
NORTH AYRSHIRE COUNCIL

17 November 2020

Audit and Scrutiny Committee

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| 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 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. |

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 2020.

2. Background

- 2.1 The last report to the Audit and Scrutiny Committee on 29 September 2020 highlighted that there were 28 actions outstanding at the end of June 2020: 20 that had not been started or were only partially implemented and 8 where the due date had not yet passed.
- 2.2 In addition to these 28 'carried forward' actions, there have been 16 new actions agreed, giving a total of 44 action points for review.

- 2.3 Services have completed 11 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 33 actions, 6 were either not started or only partially complete at 30 September and the remaining 27 were not due for completion until after that date.
- 2.5 Appendix 1 to this report provides the Committee with full details of the 6 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 30th September but not started or partially complete

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|--------------------------------|--|--------------------------|---|--------------------|---------------|
| Code | CFT1734d | Description | Senior management should ensure that ADP budget holders attend the Council's financial management and procurement training courses and obtain ongoing support from Finance. | | |
| Priority | 1 | Latest Note | <p>The budget holder had a one to one with the Senior Accountant to look at the system and understand its use. However, it appears there is no requirement at the moment for the budget holder to use the system as the only sign off would be for the PEAR service which is signed off annually by Thelma Bowers due to the financial level. All other invoices are signed off manually and processed.</p> <p>The training has been delayed due to COVID but the budget-holder is registered to be on the training. Expected completion date 31/12/2020.</p> | | |
| Progress Bar | <div><div>80%</div></div> | Original Due Date | 30-Jun-2019 | Due Date | 30-Sep-2020 |
| Parent Code & Title | CFT1734 Financial Governance - Alcohol And Drugs Partnership | | | Managed By | Thelma Bowers |
| | | | | Assigned To | Thelma Bowers |

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|--------------------------------|---|--------------------------|---|--------------------|-----------------------------------|
| Code | CFT2349a | Description | The Service must ensure that the recording of completed works and corresponding valuations does not allow duplicate entries; there should be adequate checks to ensure that the same piece of work cannot be recorded and paid more than once. This should be applied across any similar contracts/contractors. | | |
| Priority | 1 | Latest Note | <p>Various improvements have been made to the payment management process and a more robust system is now in place. Complete implementation of improvement actions is not yet complete, partially hindered by COVID priorities. A corporate review of "no PO no payment" policy is to be carried out, which may influence further changes to the process. Expected completion date 31/12/20.</p> | | |
| Progress Bar | <div><div>80%</div></div> | Original Due Date | 31-Jan-2020 | Due Date | 30-Sep-2020 |
| Parent Code & Title | CFT2349 Duplicate Contractor Valuation Payments | | | Managed By | Yvonne Baulk |
| | | | | Assigned To | Laurence Cree; Leigh-Ann Mitchell |

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| 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 | There was a delay in getting access to the test system until 1st week in September so packages are just starting to be put on and we will be running reports to see if all looks OK over the next couple of weeks. The bulk of packages are SDS Option 2 which will not be straightforward, so additional testing time will be required. The revised deadline to getting packages on the Live system is by the end of January 2021. | | |
| Progress Bar | <div><div>75%</div></div> | Original Due Date | 31-Aug-2019 | Due Date | 30-Sep-2020 |
| Parent Code & Title | IA2019PA009 Community Based Support | | | Managed By | Caroline Whyte |
| | | | | Assigned To | Eleanor Currie |

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| Code | IA2019PA009o | Description | In the longer term, community packages should be recorded on CareFirst and electronically approved or at the very least, the approval paperwork should be scanned and attached on CareFirst. | | |
| Priority | 2 | Latest Note | There was a delay in getting access to the test system until 1st week in September so packages are just starting to be put on and we will be running reports to see if all looks OK over the next couple of weeks. Most packages are SDS Option 2, so additional testing time than originally planned will be required. The deadline for getting all packages on the Live system is by end of January 2021. | | |
| Progress Bar | <div><div>75%</div></div> | Original Due Date | 30-Apr-2020 | Due Date | 30-Sep-2020 |
| Parent Code & Title | IA2019PA009 Community Based Support | | | Managed By | Caroline Whyte |
| | | | | Assigned To | Eleanor Currie |

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|--------------------------------|---------------------------|--------------------------|---|--------------------|-----------------|
| Code | IA2020PA011c | Description | <p>Audit Action: A review of the role of system administrator should be undertaken. Where the individual is not a system administrator but is allocated administration rights these should be removed. If necessary, a new role should be identified on the system reducing the access that Service support staff have.</p> <p>Audit Finding: System administration rights are available to too many people leading to a reduction in operational controls.</p> <p>Risk: Administrator rights are a key system control which should be restricted to as few people as possible, reducing opportunity for fraudulent activities on the Kelio system.</p> | | |
| Priority | 1 | Latest Note | <p>The system upgrade was completed on 15th September. Training has been requested from the software provider on enhanced functionality available in relation to administrator access permissions. Once training has been delivered, administrator access will be streamlined accordingly. It is anticipated this exercise will be fully concluded by 31 December 2020.</p> | | |
| Progress Bar | <div><div>90%</div></div> | Original Due Date | 31-Jul-2020 | Due Date | 31-Jul-2020 |
| Parent Code & Title | IA2020PA011 Kelio | | | Managed By | Fiona Walker |
| | | | | Assigned To | Jackie Hamilton |

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|--------------------------------|-----------------------------------|--------------------------|--|--------------------|----------------|
| Code | IA2020PA014d | Description | <p>Audit Action: A method should be developed for recording outcomes as a result of self-directed support to assess and build on positive outcomes, as identified in the Care Inspectorate thematic review of Self-Directed Support in Scotland.</p> <p>Audit Finding: North Ayrshire Health and Social Care Partnership are currently undertaking a self-assessment of self-directed support.</p> <p>Risk: There is a risk that the Council is unable to evidence the positive outcomes for clients and use this information to encourage others to be more involved in directing how their care and support is delivered to best meet their needs. Failure to learn lessons from previous experience.</p> | | |
| Priority | 1 | Latest Note | <p>North Ayrshire Health and Social Care Partnership began work on a self-assessment of the approach to self-directed support with two development sessions held in December 2019 and January 2020, confirming the need to revisit the SSAQ (Adult Assessment), Support Plan and Support Plan Review. Assessment examples were being benchmarked but COVID-19 service user and unpaid carer priority guidance and support put a pause on this work. This was picked back up again in May 2020. Work began with a draft Eligibility Criteria review as a key part of the assessment process for identifying need, levels of risk and support to enable resource release and ultimately meet personal outcomes. This was tabled at the Transformation Board in September but was asked to be put on hold due to new national information from the review of Adult Social Care and Scottish Government's work on a set of new SDS Standards. A reasonable timeframe would need to be discussed with Heads of Services – Adult & Community Care. Revised date for completion: 31/03/21</p> | | |
| Progress Bar | <input type="text" value="0%"/> | Original Due Date | 30-Sep-2020 | Due Date | 30-Sep-2020 |
| Parent Code & Title | IA2020PA014 Self-Directed Support | | | Managed By | Isabel Marr |
| | | | | Assigned To | Kimberley Mroz |