred to External Agency	Ongoing
17	3	10	2	2	0
Other Enquiries (Services)					
Number of Enquiries	Fraud	No Fraud	Ongoing		
7	0	4	3		

5 Ad hoc activities undertaken since the previous Audit Committee

- 5.1 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.
- 5.2 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 information in relation to FOI requests.
 - Investigations as set out at sections 4.2 to 4.5 of the report.
 - Provision of ongoing advice and support to service processes impacted by the pandemic and input through CRMT on cyber security and anti-fraud alerts for employees and wider community as appropriate.

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
AT 31 AUGUST 2021

Summary: Section 1 Summary of Management Actions due for completion by 31/08/2021

There were 2 actions with an interim update due for completion by 31 August 2021 which has been provided by management. A further update will be provided on both actions to the January Audit Committee.

Section 2 Summary of Current Management Actions Plans at 31/08/2021

At 31 August 2021 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 31/08/2021

At 31 August 2021 there were 8 current audit action points.

Section 4 Analysis of Missed Deadlines

At 31 August 2021 there were 5 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 31.08.2021**

SECTION 2

Directorate	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised date to be set*
Health and Social Care Partnership (HSCP)	0			
Education, Communities and Organisational Development	2		2	
Environment, Regeneration & Resources	0			
Total	2		2	

* 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 31.08.2021**

SECTION 2

CURRENT ACTIONS BY DIRECTORATE

HSCP	
Due for completion November 2021	1
Due for completion March 2022	2
Total Actions	3
Education, Communities and Organisational Development	
Due for completion November 2021	2
Total Actions	2
Environment, Regeneration and Resources	
Due for completion October 2021	1
Due for completion November 2021	1
Due for completion March 2022	1
Total Actions	3
Total current actions:	8

**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 31.08.2021**

SECTION 3

HSCP

Action	Owner	Expected Date
Refugee Integration Scheme (August 2020)		
Adequacy of information governance and management arrangements (Amber) Management will: <ul style="list-style-type: none"> • develop appropriate data sharing protocols with the Council services and external organisations which the Refugee Integration Team deals with; and • develop a data retention plan for the personal information held by the Refugee Integration Team. 	Service Manager (Children & Families & New Scots Service)	30.11.2021*
Homelessness (August 2021)		
Adequacy of policies and procedures (Amber) Management will: <ul style="list-style-type: none"> • Update the rent management policy and procedures and obtain CMT and committee approval as appropriate; • review the arrangements for implementation and reporting of the Rent Management Policy; • set a date to finalise its review of Homelessness assessment, housing support and case handling procedures; and • ensure that version control is consistently and fully applied to all Homelessness policies and procedures. 	Service Manager (Homelessness and Addictions)	31.03.2022
Compliance with Records Retention and Disposal Policy (Amber) Management will develop a formal plan to organise the annual disposal of homelessness case files which have reached the prescribed retention period, including records which are held electronically.	Service Manager (Homelessness and Addictions)	31.03.2022

Education, Communities and Organisational Development

Action	Owner	Expected Date
Education Control Self-Assessment (January 2020)		
Inefficient Use of ICT Systems (Amber) Once the pilot has been completed, the corporate transition will be implemented for the remaining schools.	Head of Education	Further update to be provide 30.11.2021*
Staff will be given corporate e-mail address access and use of corporate printers.	Head of Education	Further update to be provide 30.11.2021*

* 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 31.08.2021**

SECTION 3

Environment Regeneration and Resources

Action	Owner	Expected Date
Corporate Procurement – Off Contract Spend (October 2020)		
Monitoring and minimising off-contract spend (Amber)		
Management will:		
<ul style="list-style-type: none"> • seek to agree with the Corporate Management Team a course of action for managing and regularly reporting on off-contract spend which exceeds the threshold for tendering goods and services, namely £25,000; and 	Procurement and Building Services Manager	31.12.2021*
<ul style="list-style-type: none"> • examine the extent to which some of the above actions can be automated and also assess the costs and benefits of producing this information. This exercise will include reviewing the role of Designated Procurement Officers in respect of these issues. 	Procurement and Building Services Manager	31.03.2022*
Taxi Licensing (September 2021)		
Adequacy of Address Checks on Licensing Renewals (Amber)		
<ul style="list-style-type: none"> • Licensing staff carry out other checks on the address of each taxi driver licence applicant at renewal stage in circumstances where their address does not match the information held on the database to verify that the applicant is currently residing at the address completed on the application form. A field will be added to the application form asking them to tick (with guidance note) if they have moved address, and if so, we will ask for verification of the up to date address. • any suspicions of fraud will be referred to the Corporate Fraud Team for investigation. 	Interim Head of Legal Services	31.10.2021

* 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
Education CSA (January 2020)	Inefficient Use of ICT Systems (Amber) Once the pilot has been completed, the corporate transition will be implemented for the remaining schools.	14.08.20	30.11.21	<p>The pilot exercise was undertaken however the rollout to remaining schools was halted as a result of responding to COVID-19. A revised schedule will be discussed and implemented with ICT which is dependent on Education and ICT having capacity to carry out individual audits of needs in each establishment. This requires full access to the buildings and the current Covid situation is making this more difficult to carry out.</p> <p>As part of the new Education Services digital strategy which will go to Education Committee in November, alongside the changes that ICT propose in the wider council digital strategy, Education Services will investigate moving away from the current networks to an alternate cloud based approach. Storage of sensitive or more confidential information would hopefully be able to be moved to a secure cloud based approach. A secure application called Objective Connect is what is being investigated. This is currently used by HSCP for document storage.</p> <p>A further update will be provided to the January Audit Committee.</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
Education CSA (January 2020)	Staff will be given corporate e-mail address access and use of corporate printers.	14.08.20	30.11.21	<p>The pilot exercise was undertaken however the rollout to remaining schools was halted as a result of responding to COVID-19. A revised schedule will be discussed and implemented with ICT which is dependent on Education and ICT having capacity to carry out individual audits of needs in each establishment. This requires full access to the buildings and the current Covid situation is making this more difficult to carry out.</p> <p>As part of the new Education Services digital strategy which will go to Education Committee in November, alongside the changes that ICT propose in the wider council digital strategy, Education Services will investigate moving away from the current networks to an alternate cloud based approach. Storage of sensitive or more confidential information would hopefully be able to be moved to a secure cloud based approach. A secure application called Objective Connect is what is being investigated. This is currently used by HSCP for document storage.</p> <p>A further update will be provided to the January Audit Committee.</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
Refugee Integration Scheme (August 2020)	<p>Adequacy of information governance and management arrangements (Amber) Management will:</p> <ul style="list-style-type: none"> • develop appropriate data sharing protocols with the Council services and external organisations which the Refugee Integration Team deals with; and • develop a data retention plan for the personal information held by the Refugee Integration Team. 	<p>31.10.20 31.01.21 30.06.21</p>	30.11.21	Work is ongoing with Information Governance team to establish relevant protocols and data retention plan for the Refugee Integration Scheme. Progress has been hampered due to a combination of a rise in new cases, staff absence, staff changes and vacancies and the disruption caused by Covid-19. The team will also be leading on the resettlement of new Afghan refugee families which is the current priority for the team.
Corporate Procurement – Off Contract Spend (October 2020)	<p>Monitoring and minimising off-contract spend (Amber) Management will:</p> <ul style="list-style-type: none"> • seek to agree with the Corporate Management Team a course of action for managing and regularly reporting on off-contract spend which exceeds the threshold for tendering goods and services, namely £25,000; and • examine the extent to which some of the above actions can be automated and also assess the costs and benefits of producing this information. This exercise will include reviewing the role of Designated Procurement Officers in respect of these issues. 	<p>30.09.21</p> <p>30.09.21</p>	<p>31.12.21</p> <p>31.03.22</p>	<p>Good progress has been made to progress the action plan as the following actions are now complete:</p> <ul style="list-style-type: none"> • introduce six monthly expenditure to contracts data matching exercises in order to identify off-contract spend; • produce and review management information regarding expenditure which has never been tendered for and exceeds the regulated threshold of £50,000; and • produce and review management information regarding expenditure which continues to be incurred under expired contracts. <p>New dates have been set for the completion of the final steps of the agreed action plan.</p>

**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 2021.

Audit Year	Total Agreed Actions	Total Actions Completed	Total Current Actions Not Yet Due*		
			Red	Amber	Green
2014/2015	77	77	0	0	0
2015/2016	52	52	0	0	0
2016/2017	66	66	0	0	0
2017/2018	53	49	0	0	4
2018/2019	45	40	0	0	5
2019/2020	43	37	0	3	3
2020/2021	28	16	0	5	7
Total	364	337	0	8	19

*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.