
NORTH AYRSHIRE COUNCIL

26 March 2019

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 2018.

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 2018.

2. Background

- 2.1. The last report to the Audit and Scrutiny Committee on 20 November 2018 highlighted that there were 21 actions outstanding at the end of September 2018: 10 that had not been started or were only partially implemented and 11 where the due date had not yet passed.
- 2.2. In addition to these 21 'carried forward' actions, there have been 46 new actions agreed during quarter 3, giving a total of 67 action points for review.
- 2.3. Services have completed 36 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 31 actions, 3 were either not started or only partially complete at 31 December 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 3 actions that were not complete within the agreed timescales. One of these actions, relating to password controls on ICT devices in schools, was originally due for completion in June 2016.

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 & 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 31st December 2018 but not started or only partially complete

Generated on: 25 February 2019

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	2018/19- Quarter Three Update: A number of options have been explored to resolve this action. A self-service password reset tool has now been procured, installed and configured. Starting January 2019, a monthly email will be sent out to reminding staff to register for self-service password management and inform that forced password resets will be enabled on the 31st May 2019. These emails will continue monthly until May 2019. IT Services will liaise with Secondary School ICT Technicians to ensure the password management capability is full deployed to secondary school teaching devices.		
Progress Bar	<div><div style="width: 90%;">90%</div></div>	Original Due Date	30-Jun-2016	Due Date	31-Dec-2018
Parent Code & Title	IA2016PA024 Education Network Controls			Managed By	Esther Gunn-Stewart; Brendan Quigley
				Assigned To	Carolann McGill; James McNeil; Brendan Quigley

Code	IA2019PA007I	Description	FACS managers should arrange a disaster recovery test of Integra at a time agreed to minimise disruption to Services.		
Priority	2	Latest Note	2018/19- Quarter Three Update: Differences between the Integra test and production environments dating back to the original go-live and discussions with Capita regarding the details of the disaster recovery test meant the December deadline was missed. The Systems Administration Team is currently liaising with Capita and Integra service level leads to schedule the test - given other end of year and project commitments it will be scheduled between June and September. Subsequently testing will be undertaken annually.		
Progress Bar	<div><div style="width: 10%;">10%</div></div>	Original Due Date	31-Dec-2018	Due Date	31-Dec-2018
Parent Code & Title	IA2019PA007 Business Continuity			Managed By	Fiona Walker
				Assigned To	Brendan Quigley

Code	IA2019PA018b	Description	All Estates procedures should be updated. Consideration should be given to reintroducing the use of checklists.		
Priority	2	Latest Note	2018/19- Quarter Three Update: The Estates Manual is currently being updated; however, due to staff departures and an unsuccessful recruiting exercise, this action is currently behind programme. It is anticipated that the update will be complete by the end of the financial year.		
Progress Bar	<div><div>25%</div></div>	Original Due Date	31-Dec-2018	Due Date	31-Dec-2018
Parent Code & Title	IA2019PA018 Commercial And Industrial Rents			Managed By	Yvonne Baulk
				Assigned To	Laurence Cree; Aileen Johnston