

INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2020-21

1.0 INTRODUCTION

- 1.1 Internal and external 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 2021 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 by and due after 31 March 2021.

Actions Due before 31 March 2021

Service	Complete	Delayed / Rescheduled	Evidence Required	Total
Internal Audit				
Adult Care	0	1	0	1
Commercial Services	0	4	1	5
Cross Cutting	2	3	0	5
Customer Support Services	2	1	0	3
Education	3	0	0	3
Financial Services	8	0	0	8
Legal & Regulatory Support	20	4	0	24
Lifelong & Learning Support	0	0	1	1
Roads & Infrastructure Services	1	5	1	7
External Audit				
	0	0	0	0
TOTAL	36	18	3	57

Actions due after 31 March 2021

Service	Complete	On Course	Delayed & Rescheduled	No Response	Total
Internal Audit					
Adult Care	0	0	2	0	2
Commercial Services	0	1	0	0	1
Cross Cutting	0	1	0	0	1
Development & Economic Growth	0	2	0	0	2
Education	0	4	2	0	6
Financial Services	0	4	0	0	4
Legal & Regulatory Support	0	1	1	0	2
Lifelong learning & Support	0	1	0	0	1
LiveArgyll	0	0	1	0	1
Roads & Infrastructure Services	1	4	0	0	5
External Audit					
Financial Services	0	1	0	0	1
Customer Support Services	0	0	1	0	1
TOTAL	1	19	7	0	27

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 COVID19 continues to impact on the progress services are making to complete audit action points.

5.0 IMPLICATIONS

- 5.1 Policy - None
- 5.2 Financial - None
- 5.3 Legal - None
- 5.4 HR - None
- 5.5 Fairer Scotland Duty - None
- 5.5.1 Equalities – None
- 5.5.2 Socio-Economic Duty – None
- 5.5.3 Islands Duty - None
- 5.6 Risk –None
- 5.7 Customer Service – None

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15 June 2021

For further information please contact:

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APPENDICES

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

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

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
Roads & Infrastructure – Fleet Management	Driving Hours Compliance Fleet drivers not subject to EU legislation maintain manual driving records which are handed to supervisors on a weekly basis to check and sign. This is a resource intensive process which is subject to human error. There would be clear process efficiency gains and less risk of error if the Council adopted the system already in place for fleet drivers subject to EU legislation and rolled out electronic driver cards to all fleet drivers.	Low	The key officer will ensure that all drivers hold and use tachograph cards to move away from the paper book records.	31 Dec 2020 31 Mar 2021 30 Jun 2021	Freight Transport Association Audit actions being followed through. Delayed & Rescheduled	Procurement/Technical Officer
Cross Cutting – Organisational Culture & 2019 Employee Survey Action Plan	Communication	N/A	Introduce standards to develop employee communication as a priority and practice: these to include requirement to give	31 Oct 2019 31 Dec 2019 31 Mar 2020 31 Dec 2020 31 Mar 2021 30 Sep 2021	Re-scheduled to allow for other priorities such as Covid/staycation communication. Delayed & Rescheduled	Communications Manager

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
			'You said/we did' feedback to surveys			
Cross Cutting – Organisational Culture & 2019 Employee Survey Action Plan	Valuing Employees	N/A	Finalise new PRD format	31 Jan 20 31 Dec 20 31 Mar 21 31 Mar 22	Focus on the Covid response impacted on the HROD Team's priorities and resulted in a delay to progressing this. This work aligns well with the Performance Management Project, one of our BV3 actions, so the revised PRD will be developed to align with this, for the beginning of a new financial year. Delayed & Rescheduled	Head of Customer Support Services
Cross Cutting – Organisational Culture & 2019 Employee Survey Action Plan	Involvement in change	N/A	Use new approach of online exit questionnaires to help identify root causes for departures and assess the potential additional benefit of exit interviews.	31 Jan 20 31 Dec 20 31 Mar 21 30 Sep 21	Focus on re prioritised activities as part of the Covid response has prevented the HROD Team from designing and implementing a new Exit Questionnaire. This has been added to the 21/22 workplan. Delayed & Rescheduled	Head of Customer Support Services
Commercial Services – Legionella Improvement Plan	Appointment of Key Positions The Standard requires the Chief Executive to appoint the Duty Holder in writing and for the	High	Appointments to be made after appropriate training.	31 Dec 20 31 Mar 21 30 Jun 21	Appointment letters to be revised following CEO feedback. Delayed & Rescheduled	Responsibility for Commercial Services/Head of Commercial Services

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
	Duty Holder to then appoint the FRPs, Deputy Duty Holder and Responsible Persons (Legionella) in writing. None of this has occurred although the Standard does establish an anticipation that the Duty Holder will be the Executive Director with responsibility for Commercial Services and that the FRPs will be Heads of Service.					
Commercial Services – Legionella Improvement Plan	Staff Resources Significant progress requires to be made to fully appraise staff resources and appoint key staff to undertake legionella management tasks within properties.	High	Undertake benchmarking exercise and review staff resource, following which provide guidance to FRP's for them to appoint key staff.	31 Dec 20 31 Mar 21 30 Jun 21	1. Benchmarking returns to be analysed to allow appraisal of resource to be finalised. 2. FRPs/Site & Premises Managers available on Premises Inspection Sharepoint. Heads of Service to confirm details on list for their properties as part of their appointment. Delayed & Rescheduled	Executive Director with Responsibility for Commercial Services/Head of Commercial Services

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
Commercial Services – Legionella Improvement Plan	<p>Risk Based Approach to Legionella</p> <p>A Contractor specialising in water quality undertakes various water hygiene checks on a monthly, quarterly, six monthly and annual basis at 72 of the 327 Council owned properties which have a water supply. The properties selected for Contractor visits were chosen on a risk based approach based on discussions with representatives within the water group and included consideration of users, location, water outlet types rather than a formalised risk based approach informed by the risk assessments. In addition flushing is currently being undertaken at 13 properties and again this</p>	Medium	Review all properties with water and produce a written record of the nature and frequency of tasks that require contractor visits.	31 Dec 20 31 Mar 21 30 Jun 21	<p>A number of tasks are ongoing as follows</p> <p>a. A reconciliation of all sites with water from various sources including Concerto records, billing records etc.</p> <p>b. A matrix of contractor tasks for each property has been produced and is being populated</p> <p>2. Vacancies within the business support team have hampered progress but it is anticipated that additional resource should be in place in February 2021.</p> <p>3. Once item 1a is completed the matrix will be finalised allowing the audit action to be completed.</p> <p>Delayed & Rescheduled</p>	Property Services Manager/Energy & Building Services Performance Manager/Mechanical Services Technician

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
	was based on risk based discussions rather than a formalised risk based approach.					
Commercial Services – Legionella Improvement Plan	Legionella Log Books Legionella log books which are required at all properties requiring testing have, at the time of original audit 121 have been distributed to Council properties. 262 had been distributed by August 2020. Furthermore sample testing identified inconsistencies in the information recorded in log books.	Medium	Complete the distribution of logbooks to appropriate properties.	31 Dec 20 31 Mar 21 30 Jun 21	All log books have been produced and with the exception of 18 log books have now all been distributed to sites. The 18 that have still to be distributed are generally on islands so distribution has been hampered by travel restrictions. It is preferable to personally deliver logbooks so if travel is not possible before the end of February they will be posted. Once the final 18 logbooks have been distributed the audit action will be completed. Delayed & Rescheduled	Property Services Manager/Energy & Building Services Performance Manager/Mechanical Services Technician
Legal & Regulatory Support – Business Continuity Planning	School Relocation Plans Of the ten secondary school CARPs the named alternative location(s) for five appeared to provide insufficient capacity for the current	High	Head Teachers have been requested to complete new CARP template which includes an appendix on relocation availability. The new	31 Mar 20 30 Sep 20 31 Mar 21 30 June 21	To be progressed and completed by Head Teacher prior to new School Year starting. Delayed & Rescheduled	Governance & Risk Manager

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
	school roll. Furthermore the required equipment identified in the CARPs did not appear to be sufficient.		policy and creation of a testing programme will also address this issue.			
Legal & Regulatory Support – Business Continuity Planning	Review of Critical Activities A comprehensive review was carried out in 2012 to identify the Council's critical activities. This reduced the number from 110 to 27. Despite there being a number of organisational changes in the Council in the past seven years the assessment of what constitutes a critical activity has never been revisited.	Medium	A report will be submitted to SMT at the start of each financial year which provides detail of current CARPs. SMT will be given the opportunity to identify any other activities that they consider would benefit from having a CARP.	31 Mar 20 30 Sep 20 31 Mar 21 30 Jun 21	BC team been heavily involved in pandemic response so delay in getting report to SMT. Delayed & Rescheduled	Governance & Risk Manager
Legal & Regulatory – Information Asset registers	Periodic Review and Agreement of Information Asset Registers For four of the 12 IARs there was no evidence they had been agreed by the relevant DMT. Furthermore IARs need	Medium	Obtain annual approval from DMTs for all completed IARs	30 Sep 20 31 Mar 21 30 Sep 21	Evidence of Customer Services DMT report from April 2020 provided, requesting action to be continued to September 2021 for DIS only. Absence of key staff within DIS has prevented this from being taken forward, I have been working with other staff to	Governance, Risk & Safety Manager

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
	to be reviewed to ensure they are aligned to the new Corporate structure. The RMP requires that IAR's should have a complete action plan to document required changes. Two of the 12 IARs had an action plan, two had action plans that did not fully meet the requirements of the RMP and eight had no action plan.				take things forward with their IARs since the start of the year, but they have been unable to get them to their DMT yet. Delayed & Rescheduled	
Legal & Regulatory – Information Asset registers	Periodic Review and Agreement of Information Asset Registers For four of the 12 IARs there was no evidence they had been agreed by the relevant DMT. Furthermore IARs need to be reviewed to ensure they are aligned to the new Corporate structure. The RMP requires that IAR's should have a	Medium	Action plans for all IARs to be put in place and agreed by management teams	30 Sep 20 31 Mar 21 30 Sep 21	Action plans to be prepared following final agreement of IAR hosting system, unable to complete final testing / trial until after May due to election work. Delayed & Rescheduled	Governance, Risk & Safety Manager

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
	complete action plan to document required changes. Two of the 12 IARs had an action plan, two had action plans that did not fully meet the requirements of the RMP and eight had no action plan.					
Lifelong Learning & Support – Systems Interfaces & Reconciliations	General Ledger Reconciliations There is no reconciliation performed between the source system and the general ledger for ResourceLink, PECOS, Concerto and Tranman and the SEEMiS interface for clothing grants.	Medium	Data in the source system may not be accurately reflected in the general ledger.	31 Dec 20 31 Mar 21	Complete – evidence required	Seemis - School Services Support Manager
Customer Support services – Logical Access	Password Controls A number of issues were identified where password controls fell short of good practice. In some circumstances the systems do not have the required functionality. We have only highlighted issues	Low	Payroll – Password complexity will be introduced by end of December 2020.	31 Dec 20 31 Mar 21 30 Jun 21	This has not been completed as yet have been testing requirements in the test system so far. Delayed & Rescheduled	ResourceLink Systems Administrator

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
	where the system does have the functionality however it has not been turned on. <ul style="list-style-type: none"> ☑ Payroll o Password complexity not enforced 					
Customer Support Services – Systems Interfaces & Reconciliations	General Ledger Reconciliations There is no reconciliation performed between the source system and the general ledger for ResourceLink, PECOS, Concerto and Tranman and the SEEMiS interface for clothing grants.	Medium	Data in the source system may not be accurately reflected in the general ledger.	31 Mar 21	When the GL Interface is generated on RL by the Payroll Team this details the Db/Cr's which will be reflected in the GL. The file is automatically transferred and upload to the ledger. To allow for a reconciliation a copy of the information generated by the Payroll Team (GL Interface) will be emailed as part of the Payroll Process to the Strategic Finance Team. Complete – evidence required	Resourcelink - Pensions & Payroll Officer
Roads & Infrastructure Services – grounds Maintenance	Winter Servicing of Machinery and Equipment Annual winter servicing of machinery and equipment does not always take place due to resource pressures	Medium	All machinery will be subject to annual maintenance to comply with manufacturing guidelines.	30 Jun 20 31 Mar 21	All winter servicing of machinery was carried out. All machinery now logged in the tranman system and all works recorded. Complete – evidence required	Operations Manager

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
	resulting in mechanics being asked to assist in other areas of service delivery such as cemetery work and refuse collection. There may be benefit in establishing a programme of prioritisation to ensure that more critical machinery receives the annual service with less critical being serviced less regularly.					
Roads & Infrastructure Services – Logical Access	Procedures/User Manual Procedures/user manuals for the NDR, BACS and Tranman systems do not provide any guidance on logical access controls.	Medium	Tranman – Civica have advised that there may be an option to make use of Active Directory to access the system and this is being considered.	31 Mar 21 30 Jun 21	Hoping to implement once Small Tools Project is complete. Delayed & Rescheduled	Tranman Systems Administrator
Roads & Infrastructure Services – Logical Access	Password Controls A number of issues were identified where password controls fell short of good practice. In some circumstances the systems do not have	Low	Tranman – Civica have advised that there may be an option to make use of Active Directory to access the system and this is being considered.	31 Mar 21 30 Jun 21	Hoping to implement once Small Tools Project is finished. Delayed & Rescheduled	Tranman Systems Administrator

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
	<p>the required functionality. We have only highlighted issues where the system does have the functionality however it has not been turned on.</p> <ul style="list-style-type: none"> ☐ Tranman <ul style="list-style-type: none"> o Password changes are not enforced o Password complexity not enforced o Password file visible to the systems administrator 					
Roads & Infrastructure Services – Logical Access	<p>Logon Controls</p> <p>A number of issues were identified where logon controls fell short of good practice. In some circumstances the systems do not have the required functionality. We have only highlighted issues where the system does have the functionality however it has not been turned on.</p> <ul style="list-style-type: none"> ☐ Tranman 	Low	Tranman – Civica have advised that there may be an option to make use of Active Directory to access the system and this is being considered.	31 Mar 21 30 Jun 21	<p>Hoping to implement once Small Tools Project is finished.</p> <p>Delayed & Rescheduled</p>	Tranman Systems Administrator

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
	<ul style="list-style-type: none"> o User not locked following failed login attempts o No control over inactive users 					
Roads & Infrastructure Services – Logical Access	<p>User Management Controls</p> <p>A number of issues were identified where user management controls fell short of good practice. In some circumstances the systems do not have the required functionality. We have only highlighted issues where the system does have the functionality however it has not been turned on.</p> <ul style="list-style-type: none"> ☑ Tranman <ul style="list-style-type: none"> o Leaver and change notifications are not always received in a timely manner o No review of user access rights and permission levels o No audit trail is 	Low	Tranman – on 25 august a call was logged with Civica regarding audit trail. Resolution and timescale will depend on response to logged call.	30 Sep 2020 31 Jan 2021 31 Mar 2021	<p>Hoping to implement once Small Tools Project is finished.</p> <p>Delayed & Rescheduled</p>	Tranman Systems Administrator

Action Plan Points Due by 31 March 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer
	available					
Adult Care – Logical Access	<p>Password Controls</p> <p>A number of issues were identified where password controls fell short of good practice. In some circumstances the systems do not have the required functionality. We have only highlighted issues where the system does have the functionality however it has not been turned on.</p> <ul style="list-style-type: none"> ☐ Carefirst <ul style="list-style-type: none"> o Old passwords can be reused o Password complexity not enforced 	Low	<p>CareFirst – On 21 August a call was logged with OLM asking if the relevant configurations can be amended.</p> <p>Resolution and timescale will depend on response to logged call.</p>	<p>30 Sep 2020</p> <p>31 Jan 2021</p> <p>28 Feb 2021</p> <p>30 Jun 2021</p>	<p>ICT has made some changes to try to incorporate the password rule change required, but the adjustment to settings isn't having the effect on end-user that we expected. We're continuing to investigate and will escalate to the system vendor, OLM, if necessary.</p> <p>Delayed & Rescheduled</p>	CareFirst Systems Administrators

Action Plan Points Due After 31 March 2021						
Customer Support Services – External Audit – Performance Reporting	<p>It is difficult to connect service plan performance reports to corporate outcomes and the Corporate Plan, as service reporting only</p>	N/A	<p>Consideration will be given to including clearer links as part of ongoing improvements.</p>	<p>30 Jun 20</p> <p>30 Apr 21</p> <p>30 Mar 22</p>	<p>This will be addressed as part of the wider Performance Management Project which is scheduled to be completed by March 2022.</p> <p>Delayed & Rescheduled</p>	Head of Customer Support Services

Action Plan Points Due After 31 March 2021

	<p>references related business outcomes. There is a risk that the link between service performance and the Corporate Plan is not sufficiently transparent. The Council should consider developing clearer links between service are performance reporting and the corporate outcomes contained in the Corporate Plan.</p>					
<p>Education – Review of School Funds</p>	<p>School Fund Training There is no training in place to support school fund committee members. The majority of staff who are currently managing funds were either trained by the previous person as part of a handover process or have acquired an understanding of requirements over a period of time. This can lead to</p>	<p>Medium</p>	<p>Produce LEON guidance for new staff.</p>	<p>30 Sep 20 31 Mar 21 31 Jul 21</p>	<p>Work underway, on track for completion by end of Qtr2. Delayed & Rescheduled</p>	<p>School Services Support Manager</p>

Action Plan Points Due After 31 March 2021

	<p>inconsistent practices across schools and a lack of resilience in the event of periods of extended illness or absence.</p> <p>It is recognised that face to face training may not be practical due to the number of schools and Argyll and Bute's geographical challenges so consideration should be given to alternative ways of providing training.</p>					
<p>Education – Review of School Funds</p>	<p>Cashbooks</p> <p>Whilst all twelve schools visited had a form of cashbook in place these tended to vary substantially in style, format and the extent to which recorded income and expenditure was cross referenced to receipts. Some were maintained in Microsoft Excel, some in Microsoft Word and some were</p>	<p>Medium</p>	<p>Standard Circular 1.10 will be updated (See Section 1 of Action Plan). A standard Cash Book template will be created in Excel and training will be provided as outlined above.</p>	<p>30 Jun 2020 31 Mar 2021 30 Jun 2021</p>	<p>Work underway, on track for completion by end of Qtr2.</p> <p>Delayed & Rescheduled</p>	<p>School Services Support Manager</p>

Action Plan Points Due After 31 March 2021

	hand written in books. The format of cashbooks should be standardised, preferably in Excel to minimise the risk of arithmetic errors, with guidance provided on how to complete them.					
Legal & Regulatory Support – Information Asset Registers	Information Asset Registers The two Social Work IARs were not available for review or located on the designated sharepoint site. Of the remaining ten, four require to be updated to reflect the latest GDPR requirements. Clarity over whether the Live Argyll IAR comes under the remit of the Governance, Risk & Safety Manager’s responsibility is required.	High	Social Work IARs to be completed and approved by appropriate management teams	31 Dec 2020 30 Jun 2021 30 Sep 2021	Revise target to 30 September to allow further time for staff within HSCP to review and agree IAR process. Delayed & Rescheduled	Governance, Risk & Safety Manager
Adult Care – Social Care Contract Management	Care Contracts Sample testing of eight contracts highlighted two situations where	Medium	Contract Negotiations with two providers nearing conclusion –	31 Dec 2020 31 Mar 2021 30 Jun 2021	Finance colleagues have met with the provider and Commissioning have a contract prepared. We have a	Locality Manager – HSCP

Action Plan Points Due After 31 March 2021

	there is no agreed and signed contract between the Council and the provider. In both cases these are continuations of previous contracts and they are currently operating on previously agreed contractual terms. HSCP officers are continuing to negotiate revised terms and, in one case, these negotiations have been ongoing for in excess of a year.		awaiting confirmation of estimated capacity from providers to allow terms to be finalised.		proposed reshaping of service which the provider has agreed and consultation is underway with families affected. We would hope to have the contract issues resolved within quarter 1 of 2021/22. Delayed & Rescheduled	
Adult Care – Social Care Contract Management	Call Up Letters Sample testing highlighted situations where services are being provided without a call up letter being in place. This is contrary to Council policy.	Low	Updated call up letters will be issued when providers confirm estimated capacity for year.	31 Dec 2020 31 Mar 2021 30 Jun 2021	Finance colleagues have met with the provider and Commissioning have a contract prepared. We have a proposed reshaping of service which the provider has agreed and consultation is underway with families affected. We would hope to have the contract issues resolved within quarter 1 of 2021/22. Delayed & Rescheduled	Locality Manager – HSCP

Action Plan Points Due After 31 March 2021

<p>LiveArgyll – Performance Management</p>	<p>LiveArgyll’s business and sector plans are comprehensive and include a number of supporting performance measures. Collection of the data to report against these performance measures is labour intensive and subject to the risk of human error. Performance Reporting Arrangements There is scope to improve existing processes to ensure all current outcomes are being measured and assessed appropriately. This includes consideration of ways to better automate performance reporting and ensuring the suite of performance measures used are consistent with operational requirements and current working</p>	<p>Medium</p>	<p>Management are exploring options in respect of a replacement Leisure Management System which amongst other things will support management reporting by allowing automated reporting which will support consistency, accuracy and timely reporting. Measures no longer being reported on will be removed from reporting schedules and associated documents updated.</p>	<p>30 Sep 2020 31 Mar 2021 30 Jun 2021</p>	<p>Procurement exercise well under way for new Leisure Management System and tender should be awarded in May 2021.</p> <p>Delayed & Rescheduled</p>	<p>Business Support Manager</p>
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Action Plan Points Due After 31 March 2021						
	practices.					