
NORTH AYRSHIRE COUNCIL

12 November 2019

Audit and Scrutiny Committee

Title:	Internal Audit and Corporate Fraud Action Plans: Quarter 2 update
Purpose:	To advise the Audit and Scrutiny Committee on the progress made by Council Services in implementing the agreed actions from Internal Audit and Corporate Fraud reports as at 30 September 2019.
Recommendation:	That the Committee (a) notes the current position with the implementation of Internal Audit and Corporate Fraud actions; and (b) challenges those Services that have not implemented actions within the previously agreed timescales.

1. Executive Summary

- 1.1 The CIPFA document 'Audit Committee Principles in Local Authorities in Scotland' highlights that Audit Committees should monitor and review the progress made in implementing audit recommendations.
- 1.2 Service managers are responsible for ensuring that agreed actions arising from Internal Audit and Corporate Fraud reviews are implemented. This provides assurance that identified control weaknesses have been addressed and are being managed effectively.
- 1.3 All actions are monitored on the Pentana system and service managers are responsible for updating Pentana as they progress each action. This enables Internal Audit to monitor progress on a 'real-time' basis and address any delays in implementation.
- 1.4 This report details the position at 30 September 2019.

2. Background

- 2.1 The last report to the Audit and Scrutiny Committee on 10 September 2019 highlighted that there were 49 actions outstanding at the end of June 2019: 3 that had not been started or were only partially implemented and 46 where the due date had not yet passed.
- 2.2 In addition to these 49 'carried forward' actions, there have been 2 new actions agreed during quarter 2, giving a total of 51 action points for review.

- 2.3 Services have completed 22 actions since the last report. All services are required to retain evidence of work carried out in completing their actions and Internal Audit carries out 'spot-checks' on a sample of completed actions on an ongoing basis.
- 2.4 Of the remaining 29 actions, 7 were either not started or only partially complete at 30 September and the remaining 22 were not due for completion until after that date.
- 2.5 Appendix 1 to this report provides the Committee with full details of the 7 actions that were not complete within the agreed timescales. There no areas of concern.

3. Proposals

- 3.1 It is proposed that the Committee (a) notes the current position with the implementation of Internal Audit and Corporate Fraud actions; and (b) challenges those services that have not implemented actions within the previously agreed timescales.

4. Implications/Socio-economic Duty

Financial

- 4.1 None.

Human Resources

- 4.2 None.

Legal

- 4.3 None.

Equality/Socio-economic

- 4.4 None.

Environmental and Sustainability

- 4.5 None.

Key Priorities

- 4.6 The effective implementation of agreed Internal Audit and Corporate Fraud actions helps to support the efficient delivery of the strategic priorities within the Council Plan 2019-2024.

Community Wealth Building

- 4.7 None.

5. Consultation

- 5.1 Council Services are consulted during the completion of each Internal Audit and Corporate Fraud review and have also provided updates on progress made in implementing action points.

Laura Friel
Executive Director (Finance and Corporate Support)

For further information please contact **Paul Doak, Senior Manager (Internal Audit, Risk and Fraud)**, on **01294-324561**.

Background Papers

None.

Actions due by 30th September 2019 but not started or partially complete

Generated on: 22 October 2019

Code	IA2019IJB001c	Description	HSCP Management should work with officers from East and South Ayrshire HSCPs to progress the risk sharing arrangements at the earliest opportunity		
Priority	1	Latest Note	HSCPs have agreed risk sharing arrangements for the current financial year. Work and discussions are ongoing through the Ayrshire Finance Leads and Pan Ayrshire Directions workshops, progress has been delayed, as agreement needs to be reached across partners to allow a formal documented agreement to be in place. The anticipated timescale for completion is March 2020.		
Progress Bar	<div><div>20%</div></div>	Original Due Date	30-Sep-2019	Due Date	30-Sep-2019
Parent Code & Title	IA2019IJB001 IJB Lead Partnership Arrangements			Managed By	Caroline Whyte
				Assigned To	Caroline Whyte

Code	IA2019PA009I	Description	Written procedures should be agreed and implemented between the Children and Families Disabilities Team and HSCP Finance to ensure that all necessary paperwork from the Resource Allocation Form (RAF) is provided to HSCP Admin for the invoice checking process.		
Priority	1	Latest Note	The Business Improvement Officer post was not filled. We have now realigned the roles from the current team and work has commenced as of 3rd October. Expected completion date 30th November 2019.		
Progress Bar	<div><div>0%</div></div>	Original Due Date	31-Aug-2019	Due Date	31-Aug-2019
Parent Code & Title	IA2019PA009 Community Based Support			Managed By	Caroline Whyte
				Assigned To	Lisa Duncan

Code	IA2019PA014b	Description	Social Work Resources should complete and publish the 'HSCP Eligibility for Transport Assistance' Policy.		
Priority	2	Latest Note	Work is continuing on the development of a new policy covering the provision of supported transport. Close working between Learning Disability Service and Transport colleagues has resulted in the development of a draft policy, which is now being shared with other services. This is being done in the interests of establishing a single policy which will apply across the Partnership. Action to be completed by December 2019.		
Progress Bar	<div><div>75%</div></div>	Original Due Date	31-Mar-2019	Due Date	31-Jul-2019
Parent Code & Title	IA2019PA014 Transportation			Managed By	Thelma Bowers
				Assigned To	Jan Thomson

Code	IA2019PA027d	Description	The project for the new HR and Payroll system should have a requirement to ensure that the mileage reason field has a sufficient number of characters which allow the reason to be recorded in full.		
Priority	2	Latest Note	This requirement is being built as part of the new HR and Payroll system and will be tested as part of User Acceptance Testing (UAT). The project is still in the build stage and UAT is estimated to be complete by the end of January 2020, therefore the due date needs to be updated accordingly.		
Progress Bar	<div><div>50%</div></div>	Original Due Date	31-Aug-2019	Due Date	31-Aug-2019
Parent Code & Title	IA2019PA027 Payroll Transaction Testing			Managed By	Fiona Walker
				Assigned To	Tracy Nicol

Code	IA2019PA027e	Description	Employees should be reminded to submit mileage claim forms within the 3 month period as per the guidance		
Priority	3	Latest Note	1. Employees and Managers who did not comply with requirement have been contacted and reminded of the requirement to submit claims within a 3 month period. 2. Rules will be built into the new HR Payroll system to automatically reject claims where dates are outwith a 3 month period. This will be tested as part of User Acceptance Testing (UAT). The project is still in the build stage and UAT is estimated to be complete by end of January 2020, therefore the due date needs to be updated accordingly.		
Progress Bar	<div><div>80%</div></div>	Original Due Date	31-Aug-2019	Due Date	31-Aug-2019
Parent Code & Title	IA2019PA027 Payroll Transaction Testing			Managed By	Fiona Walker
				Assigned To	Karen Clarke; Tracy Nicol

Code	IA2019PA027g	Description	Payroll and/or HR should review the need to keep both the Addition to Salary and Extra Work Fee allowance codes.		
Priority	3	Latest Note	A review of pay components has commenced. Implementation of changes will be built in as part of the new HR and Payroll system and will be tested as part of User Acceptance Testing (UAT). The project is still in the build stage and UAT is estimated to be complete by end of January 2020, therefore the due date needs to be updated accordingly. We will continue with the current arrangements until the new system is in place.		
Progress Bar	<div><div>80%</div></div>	Original Due Date	31-Aug-2019	Due Date	31-Aug-2019
Parent Code & Title	IA2019PA027 Payroll Transaction Testing			Managed By	Fiona Walker
				Assigned To	Jackie Hamilton

Code	IA2019PA027h	Description	Payroll should consult with HR to ensure that Addition to Salary and Extra Work Fee allowances are included in the Terms and Conditions of Employment document. This will provide the relevant advice to Services about the criteria required to claim such allowances as well as clarifying the information that should be provided to Payroll to allow them to be processed. In addition, the guidance should specify the level of approval that must be provided for such exceptional allowances.		
Priority	1	Latest Note	A review of all pay components has been undertaken as part of the implementation of the new HR Payroll System. This includes ensuring there is a clear link to Terms and Conditions of Employment and a relevant process for payment instruction. The rules around approval for addition to salary allowances etc will be incorporated into the build of the system and will be tested as part of User Acceptance Testing (UAT). The project is still in the build stage and UAT is estimated to be complete by end of January 2020, therefore the due date needs to be updated accordingly. We will continue with the current arrangements until the new system is in place.		
Progress Bar	<div><div>80%</div></div>	Original Due Date	31-Aug-2019	Due Date	31-Aug-2019
Parent Code & Title	IA2019PA027 Payroll Transaction Testing			Managed By	Fiona Walker
				Assigned To	Jackie Hamilton; Jackie Smillie