
INTERNAL AUDIT REPORT FOLLOW UP 2018-19

1.0 INTRODUCTION

- 1.1 Internal audit reports include an action plan with a management response establishing the agreed action, timescale and responsible officer. Internal Audit record these in a database and, on a monthly basis, follow them up to ensure they are being progressed.
- 1.2 This report updates the committee on all open actions as at 31 March 2019 including information on actions where the agreed implementation date has been rescheduled.

2.0 RECOMMENDATIONS

- 2.1 To endorse the contents of the report.

3.0 DETAIL

- 3.1 The two tables below provide a numerical summary of open audit actions with a split between actions due between 01 January and 31 March 2019 and actions due after 31 March 2019.

Actions Due between 01 January 2019 and 31 March 2019

Service	Complete	Delayed / Rescheduled	Total
ADULT CARE	0	3	3
CUSTOMER & SUPPORT SERVICES	4	0	4
ECONOMIC DEVELOPMENT	0	2	2
EDUCATION	1	0	1
GOVERNANCE & LAW	1	0	1
PLANNING & REGULATORY SERVICES	1	3	4
ROADS & AMENITY SERVICES	2	1	3
STRATEGIC FINANCE	0	2	2
TOTAL	9	11	20

Actions due after 31 March 2019

Service	Complete	On Course	Delayed & Rescheduled	Total
CHILDREN & FAMILIES	7	2	4	13
CUSTOMER & SUPPORT SERVICES	0	0	1	1
EDUCATION	0	1	0	1
IMPROVEMENT & HR	2	1	0	3
LIVEARGYLL	0	1	0	1
PLANNING & REGULATORY	2	2	0	4
ROADS & AMENITY SERVICES	0	9	0	9
STRATEGIC FINANCE	0	3	1	4
TOTAL	11	19	6	36

3.2 Appendix 1 provides further detail on actions that have either been delayed and rescheduled or for which Internal Audit have received no response from the service to inform this follow up.

4.0 CONCLUSION

4.1 Satisfactory progress continues to be made implementing audit actions.

5.0 IMPLICATIONS

5.1 Policy	None
5.2 Financial	None
5.3 Legal	None
5.4 HR	None
5.5 Equalities	None
5.6 Risk	None
5.7 Customer Service	None

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APPENDICES

Appendix 1 – Action Plan Points Delayed & Rescheduled or with No Response

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Action Plan Points Due between 01 January 2019 and 31 March 2019						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer / Status
Strategic Finance - Risk Management	Social care risk management There does not appear to be clarity over responsibility for the management of social care operational risks or clear evidence that they are being reviewed and updated on a regular basis.	High	The Head of Strategic Finance will engage with the Chief Officer of HSCP to agree the process for monitoring and reporting Social Work operational risks.	19 March 2019 31 May 2019	The focus of attention for the HSCP has been on the budget and this action is delayed until 31 May 2019. Financial risks have been identified and a paper was submitted to the IJB on 27 March, but operational risk process needs to be put in place.	Head of Strategic Finance Delayed and Rescheduled
Strategic Finance - VAT	VAT Sample Testing The Council's Business Support Officer is supposed to carry out a range of periodic sample checks to help minimise the risk of incorrect VAT treatment. These include: <ul style="list-style-type: none"> monthly checks of debtors and creditors transactions monthly check of a sample of active cash receipting codes quarterly check of new debtor charge 	High	Sample testing will be undertaken going forward.	31 January 2019 31 March 2019 30 April 2019	It was agreed at the Strategic Finance Management Team meeting that we will undertake to perform the monthly testing on an on-going basis so that for example the March Sample will be tested in April and so on. Evidence that this has been carried out will therefore not be available until the end of April.	Business Support Officer Delayed and Rescheduled

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	codes. Resource constraints have resulted in these controls not being performed. These should be reinstated and consideration given to formalising them more including establishing the sample sizes which should be checked.					
Development & Infrastructure - Oban Airport	Service Level Agreement with SFRS The SLA between the Council and SFRS, first drafted in 2007, has never been formally signed off. It needs to be reviewed to ensure it reflect currents operation and signed by both parties.	High	A meeting has taken place and further meetings arranged with SFR to explore options to update SLA.	15 March 2019 31 October 2019	SFR are working up a cost for providing a SLA to ABC, for ABC to consider. Require to re-tender for air services. Based on whether SFRS continues the service SLA will be agreed as part of new tender agreement.	Strategic Transportation Manager Delayed and Rescheduled
Development & Infrastructure - Oban Airport	Processing SFRS Invoices All invoices from SFRS are currently on hold and have been since May 2017. Agreement between the Council and SFRS to resolve the issue is urgently	Medium	A meeting has taken place and further meetings arranged with SFR. ABC has arranged for airport logbooks to be sent to SFR to allow them to calculate actual hours logged in reconciliation	15 March 2019 31 October 2019	SFR now have all log books and are recalculating actual hours worked and a cost estimate will be submitted to ABC to consider. New JDPS for posts on the islands have been created and	Strategic Transportation Manager Delayed and Rescheduled

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	required and should include a clear process for agreeing or amending all invoices on hold and the basis on which future invoices will be calculated and paid.		of invoices on hold. Currently exploring whether new posts can be created for fire cover provision on the islands to resolve the ongoing issue.		are awaiting job evaluation. Require to re-tender for air services. Based on whether SFRS continues the services new arrangements need to be agreed.	
Development & Infrastructure - Environmental Health	Policies and Procedures Review The FSS action plan requires all policies and procedures to be reviewed and updated if necessary. The Council have commenced the review of four core documents, one is complete and the second is in draft form but have no version control applied to them. A third is in draft form combining two previous policies and has version control applied.	Low	Version control will be applied to the documents identified and to those remaining to be reviewed.	31 March 2019 31 May 2019	Work on policies and procedures on hold as resources diverted to EU withdrawal contingency plans covering export of food into the EU.	Environmental Health Manager(West) Delayed and Rescheduled
Development & Infrastructure - Planning Fees	Compliance with Procedures & Provision of Training Sample testing of pre advice requests highlighted inconsistent	High	Training and procedure notes will be completed and circulated.	30 November 2018 28 February 2019 31 March 2019 30 April 2019	Due to officer availability cascade of sessions has had to be extended into April.	Development Manager Delayed and Rescheduled

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	processing of pre-application advice requests including not using appropriate template documentation and erroneously not charging fees. Training and procedure notes intended to support staff when the new fees were introduced does not appear to have been provided.					
Development & Infrastructure - Trading Standards	Standard Operating Procedures There are very limited documented procedures for the majority of the areas of work within Trading Standards. Provision of step-by-step instructions would act as guidelines for employees to undertake work processes in a consistent manner in line with legal and regulatory requirements and best practice. Trading Standards	Medium	Standard operating procedures will be prepared and reviewed by management in accordance with the Trading Standards Improvement Plan.	31 December 2018 28 February 2019 31 March 2019 31 May 2019	Document library is in place and being populated however further work required to complete and sign off is currently on hold due to the restructure and reduction of staff from Trading Standards team To be reviewed once changes to distribution of current resource has been structured.	Trading Standards Manager Delayed and Rescheduled

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	should perform an exercise to identify all processes which would benefit from having documented procedures and then create a programme of work for them to be drafted and approved.					
Development & Infrastructure - Street Lighting	Review of Documented Policy and Procedures Whilst the street lighting policy details maintenance standards and a number of documented procedures have been updated in the last three years to reflect the LED replacement programme further work is required to ensure policy and procedures reflect current working practices.	High	Review of policy and procedures will be carried out.	30 September 2018 30 November 2018 31 March 2019 31 May 2019	Most of the works surrounding the street lighting audit action have been dealt with and we've now scheduled a meeting for the 1st and 2nd May to complete formatting of the required documents which I will then forward as evidence.	Contracts Manager Delayed and Rescheduled
H&SCP – Adult Care - Alcohol/Drug Dependency Services Correspondence	Addaction Contract Extension There was a lack of clarity over who was responsible for awarding the Addaction contract	Medium	ADP governance structures will provide clarity on the responsibility for all decisions regarding contracts.	31 March 2019 30 June 2019	This work has been completed but requires ratification from a new ADP under the new governance structure of the IJB. The first meeting	ADP Co-ordinator Delayed and Rescheduled

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Review	<p>extension. The wording of the ITT suggests it should be a Council decision and the ADP constitution does not make any reference to the Committee having the authority to award contracts.</p> <p>The actual decision was primarily taken by the independent ADP Chair on the basis of Addaction's performance as evidenced by quarterly performance reports presented to the Committee. This decision was taken prior to the completion of the Addaction contract review.</p> <p>Clarity should be provided regarding authority to award contracts, and contract extensions, for services commissioned by the ADP with the text of relevant procurement</p>				of the ADP is due to take place in May/June once the process for identifying the new membership is completed.	

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	and/or ADP governance documentation amended accordingly. This decision should be informed by the completion of a contract review as required by the terms of the ITT.					
H&SCP - Adult Care - Alcohol/Drug Dependency Services Correspondence Review	Performance Reporting Addaction and ABAT provide performance monitoring reports which are reviewed by the ADP Coordinator and a Council Performance Improvement Officer and used to inform the quarterly performance scorecards reported to Committee. The performance reports provide some of the information set out as 'measurement' in the Addaction ITT and ABAT SLA however the formats of the reports are not aligned to the performance management frameworks in the ITT	Low	ADP Committee will be consulted on the level of performance reporting they require from ABAT and Addaction.	31 March 2019 30 June 2019	The first meeting of the ADP is due to take place in May/June once the process for identifying the new membership is completed. At this point the ADP will be given the opportunity to determine whether they are satisfied with the current performance reporting and obtain feedback on where it could be strengthened.	ADP Co-ordinator Delayed and Rescheduled

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	<p>and SLA which can make it difficult to assess and evidence whether the outcomes required by the ITT are being delivered. In May 2018 the Committee were presented with alcohol and drug reports which were specific to each of the four localities. This was the first time these reports had been made available.</p> <p>It would be beneficial to engage with the ADP Committee to determine whether they are satisfied with the current performance reporting and obtain feedback on where it could potentially be strengthened.</p>					
H&SCP - Adult Care - Alcohol/Drug Dependency Services Correspondence Review	ADP Constitution The Chair has introduced material changes to the structure of the ADP which are not reflected in the ADP's constitution. It	Low	Constitution will be reviewed, amended and agreed by the ADP.	31 March 2019 30 June 2019	The first meeting of the ADP is due to take place in May/June once the process for identifying the new membership is completed. The new ADP under the	ADP Co-ordinator Delayed and Rescheduled

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	also names a number of sub-groups which no longer exist. The constitution would benefit from a review to reflect these specific issues but also more widely to ensure it reflects current working practices.				governance structure of the IJB will no longer require a separate constitution.	

Action Plan Points Due After 31 March 2019						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer / Status
Strategic Finance – VAT	VAT Coding for non-VAT Registered Suppliers Coding of payments to non-VAT registered suppliers is inconsistent. The Council has previously queried this with their VAT advisor who suggested creating a new category in the general ledger specifically for payments to non-VAT registered suppliers or, if this was not possible, to categorise these at	Medium	Current process will be Investigated to identify improvements.	31 March 2018 31 May 2019	The Creditors supervisor and the Finance & Systems Support officer will organise for a new category to be set up in the payables system for non-VAT registered suppliers. This has been rescheduled to 31 May 2019 as resources are currently focused on year end processes that all staff can easily access.	Finance Manager Delayed but rescheduled

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	'outside the scope'.					
Customer Services – Housing Benefit & Council Tax Reduction	Recovery of Overpayment Performance Monitoring Performance indicators have been established in relation to the recovery of overpayments however technical issues have meant these indicators have not been reported against since the Council migrated from Northgate to Civica in April 2018.	Medium	Technical issues are currently being addressed.	31 December 2018 31 March 2019 30 April 2019	Monthly reporting of recoveries of Housing Benefit overpayment debt that has been invoiced to debtors cannot be recovered for the 2018/2019 year. Cumulative recoveries are available for the whole year though. This issue will be sorted in 2019/2020 as a new report can be run monthly and the figures extrapolated to be reported in Pyramid as per the audit requirement. Civica have still to provide support information and advice on what reports to run in order to get the relevant figures.	Overpayments Officer Delayed but rescheduled
H&SCP – Children & Families – Carefirst	Storage of Client Records Some social work client records are being filed in multiple locations including the Council's network drive and paper	Medium	All staff will be advised of correct procedure by their appropriate manager. This applies to NHS and Social Work recording.	01 April 2019 26 April 2019	The project completion date has been extended to 26 April 19 therefore implementation date has been amended to reflect this.	Information & Projects Manager/System Support Officer to facilitate

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	records. All client information should be recorded in Carefirst and Carefirst only.					Delayed but rescheduled
H&SCP – Children & Families – Carefirst	Authorisation of CareFirst Access Requests Staff are required to complete a 'new user form' to request CareFirst access however there is no requirement for this to be authorised by a line manager.	Medium	CareFirst Project Board to determine the level of authorisation that is required.	01 April 2019 26 April 2019	The project completion date has been extended to 26 April 19 therefore implementation date has been amended to reflect this.	Information & Projects Manager, System Support Officer and Project Board to confirm Delayed but rescheduled
H&SCP – Children & Families – Carefirst	CareFirst Training A procedure been considered to provide training to NHS Highland staff in advance of them starting to use CareFirst in March 2019 and a draft training plan has been produced. Due to the numbers requiring training within a short time frame and a lack of available resource to it is not anticipated that classroom training	Medium	User guide and a comprehensive suite of flowcharts have been created and posted on the NHS Intranet. Work is ongoing to compile basic e-learning modules. An IT trainer has been identified as a resource available to the project and there are a planned series of "roadshows" to	01 April 2019 26 April 2019	The project completion date has been extended to 26 April 19 therefore implementation date has been amended to reflect this.	Information & Projects Manager, IT Trainer (Health) & System Support Officer Delayed but rescheduled

Action Plan Points Due After 31 March 2019						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer / Status
	sessions will be run. A SharePoint site has been created which includes guidance documents however health staff cannot access this site and alternative arrangements are currently being considered.		demonstrate CareFirst to NHS staff as well as identifying superusers who can cascade out further training as required.			
H&SCP – Children & Families – Carefirst	Identifying Training Needs There is a process for client case file review whereby the CareFirst support team run daily reports to help identify and correct errors in client records. Corrective action to correct issues is logged however, due to resource constraints, the support team have not been able to review this to identify recurring errors which may highlight training needs.	Low	The Carefirst User/Steering Group will revise key team performance indicators to include identification of potential additional training requirement.	01 April 2019 26 April 2019	The project completion date has been extended to 26 April 19 therefore implementation date has been amended to reflect this.	System Support Officer Delayed but rescheduled