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## NORTH AYRSHIRE COUNCIL

9 March 2021

### Audit and Scrutiny Committee

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**Title:** Internal Audit and Corporate Fraud Action Plans:  
Quarter 3 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 31 December 2020.

**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.

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#### 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 31 December 2020.

#### 2. Background

- 2.1 The last report to the Audit and Scrutiny Committee on 17 November 2020 highlighted that there were 33 actions outstanding at the end of September 2020: 6 that had not been started or were only partially implemented and 27 where the due date had not yet passed.
- 2.2 In addition to these 33 'carried forward' actions, there have been 24 new actions agreed, giving a total of 57 action points for review.

- 2.3 Services have completed 19 actions since the last report. All Council 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 38 actions, 5 were either not started or only partially complete at 31 December and the remaining 33 were not due for completion until after that date.
- 2.5 Appendix 1 to this report provides the Committee with full details of the 5 actions that were not complete within the agreed timescales.

### **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.

**Mark Boyd**  
**Head of Service (Finance)**

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

### **Background Papers**

None.

## Actions due by 31<sup>st</sup> December but not started or partially complete

<b>Code</b>	CFT1734d	<b>Description</b>	Senior management should ensure that ADP budget holders attend the Council's financial management and procurement training courses and obtain ongoing support from Finance.		
<b>Priority</b>	1	<b>Latest Note</b>	The ADP has received full and detailed support from Finance colleagues. However, new ADP Lead Officer has not been able to complete all the Financial Management and Procurement training due to lack of availability of courses (we have requested access to the relevant courses as a priority). Our vision is for all courses to be completed by September 2021.		
<b>Progress Bar</b>	<div><div>90%</div></div>	<b>Original Due Date</b>	30-Jun-2019	<b>Due Date</b>	31-Dec-2020
<b>Parent Code &amp; Title</b>	CFT1734 Financial Governance - Alcohol And Drugs Partnership			<b>Managed By</b>	Thelma Bowers
				<b>Assigned To</b>	Thelma Bowers

<b>Code</b>	CFT2250b	<b>Description</b>	The Service should identify and recover any overpayment by the Council to the care provider		
<b>Priority</b>	2	<b>Latest Note</b>	A follow up meeting has taken place with the care provider and further information has been received. This is being reviewed and we will continue to work with the provider to determine the final amount to be repaid. The HSCP will seek to recover the maximum value of funds possible through an agreed repayment plan with the provider. Expected completion date June 2021.		
<b>Progress Bar</b>	<div><div>75%</div></div>	<b>Original Due Date</b>	31-Dec-2020	<b>Due Date</b>	31-Dec-2020
<b>Parent Code &amp; Title</b>	CFT2250 Allegation against contracted care provider			<b>Managed By</b>	Caroline Cameron
				<b>Assigned To</b>	Caroline Cameron

<b>Code</b>	IA2019PA012b	<b>Description</b>	Consult with the software supplier URM on a complete process to replace information currently recorded on Excel spreadsheets and Access databases		
<b>Priority</b>	2	<b>Latest Note</b>	We are currently carrying out additional URM testing on the updates implemented. System reporting requires further development and evaluation to ensure all data required is included and accurate. The schedule has been further delayed due to the second Covid19 lockdown – New target date May 2021.		
<b>Progress Bar</b>	<div><div>95%</div></div>	<b>Original Due Date</b>	31-Jul-2019	<b>Due Date</b>	27-Nov-2020
<b>Parent Code &amp; Title</b>	IA2019PA012 Building Services Stores Controls			<b>Managed By</b>	Yvonne Baulk
				<b>Assigned To</b>	John Andrew

<b>Code</b>	IA2019PA014b	<b>Description</b>	Social Work Resources should complete and publish the ' HSCP Eligibility for Transport Assistance' Policy.		
<b>Priority</b>	2	<b>Latest Note</b>	Again, the situation with Covid has meant we cannot progress this. While the pandemic still has an impact on how we can deliver day services, and therefore use of transport, it seems unlikely that we would be able to progress this in the first half of the year. Therefore the proposed new target date is end of June 2021.		
<b>Progress Bar</b>	<div><div>75%</div></div>	<b>Original Due Date</b>	31-Mar-2019	<b>Due Date</b>	31-Dec-2020
<b>Parent Code &amp; Title</b>	IA2019PA014 Transportation			<b>Managed By</b>	Thelma Bowers
				<b>Assigned To</b>	Jan Thomson

<b>Code</b>	IA2020SI001g	<b>Description</b>	<b>Audit Action:</b> A weekly reconciliation sheet should be introduced, which records income and cash banking details. <b>Audit Finding:</b> Income is not identifiable when banked. <b>Risk:</b> There is no audit trail of cash.		
<b>Priority</b>	1	<b>Latest Note</b>	The Community Association handbook has been updated and contains the additional guidance as required by Audit. This has been agreed with the North Ayrshire Federation of Community Associations and one-to-one sessions with all Community Associations will be complete by end of March 2021		
<b>Progress Bar</b>	<div><div>75%</div></div>	<b>Original Due Date</b>	31-Dec-2020	<b>Due Date</b>	31-Dec-2020
<b>Parent Code &amp; Title</b>	IA2020SI001 Community Association			<b>Managed By</b>	Rhona Arthur
				<b>Assigned To</b>	Angela Morrell; Donna Morrison

