
NORTH AYRSHIRE COUNCIL

27 March 2018

Audit and Scrutiny Committee

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 2017.
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 December 2017.

2. Background

- 2.1 The last report to the Audit and Scrutiny Committee on 14 November 2017 highlighted that there were 36 actions outstanding at the end of September 2017: 9 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 36 'carried forward' actions, there have been 62 new actions agreed during quarter 3, giving a total of 98 action points for review.

- 2.3 Services have completed 58 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 40 actions, 11 were either not started or only partially complete at 31 December 2017 and the remaining 29 were not due for completion until after that date.
- 2.5 Appendix 1 to this report provides the Committee with full details of the 11 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

Financial:	None.
Human Resources:	None.
Legal:	None.
Equality:	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.



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

N/A

Actions due by 31st December 2017 but not yet started or partially complete

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Code	IA2015PA031d	Description	The Information Governance Manager should review the arrangements for destroying confidential waste at all locations across the Council, with a view to ensuring that there are established arrangements for confidential waste at all locations, whilst also raising awareness of confidential waste disposal policies.		
Priority	1	Latest Note	<p>2017/18 Quarter Three Update: The Confidential Waste policy was created under the GDPR Project, and submitted for review to Executive Leadership Team in January. ELT requested an additional review of current council status, gaps, and requirements to deliver compliance. This is being progressed as a sub-project under GDPR, with resource assigned. During February a questionnaire has been developed and issued across the Council to gather information on the existing set-ups, equipment and processes.</p> <p>The new overall target date to deliver the outcome report and recommendations / next steps is 30th April 2018.</p>		
Progress Bar	<div><div>90%</div></div>	Original Due Date	30-Jun-2015	Due Date	31-Mar-2017
Parent Code & Title	IA2015PA031 Information Management and Data Protection			Managed By	Esther Gunn
				Assigned To	Angela MacDonald; Elizabeth Quinn

Code	IA2016PA001c	Description	Employment Services should ensure that password rules are updated within CHRIS so that a mixture of upper and lower case letters, numbers and special characters are used.		
Priority	1	Latest Note	2017/18- Quarter Three Update: Frontier software have yet to release some required fixes. Some are due for release between December 2017 and March 2018. Implementation of Version 8 will not take place prior to March 2018. New implementation date of approximately August 2018 dependant on testing outcomes of the newest releases.		
Progress Bar	<div><div>75%</div></div>	Original Due Date	30-Sep-2016	Due Date	31-Oct-2017
Parent Code & Title	IA2016PA001 HR/Payroll System			Managed By	Fiona Walker
				Assigned To	Karen Clarke

Code	IA2016PA021a	Description	The Corporate Transport Hub, supported by Legal Services, should continue to liaise with SPT to finalise a mutually acceptable Agency Agreement and have this signed at the earliest opportunity.		
Priority	1	Latest Note	2017/18- Quarter Three Update: Another draft of the main Agency Agreement has been sent to SPT. In spite of repeated chasing, progress is slow. Anticipated completion date 31st August 2018.		
Progress Bar	<div><div>96%</div></div>	Original Due Date	31-Mar-2016	Due Date	01-Dec-2017
Parent Code & Title	IA2016PA021 Transportation			Managed By	Andrew Fraser; Russell McCutcheon
				Assigned To	Susan Adamson; Gordon Mitchell; Nicola Shearer

Code	IA2016PA024d	Description	Passwords controls for staff in the schools accessing the Education network should be tightened in line with best practice.		
Priority	2	Latest Note	2017/18- February Update Progress: The self-service password reset tool has been procured and is scheduled to be installed on 1 March 2018. The product will push out to devices on the Education IT Network. Next Steps: Teachers and teaching staff should setup their questions and answers as aids for resetting passwords. IT Services will force the password change at a time agreed by Education HQ to avoid disruption in schools. This will be before the end of June 2018 however it is hopeful that this can be undertaken in March, still avoiding Education's peak exam period.		
Progress Bar	<div><div>90%</div></div>	Original Due Date	30-Jun-2016	Due Date	30-Nov-2017
Parent Code & Title	IA2016PA024 Education Network Controls			Managed By	Esther Gunn; Brendan Quigley
				Assigned To	Iain Chisholm; Lorna Morley; Brendan Quigley

Code	IA2016PA029g	Description	The Head of Democratic Services should consider renewing the Data Sharing Protocol for procurement with the Police		
Priority	2	Latest Note	2017/18- Quarter Three Update: Last Ayrshire Prevent meeting when document was to have been available for signature was cancelled. There is an issue as to whether it should be a wider agreement involving all partners, not just Police and North Ayrshire Council. This action is with the Police and is outwith our control. Anticipated completion date 31st August 2018.		
Progress Bar	<div><div>95%</div></div>	Original Due Date	31-Mar-2017	Due Date	01-Dec-2017
Parent Code & Title	IA2016PA029 Serious Organised Crime			Managed By	Andrew Fraser
				Assigned To	Andrew Fraser

Code	IA2017PA018b	Description	PMI should review the retention of records within the K2 system with advice from the Council's Information Governance team and establish a clear policy for how they will deal with this issue.		
Priority	1	Latest Note	2017/18- Quarter Three Update: The Council's document retention/disposals schedule has been obtained and actions noted for the retention of asset management information. The Council's Information Governance Team are in discussions to review and ensure the retention procedures are correct. The review will be complete by the end of March 2018.		
Progress Bar	<div><div>40%</div></div>	Original Due Date	30-Sep-2017	Due Date	31-Dec-2017
Parent Code & Title	IA2017PA018 Asset Management System			Managed By	Yvonne Baulk
				Assigned To	Laurence Cree

Code	IA2018PA014b	Description	<p>Whilst details of how framework should operate is part of the detailed tender document, the Corporate Procurement Unit (CPU) should assist Services by providing additional support in the form of a step by step, plain English, guidance note. This note should be expanded to cover, not only frameworks, but also mini competitions, tenders, contract refresh options etc.</p> <p>This document should spell out the Services roles, responsibilities and indicate when guidance should be sought from the CPU.</p>		
Priority	1	Latest Note	The procurement manual is under review and has a revised target completion date of Mar 2018		
Progress Bar	<div><div>75%</div></div>	Original Due Date	21-Dec-2017	Due Date	21-Dec-2017
Parent Code & Title	IA2018PA014 Recycling And Landfill			Managed By	Head of Finance
				Assigned To	Anne Lyndon

Code	IA2018PA024a	Description	Update the Centre's website, and all printed literature to show the prices approved by cabinet.		
Priority	1	Latest Note	2017/18- Quarter Three Update: The revised business model and cost structure will be presented to Cabinet in March 2018.		
Progress Bar	<div><div>75%</div></div>	Original Due Date	31-Dec-2017	Due Date	31-Dec-2017
Parent Code & Title	IA2018PA024 Arran Outdoor Education Centre			Managed By	Audrey Sutton
				Assigned To	Ian Staples

Code	IA2018PA024f	Description	All customers must be charged the full rates approved by Cabinet. If staff feel that offering discount rates for larger bookings and/or repeat customers would be beneficial for business, then approval must be sought from Cabinet to offer such incentives - and the criteria for qualifying for a discount must be clearly stated (e.g. 20% discount parties over 20, 10% for return customers etc.)		
Priority	1	Latest Note	2017/18- Quarter Three Update: The revised business model will be presented to Cabinet in March 2018.		
Progress Bar	<div><div>75%</div></div>	Original Due Date	31-Dec-2017	Due Date	31-Dec-2017
Parent Code & Title	IA2018PA024 Arran Outdoor Education Centre			Managed By	Audrey Sutton
				Assigned To	John McKnight

Code	IA2018PA024I	Description	Perform a review of data security procedures within the centre, paying particular attention to those surrounding the use and storage of the photographic images of children. Advice should be sought from the council's data protection team, but the review should include:- -Amending the wording within the parent/guardian consent form. This needs to include a statement that images will be shared with other parties (i.e. copy of photos will be passed to school/group who organised the trip) -Parental consent must be requested on an 'opt in' basis , rather than an 'opt out' -The centre's website should include a link to its 'privacy policy'		
Priority	2	Latest Note	2017/18- Quarter Three Update: The Council Data Protection Officer has advised on changes required to centre paperwork. This is in the process of being addressed amongst other issues within the centre's website. This action forms part of the larger body of work to comply with GDPR. It will be complete alongside the service's similar actions by 25th May 2018.		
Progress Bar	<div><div>50%</div></div>	Original Due Date	30-Nov-2017	Due Date	30-Nov-2017
Parent Code & Title	IA2018PA024 Arran Outdoor Education Centre			Managed By	Audrey Sutton
				Assigned To	Ian Staples

Code	IA2018PA028h3	Description	The establishment should raise and receipt goods/services via the Integra system directly		
Priority	2	Latest Note	Manager to discuss this with line managers. Meeting arranged for 6th March 2018.		
Progress Bar	<div><div>22%</div></div>	Original Due Date	30-Sep-2017	Due Date	30-Sep-2017
Parent Code & Title	IA2018PA028 HSCP Establishment Visits			Managed By	Thelma Bowers
				Assigned To	Brian Fitzpatrick