
NORTH AYRSHIRE COUNCIL

29 September 2020

Audit and Scrutiny Committee

Title:	Internal Audit and Corporate Fraud Action Plans: Quarter 1 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 June 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 June 2020.

2. Background

- 2.1 The last report to the Audit and Scrutiny Committee on 12 November 2019 highlighted that there were 29 actions outstanding at the end of September 2019: 7 that had not been started or were only partially implemented and 22 where the due date had not yet passed.
- 2.2 In addition to these 29 'carried forward' actions, there have been 67 new actions agreed, giving a total of 96 action points for review.

- 2.3 Services have completed 68 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 28 actions, 20 were either not started or only partially complete at 30 June and the remaining 8 were not due for completion until after that date.
- 2.5 Appendix 1 to this report provides the Committee with full details of the 16 Internal Audit actions that were not complete within the agreed timescales. Two actions are considerably overdue:
- The renewal of a data sharing agreement with Police Scotland in relation to procurement was originally due in March 2017; however, it is recognised that this is outwith the control of the Council.
 - Data protection awareness training for all school-based staff was originally due to be completed by June 2018; while considerable progress has been made, this action is not yet complete.
- 2.6 The remaining 4 actions which are overdue are from Corporate Fraud investigations and these are included as an 'exempt' report at the end of the agenda.
- 2.7 Although the number of overdue actions has increased considerably since the last report, it is recognised that the implementation of many has been delayed due to the impact of the pandemic on Council Services and steps are now being taken to implement the actions.

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.

Internal Audit Actions due by 30th June but not started or partially complete

Code	IA2016PA029g	Description	The Head of Democratic Services should consider renewing the Data Sharing Protocol for procurement with the Police		
Priority	2	Latest Note	Unfortunately, the position remains the same- Police are still reviewing this nationally in light of GDPR. The Head of Service will continue to pursue via the Multi-agency Prevent Groups meetings. Anticipated completion date 28/2/2021.		
Progress Bar	<div><div>65%</div></div>	Original Due Date	31-Mar-2017	Due Date	31-Oct-2019
Parent Code & Title	IA2016PA029 Serious Organised Crime			Managed By	Andrew Fraser
				Assigned To	Andrew Fraser

Code	IA2017PA020b	Description	Data protection information awareness for schools training should be agreed and implemented as soon as possible.		
Priority	1	Latest Note	There haven't been sessions completed at the remaining schools and it is not foreseen that anything will happen in the near future due to COVID19. Speculative completion date: June 2021		
Progress Bar	<div><div>94%</div></div>	Original Due Date	01-Jun-2018	Due Date	31-Oct-2019
Parent Code & Title	IA2017PA020 Email Controls In Education			Managed By	Andrew McClelland
				Assigned To	Rosslyn Lee

Code	IA2019IJB001b	Description	HSCP Management should develop regular performance reports for lead partnership responsibilities to be reported to the Performance and Audit Committee and shared across the 3 Ayrshire partnerships		
Priority	1	Latest Note	Specific Pan-Ayrshire reporting is available and provided at scheduled Mental Health Senior Management Meetings. The format of a dedicated lead partnership report has also been developed for consideration and will be progressed post-COVID where mobilisation planning has taken precedence, and, after core lead partnership data has been migrated onto centralised NHS systems. Estimated completion date March 2021, allowing for the remobilisation of services and possibly another Covid lock-down / restrictions situation.		
Progress Bar	<div><div>50%</div></div>	Original Due Date	31-Dec-2019	Due Date	31-Dec-2019
Parent Code & Title	IA2019IJB001 IJB Lead Partnership Arrangements			Managed By	Caroline Cameron
				Assigned To	Neil McLaughlin

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 this action has been paused over the last 4 months due to the Pandemic. Completion date – 6 months (i.e. end of January 2021).		
Progress Bar	<div><div>20%</div></div>	Original Due Date	30-Sep-2019	Due Date	31-Mar-2020
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 this action has been paused over the last 4 months due to the Pandemic. Completion date – 6 months (i.e. end of January 2021).		
Progress Bar	<div><div>0%</div></div>	Original Due Date	31-Mar-2019	Due Date	31-Mar-2020
Parent Code & Title	IA2019IJB001 IJB Lead Partnership Arrangements			Managed By	Stephen Brown
				Assigned To	Stephen Brown

Code	IA2019PA009k	Description	HSCP Finance and the Children and Families Disabilities Team should consult with Procurement to negotiate with Providers to agree the inclusion of care worker timesheets with the invoice to show the actual hours provided in the short term and to work towards a framework that ensures providers use CM2000 or a booking system that interfaces with CM2000.		
Priority	2	Latest Note	<p>A Children's Community Steering Group was set up in January to look over current Children's Community support providers with an aim of contacting providers to tender for future services and develop a framework for Children's Services. All information was passed to Procurement who would be leading on this tender process.</p> <p>It will be stressed to providers who are successful, once the tender process is complete, that adequate back up on invoices for actual hours delivered per service user will need to be submitted, on a 4-weekly basis, for payment. However, no further meetings have happened since the COVID lockdown. This action will not be completed until April 2022 as it needs to go through a full tender procedure.</p>		
Progress Bar	<div><div>55%</div></div>	Original Due Date	30-Apr-2020	Due Date	30-Apr-2020
Parent Code & Title	IA2019PA009 Community Based Support			Managed By	Caroline Cameron
				Assigned To	Eleanor Currie

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	<p>We have now identified accurate service packages commitments by using the old establishment/trailing through observations and checking paid invoices and Business Improvement Officer has built up an establishment with these correct details on it so this will be used for service agreements which are to be put on Carefirst.</p> <p>Service managers need to agree the service types & element codes which will be used on Carefirst and then we can start putting samples on the test system. Estimated completion date September.</p>		
Progress Bar	<div><div>55%</div></div>	Original Due Date	31-Aug-2019	Due Date	30-Nov-2019
Parent Code & Title	IA2019PA009 Community Based Support			Managed By	Caroline Cameron
				Assigned To	Eleanor Currie

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	<p>We have now identified accurate service package commitments using the old establishment/trailing through observations and checking paid invoices and Business Improvement Officer has built up an establishment with these correct details on it so this will be used for Service agreements which are to be put on Carefirst. A process will be built in that any change made via observation to a service package must be notified and changes updated on Carefirst.</p> <p>Once service packages are on Carefirst, a further check which the Accountant and Business Improvement Officer will do each month is to carry out a monthly sense check via Business Objects reporting, which compares the Service Packages on the system to invoices paid. Service managers have still to agree the service types and element codes which will be used on Carefirst. Following this, samples will be put on the test system. Completion is likely to be September 2020</p>		
Progress Bar	<div><div>55%</div></div>	Original Due Date	30-Apr-2020	Due Date	30-Apr-2020
Parent Code & Title	IA2019PA009 Community Based Support			Managed By	Caroline Cameron
				Assigned To	Eleanor Currie

Code	IA2019PA012a	Description	Ensure cyclical stock counts include randomly selected vehicles.		
Priority	1	Latest Note	85% of the imprest vans have now been audited and restocked, schedule delayed by COVID-19. Expected completion date 27/11/20.		
Progress Bar	<div><div>85%</div></div>	Original Due Date	31-Mar-2020	Due Date	31-Mar-2020
Parent Code & Title	IA2019PA012 Building Services Stores Controls			Managed By	Yvonne Baulk
				Assigned To	John Andrew

Code	IA2019PA012b	Description	Consult with the software supplier URM on a complete process to replace information currently recorded on Excel spreadsheets and Access databases		
Priority	2	Latest Note	Consulting with the software supplier URM on a complete process to replace information currently recorded on excel spreadsheets and access databases. Project is currently 90% complete, schedule delayed by COVID-19 and process update. Expected completion date 27/11/20.		
Progress Bar	<div><div>90%</div></div>	Original Due Date	31-Jul-2019	Due Date	31-Mar-2020
Parent Code & Title	IA2019PA012 Building Services Stores Controls			Managed By	Yvonne Baulk
				Assigned To	John Andrew

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	The ASN school has been delayed by COVID and the revised completion date for this is May 2021, we would therefore be looking at that date for the completion of the transport policy and complaints procedure.		
Progress Bar	<div><div>60%</div></div>	Original Due Date	31-Mar-2019	Due Date	31-Dec-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	No further update available due to covid-19. Expected completion date is December 2020.		
Progress Bar	<div><div>75%</div></div>	Original Due Date	31-Mar-2019	Due Date	31-Dec-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	The ASN school has been delayed by COVID and the revised completion date for this is May 2021, we would therefore be looking at that date for the completion of the transport policy and complaints procedure.		
Progress Bar	<div><div>60%</div></div>	Original Due Date	31-Mar-2019	Due Date	31-Dec-2019
Parent Code & Title	IA2019PA014 Transportation			Managed By	Andrew McClelland
				Assigned To	Donna Reid

Code	IA2020PA007a	Description	<p>Audit Action: Carefirst should be considered as a storage location for holding all relevant placement information – as a replacement to the current systems being used.</p> <p>This would ensure that all data is held securely against each young person's record, whilst remaining accessible to those with appropriate system access rights.</p> <p>In addition, Carefirst could be used to hold financial cost information on each placement. This would reduce the reliance on spreadsheets.</p> <p>Audit Finding: Highly sensitive young person placement data is being kept in paper files by Education, with no direct electronic equivalent being available.</p> <p>Risk: Data loss due to paper files not being backed up; inability to locate highly confidential data; GDPR breaches</p>		
Priority	1	Latest Note	A clear rationale has been put forward for not pursuing an electronic system at this time, ie. Psychological Service files are large and would require extensive input to update at this time. They are also kept securely. We have agreed to reconsider an electronic system in 2021.		
Progress Bar	<div><div>0%</div></div>	Original Due Date	31-Dec-2019	Due Date	31-Dec-2019
Parent Code & Title	IA2020PA007 External Residential and Education Placements			Managed By	Caroline Amos
				Assigned To	Gail Nowek

Code	IA2020PA014c	Description	<p>Audit Action: All assessment records relating to service users should be recorded on CareFirst.</p> <p>Audit Finding: Assessment records retained on service user files are inconsistently recorded on CareFirst.</p> <p>Risk: There is a risk that when a challenge is made key evidence is missing and the Council will be unable to evidence that assessments have been completed and what has been agreed with the client.</p>		
Priority	1	Latest Note	<p>CDIS community packages will be transferred onto Carefirst and record actual service delivery. We have now identified accurate service package commitments using the old establishment/trailing through observations and checking paid invoices and the Business Improvement Officer has built up an establishment with these correct details on it, so this will be used for Service agreements which are to be put on Carefirst.</p> <p>One of the biggest problems identified was the lack of communication via workers not notifying Finance of services ending and Finance not checking observations on Carefirst when notified and updating the establishment, so a process will be built in that if any change is made via observation to a service package, then we must be notified and changes updated on Carefirst.</p> <p>Once service packages are on Carefirst, a further check which the Accountant and Business Improvement Officer will do each month is to carry out a monthly sense check via Business Objects reporting, which compares the Service Packages on the system to invoices paid, and variations will be checked and if something doesn't look right, it will be queried with the worker to identify the reason for this, as it may be that the system hasn't been updated with an observation regarding the change or that finance just haven't been notified.</p> <p>We are currently at the stage of the Senior Manager agreeing the service types and element codes which will be used on Carefirst and then we can start putting samples on the test system to make sure all is OK before going live, which will hopefully be by September/October this year. We will also be agreeing and issuing a process map which details all steps within the overall process to employees.</p>		
Progress Bar	<div><div>55%</div></div>	Original Due Date	30-Jun-2020	Due Date	30-Jun-2020
Parent Code & Title	IA2020PA014 Self-Directed Support			Managed By	Caroline Cameron
				Assigned To	Eleanor Currie

Code	IA2020PA024a	Description	Audit Action: Specific risk management training should be arranged for Chief Officers Audit Finding: There has been no specific risk management training for Chief Officers Risk: The Council hasn't ensured that Chief Officers have sufficient awareness and understanding of risk management for their roles.		
Priority	3	Latest Note	The training has been delayed due to the Covid-19 crisis and a new date has not yet been set. Estimated completion date Feb-March 2021.		
Progress Bar	<input type="text" value="0%"/>	Original Due Date	31-Mar-2020	Due Date	31-Mar-2020
Parent Code & Title	IA2020PA024 Code of Corporate Governance			Managed By	Fiona Walker
				Assigned To	Alex Fitzharris