
NORTH AYRSHIRE COUNCIL

28 May 2019

Audit and Scrutiny Committee

Title:	Internal Audit and Corporate Fraud Action Plans: Quarter 4 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 March 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 31 March 2019.

2. Background

- 2.1 The last report to the Audit and Scrutiny Committee on 26 March 2019 highlighted that there were 31 actions outstanding at the end of December 2018: 3 that had not been started or were only partially implemented and 28 where the due date had not yet passed.
- 2.2 In addition to these 31 'carried forward' actions, there have been 23 new actions agreed during quarter 4, giving a total of 54 action points for review.

- 2.3 Services have completed 19 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 35 actions, 7 were either not started or only partially complete at 31 March and the remaining 28 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.

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:	None.
Human Resources:	None.
Legal:	None.
Equality/Socio-economic Duty:	None.
Children and Young People:	None.
Environmental & Sustainability:	None.
Key Priorities:	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 2015-2020.
Community Benefits:	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.

Insert Director's name
Insert Director's title

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

Background Papers

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Actions due by 31st March 2019 but not started or partially complete

Generated on: 26 April 2019

Code	IA2018PA004d	Description	Corporate Communications and Customer Services should give consideration to jointly purchasing social media software that would allow individual usernames and passwords to be set up for the council's corporate social media accounts. Consideration should also be given to rolling this out to all Council social media accounts.		
Priority	2	Latest Note	<p>The new product provided by our current telephony supplier was tested thoroughly but did not provide adequate mobile flexibility to update Twitter on the go and was not rolled out to Communications.</p> <p>The Customer Services team reverted to the original Hootsuite software. Hootsuite is a web-based system; IT already logs all internet activity by user, date & time and site visited. If required, IT Services can run a report for this website on a specific date, time and user for audit purposes, provided activity takes place within the network.</p> <p>Further investigations are underway to identify affordable social media solutions to meet the needs of Customer Services, Communications and audit requirements. Our new platform Salesforce provides Social Media functionality and is currently one of the options under investigation. Estimated completion date December 2019.</p>		
Progress Bar	<div><div>60%</div></div>	Original Due Date	31-Mar-2019	Due Date	31-Mar-2019
Parent Code & Title	IA2018PA004 Social Media			Managed By	Fiona Walker
				Assigned To	Sheila Paisley

Code	IA2018PA004i	Description	Legal Services should provide advice on whether a personal social media account should be used for investigation purposes or whether a council account should be set up for this purpose. The relevant guidance should be updated to reflect the advice given, whether it be RIPSAs guidance or the social media policy.		
Priority	1	Latest Note	Meetings will be arranged by Legal Services with Trading Standards, Corporate Fraud and the Anti-social Behaviour Investigation teams to determine their practice relative to use of social media accounts for investigative purposes and advice will be given accordingly. That will be completed by 30th June 2019.		
Progress Bar	<div><div></div></div> 0%	Original Due Date	31-Mar-2019	Due Date	31-Mar-2019
Parent Code & Title	IA2018PA004 Social Media			Managed By	Andrew Fraser
				Assigned To	Eleanor McLaren

Code	IA2019PA003a	Description	The Council's Money Laundering Reporting Officer should remind all staff members responsible for handling cash of the requirements for reporting cash payments over £3,000.		
Priority	2	Latest Note	New Money Laundering regulations have been published. The Council guidance is being updated to reflect the new regulations and staff will be reminded about the guidance once this is done. This will be completed by June 2019.		
Progress Bar	<div><div></div></div> 20%	Original Due Date	31-Jan-2019	Due Date	31-Jan-2019
Parent Code & Title	IA2019PA003 Income Collections			Managed By	Laura Friel
				Assigned To	Paul Doak

Code	IA2019PA007b	Description	Formal Terms of Reference should be established for the Business Continuity Liaison Group and a timetable of regular meetings established.		
Priority	2	Latest Note	<p>Audit improvement actions will form part of a wider and all-encompassing review of Business Continuity, in a tailored approach to meet internal stakeholder requirements. Initial consultation has been undertaken with Zurich Municipal, with the first step for them being to conduct a desktop review of current practice.</p> <p>Future actions will include review of the BC framework, delivery of training and awareness sessions and facilitation of a corporate business continuity test.</p> <p>The actions around the Terms of Reference and future meetings will be taken forward as part of the work programme around this and other audit actions. The target delivery date for combined actions and the wider improvement programme has been agreed with Zurich as the 31st August 2019, to allow broader development of Business Continuity processes.</p>		
Progress Bar	<div><div>30%</div></div>	Original Due Date	20-Mar-2019	Due Date	20-Mar-2019
Parent Code & Title	IA2019PA007 Business Continuity			Managed By	Fiona Walker
				Assigned To	Alex Fitzharris

Code	IA2019PA014a	Description	The policy review for 'Free School and ASN Transport' should be completed and then be formalised as guidance procedures.		
Priority	2	Latest Note	There are likely to be multiple changes to the Transport Policy that will require Cabinet approval. It is proposed to alter the completion date to December 2019 to capture the information.		
Progress Bar	<div><div>40%</div></div>	Original Due Date	31-Mar-2019	Due Date	31-Mar-2019
Parent Code & Title	IA2019PA014 Transportation			Managed By	Andrew McClelland
				Assigned To	Donna Reid

Code	IA2019PA014b	Description	Social Work Resources should complete and publish the ' HSCP Eligibility for Transport Assistance' Policy.		
Priority	2	Latest Note	This Policy will be tabled at Partnership Senior Management Team for comment. Completion target July 2019.		
Progress Bar	<div><div>75%</div></div>	Original Due Date	31-Mar-2019	Due Date	31-Mar-2019
Parent Code & Title	IA2019PA014 Transportation			Managed By	Thelma Bowers
				Assigned To	Jan Thomson

Code	IA2019PA014c	Description	The Transportation Appeals Process should be formalised, with clear criteria established, and time limit for and grounds to appeal. The decision panel should include a neutral member		
Priority	2	Latest Note	There are likely to be multiple changes to the Transport Policy that will require Cabinet approval. It is proposed to alter the completion date to December 2019 to capture the information.		
Progress Bar	<div><div>40%</div></div>	Original Due Date	31-Mar-2019	Due Date	31-Mar-2019
Parent Code & Title	IA2019PA014 Transportation			Managed By	Andrew McClelland
				Assigned To	Donna Reid