
NORTH AYRSHIRE COUNCIL

31 May 2022

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 2022.

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 2022.

2. Background

- 2.1 The last report to the Audit and Scrutiny Committee on 8 March 2022 highlighted that there were 23 actions outstanding at the end of December 2021: four that had not been started or were only partially implemented and 19 where the due date had not yet passed.

- 2.2 In addition to these 23 carried forward actions, there have been 12 new actions agreed, giving a total of 35 action points for review.
- 2.3 Services have completed 17 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 18 actions, five were either not started or only partially complete at 31 March and the remaining 13 were not due for completion until after that date.
- 2.5 Appendix 1 to this report provides the Committee with full details of the five 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.

Climate Change and Carbon

- 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 **Laura Miller, Senior Manager (Audit, Fraud, Safety and Insurance)**, on **01294 324524**.


Background Papers

None.

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

Code	IA2019IJB001c	Description	HSCP Management should work with officers from East and South Ayrshire HSCPs to progress the risk sharing arrangements at the earliest opportunity		
Priority	1	Latest Note	The pan Ayrshire work on Directions, including lead partnership arrangements is still paused as a result of service pressures from COVID. The plan is to now have these embedded in by December 2022.		
Progress Bar	<input type="text" value="20%"/>	Original Due Date	30-Sep-2019	Due Date	31-Mar-2022
Parent Code & Title	IA2019IJB001 IJB Lead Partnership Arrangements			Managed By	Caroline Cameron
				Assigned To	Caroline Cameron

Code	IA2019IJB001d	Description	HSCP Management should work with officers from East and South Ayrshire HSCP's to progress the fair share methodology at the earliest opportunity, including developing detailed Directions with commissioning plans		
Priority	1	Latest Note	The Pan Ayrshire work on Directions, including fair shares and set aside, remains paused due to service pressures arising from the pandemic. This and other elements of the Directions work will be completed by December 2022.		
Progress Bar	<input type="text" value="20%"/>	Original Due Date	31-Mar-2019	Due Date	31-Mar-2022
Parent Code & Title	IA2019IJB001 IJB Lead Partnership Arrangements			Managed By	Caroline Cameron
				Assigned To	Caroline Cameron

Code	IA2020PA032a	Description	<p>Audit Action: Arran should be aligned with the mainland's processes and procedures.</p> <p>Audit Finding: Staff on the mainland and Cumbrae are managing the interment process electronically, whilst staff on Arran continue to use manual records.</p> <p>Risk: Business continuity issues due to operating a completely separate system on Arran; manual records are not backed-up in the same way that electronic records are.</p>		
Priority	2	Latest Note	<p>We have a quote now from the software provider to upgrade the software to the remote option. We have passed the quote to IT to check it suits requirements and what paperwork is required from them regarding data protection etc. Arran will be included in this. Fiona Porter has requested an update from IT regarding the suitability and requirements of the quote from the software provider. Target date for completion is 31st July 2022.</p>		
Progress Bar		Original Due Date	31-Mar-2021	Due Date	31-Mar-2022
Parent Code & Title	IA2020PA032 Bereavement and Burial Services			Managed By	Thomas Reaney
				Assigned To	Mark McNeil

Code	IA2021PA009b	Description	<p>Audit Action: The team should liaise with the Transformation team to streamline this part of the process and reduce the number of times the same information must be keyed.</p> <p>Audit Finding: The admin team are required to update the budget monitoring spreadsheet, an operational access database and the CareFirst system at each stage of this process for all council tenant jobs. In addition, the access database is not supported by IT Services.</p> <p>Risk: Inefficient use of staff time and increased risk of keying errors.</p>		
Priority	2	Latest Note	A draft standard operational spreadsheet has been created and is now being tested. It is planned to complete the action by 6th June 2022.		
Progress Bar	<input type="text" value="50%"/>	Original Due Date	31-Dec-2021	Due Date	31-Mar-2022
Parent Code & Title	IA2021PA009 Aids and Adaptations			Managed By	David Thomson
				Assigned To	Lynn Kirkland

Code	IA2021PA013a	Description	<p>Audit Action: The current user manuals/training documents for the key areas should be reviewed and adapted to include the Council's internal process to provide a complete user manual.</p> <p>Audit Finding: User manuals have not been updated since 2014/15 or no date is noted. Also, although these documents provide a basic step by step flow of system processes, they have not been adapted to include the Council's internal processes.</p> <p>Risk: Manual is out of date and incomplete.</p>		
Priority	2	Latest Note	<p>Significant work has been carried out in the quarter of 2021/22 to ensure a timeline is in place to complete the action by Sept 30th 2022.</p> <p>Internal Audit have been made aware of the slippage and agreed an extension.</p> <p>This action will be completed by 30th Sept 2022 or before.</p>		
Progress Bar	<input type="text" value="55%"/>	Original Due Date	31-Mar-2022	Due Date	31-Mar-2022
Parent Code & Title	IA2021PA013 Building Services Systems	Managed By		Yvonne Baulk	
		Assigned To		Leigh-Ann Mitchell; Jim Smith	