

**INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2021-22**

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**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 30 June 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 30 June 2021.

**Table 1 – Actions due by 30 June 2021**

<b>DMT/Service</b>	<b>Complete</b>	<b>Delayed/Re scheduled</b>	<b>No Response</b>	<b>Evidence Required</b>	<b>Total</b>
<b>Internal Audit</b>					
CEU - Financial Services	1	0	0	0	1
CEU - Cross Cutting	1	0	0	0	1
DH - Legal & Regulatory Support	1	1	0	0	2
DH - Commercial Services	2	4	0	0	6
DH – Education	5	0	0	0	5
DH - Lifelong Learning & Support	1	1	0	0	2
KF - Roads & Infrastructure Services	1	0	0	3	4
KF - Customer Support Services	1	0	0	0	1
KF - Development & economic Growth	1	0	0	0	1
SW - Adult Care	2	1	0	0	3
LiveArgyll	1	0	0	0	1
<b>External Audit</b>					
CEU - Financial Services	1	0	0	0	1
<b>TOTAL</b>	<b>18</b>	<b>7</b>	<b>0</b>	<b>3</b>	<b>28</b>

**Table 2 – Actions due after 30 June 2021**

<b>DMT/Service</b>	<b>Complete</b>	<b>Delayed/Re scheduled</b>	<b>No Response</b>	<b>On Course</b>	<b>Total</b>
<b>Internal Audit</b>					
CEU - Financial Services	0	1	0	2	3
CEU - Cross Cutting	0	0	0	3	3
DH - Legal & Regulatory Support	0	1	0	3	4
DH – Education	0	0	0	1	1
KF - Roads & Infrastructure Services	0	6	0	0	6
KF - Customer Support Services	0	0	0	1	1
KF - Development & Economic Growth	1	0	0	0	1
<b>External Audit</b>					
N/A					
<b>TOTAL</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>10</b>	<b>19</b>

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

**Moira Weatherstone**  
**Interim Chief Internal Auditor**  
**14 September 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 & Evidence Required

Action Plan Points Due by 30 June 2021						
DMT/Service/ Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer / Status
<b>DH - Commercial Services – Legionella Improvement Plan</b>	Appointment of Key Positions The Standard requires the Chief Executive to appoint the Duty Holder in writing and for the 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.	High	Appointments to be made after appropriate training.	31 Dec 20 31 Mar 21 30 Jun 21 30 Sep 21	Duty holder now appointed – others to flow from that after summer leave periods.  <b>Delayed &amp; Rescheduled</b>	Executive Director with Responsibility for Commercial Services/ Head of Commercial Services
<b>DH - Commercial Services – Legionella Improvement Plan</b>	Staff Resources Significant progress requires to be made to fully appraise staff resources and appoint key staff to undertake	High	Undertake benchmarking exercise and review staff resource, following which provide	31 Dec 20 31 Mar 21 30 Jun 21 30 Sep 21	Benchmarking complete however inconclusive. Gap analysis now being undertaken for consideration by Head of Commercial Services.	Executive Director with Responsibility for Commercial Services/

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	legionella management tasks within properties.		guidance to FRP's for them to appoint key staff.		<b>Delayed &amp; Rescheduled</b>	Head of Commercial Services
<b>DH - Commercial Services – Legionella Improvement Plan</b>	Risk Based Approach to Legionella 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	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 30 Sep 21	Due to key staff absence this action has been delayed.  <b>Delayed &amp; Rescheduled</b>	Property Services Manager/Energy & Building Services Performance Manager/Mechanical Services Technician

<b>Action Plan Points Due by 30 June 2021</b>						
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	assessments. In addition flushing is currently being undertaken at 13 properties and again this was based on risk based discussions rather than a formalised risk based approach.					
<b>DH - Commercial Services – Systems Interfaces &amp; Reconciliations</b>	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 30 Sep 21	Data transfer between the Concerto Property System and the general ledger is electronic and automatic. There is no manual intervention in data transfer therefore the data in both systems will be identical negating the need for a reconciliation. A further process will be required to complete.  <b>Delayed &amp; Rescheduled</b>	Concerto - Property Design Manager
<b>DH - Legal &amp; Regulatory Support – Business Continuity Planning</b>	Review of Critical Activities A comprehensive review was carried out in 2012 to identify the Council's critical activities. This reduced the number	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	31 Mar 20 30 Sep 20 31 Mar 21 30 Jun 21 30 Sep 21	Information regarding CARPS completed during 2020-2021 still under consideration, progress being reviewed in July/August 2021.  <b>Delayed &amp; Rescheduled</b>	Governance & Risk Manager

<b>Action Plan Points Due by 30 June 2021</b>						
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	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.		opportunity to identify any other activities that they consider would benefit from having a CARP.			
<b>DH - Lifelong Learning &amp; Support – Additional Support Needs</b>	Format of Child Plans The Council do not use a standard format for child plans however this will be addressed when all plans are recorded on SEEMiS. However sample testing highlighted that plans do not always include a next review date.	Low	As child plans are reviewed over the coming school session 2019-20 they will be converted onto the Well-being App format, this format contains a “Date of Next review “field. Schools will be supported to change all plans to the new format within the Well-being App by Area Principal Teachers. During the year there will be checks to see how	30 Sep 20 31 Dec 20 30 Jun 21 30 Jun 22	Request extended deadline until June '22 as a result of the impact of Covid-19 on schools and the resultant workload issues around pupil support.  <b>Delayed &amp; Rescheduled</b>	Education officer

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			many plans have been converted and to check if the date of review field has been completed.			
<b>KF - Roads &amp; Infrastructure Services – Grounds Maintenance</b>	<p>Winter Servicing of Machinery and Equipment</p> <p>Annual winter servicing of machinery and equipment does not always take place due to resource pressures resulting in mechanics being asked to assist in other areas of service delivery such as cemetery work and refuse collection.</p> <p>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.</p>	Medium	All machinery will be subject to annual maintenance to comply with manufacturing guidelines.	30 Jun 20 31 Mar 21 30 Jun 21	<p>All newly purchased machinery recorded on the Tranman system.</p> <p>The training for horticultural mechanics will be completed on 30th July 2021.</p> <p>Mid-Argyll will go live following that with all other areas going live the following month, once any issues have been dealt with.</p> <p>Annual machinery overhauls have been completed, OLI and MAKI have been input into the system, with Bute and Cowal and Lomond still to be input.</p> <p>Delay has been reported to ICT board departmental meetings, this has been due to Covid-19 and also system assistance from contractor Civica.</p> <p><b>Complete – evidence required</b></p>	Operations Manager



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<b>KF - Roads &amp; Infrastructure Services – Grounds Maintenance</b>	<p>Managing Partnership Arrangements</p> <p>The Council has partnership agreements where community councils and other voluntary organisations undertake grounds maintenance work in areas no longer maintained by the Council however there is no formal register of all the partnership arrangements. Additionally there was no evidence that periodic reviews had taken place as outlined within the minute of agreements including those to ensure that public liability and third party risks insurance cover, any permits, licences and permissions etc. were in place.</p>	Medium	Meetings will be held to discuss and review partnership arrangements.	30 Sep 20 30 Jun 21	<p>Register completed, training has taken place with the nominated officer for each area. Register has links installed to ensure visibility of partnership agreements for officers dealing with the respective groups. Discussions ongoing with a number of groups who have changed personnel and this process has highlighted this. Dates of tool box talks and induction training now being recorded.</p> <p><b>Complete – evidence required</b></p>	Operations Manager

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<b>KF - Roads &amp; Infrastructure Services – Grounds Maintenance</b>	Partner Training There is no record of the Council delivering toolbox talks to partners upon delivery of the equipment at the start of each season.	Medium	Record of training provided to partners will be maintained	30 Sep 20 30 Jun 21	Dates of tool box talks and induction training now recorded.  <b>Complete – evidence required</b>	Operations Manager
<b>SW - Health &amp; Social Care Partnership – Social Care Contract Management</b>	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 20 31 Mar 21 30 Jun 21 31 Dec 21	Final letters for remaining provider will be issued once all individual packages finalised. Projected timescale is within 3 months.  <b>Delayed &amp; Rescheduled</b>	Locality Manager - HSCP

<b>Action Plan Points Due After 30 June 2021</b>						
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<b>CEU - Financial Services – Following the Public Pound</b>	Guidance on Following the Public Pound (FtPP) Although the Council has an approved process to manage external funding requests it is limited in detail, is not closely	High	Following the Public Pound guidance will be drafted to provide a consistent approach to managing the award of external funds.	30 Jun 20 31 Dec 20 30 Jun 21 31 Dec 21	FtPP guidance has been drafted however the Council's Asset Management Board are still progressing their work to look at how we review business cases, including how they are scored. It is important that the revised FtPP guidance reflects the conclusions of that work so we	Head of Financial Services

Action Plan Points Due After 30 June 2021						
Service / Report	Finding	Priority	Agreed Action	Dates	Comment	Responsible Officer / Status
	aligned to the Code of Guidance on Funding External Bodies and Following the Public Pound and there is a general lack of awareness amongst officers that it exists. Audit testing identified a number of areas of good practice within the Council and overall compliance with the principles of FtPP however there were examples of inconsistent practice. A more comprehensive guidance document should be established which provides a more standardised and tiered approach providing greater clarity over roles and responsibilities and standardised templates for key stages in the process including funding				are delaying the finalisation of the guidance.  <b>Delayed &amp; Rescheduled</b>	

Action Plan Points Due After 30 June 2021						
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	assessments and post award monitoring and reporting. The audit team researched a number of examples of FtPP guidance which had been created by other councils during the planning phase of the audit and can make these available to inform the creation of an Argyll and Bute equivalent.					
<b>DH - Legal &amp; Regulatory Support – Business Continuity Planning</b>	School Relocation Plans Of the ten secondary school CARPs the named alternative location(s) for five appeared to provide insufficient capacity for the current school roll. Furthermore the required equipment identified in the CARPs did not appear to be sufficient.	High	Head Teachers have been requested to complete new CARP template which includes an appendix on relocation availability. The new policy and creation of a testing programme will also address this issue.	31 Mar 20 30 Sep 20 31 Mar 21 30 Jun 21 31 Dec 21	This action is dependent on the implementation of the new BC policy, and the CARP testing programme scheduling. Education reviews are scheduled from July-September, and this action will be picked up within the reviews.  <b>Delayed &amp; Rescheduled</b>	Governance & Risk Manager

<b>Action Plan Points Due After 30 June 2021</b>						
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<b>KF - Roads &amp; Infrastructure Services – Fleet Management</b>	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 20 31 Mar 21 30 Jun 21 31 Mar 22	The hardware has been purchased and roll out of the systems and training is being progressed. This has been delayed due to Covid-19.  <b>Delayed &amp; Rescheduled</b>	Procurement/ Technical Officer
<b>KF - Roads &amp; Infrastructure Services – Fleet Management</b>	Management of Pool Cars A high level analysis of the use of pool cars suggests the Council could generate	VFM	The pool car module will be released through Tranman. The pool car module offers a centralised	30 Sep 20 31 Dec 20 30 Jun 21 31 Dec 21	The Fleet System administrators is focused on the small tools and plant module with ICT colleagues. The pool car module will be the next piece of work to be undertaken.	Procurement/ Technical Officer

<b>Action Plan Points Due After 30 June 2021</b>						
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	<p>considerable savings through more efficient use of pool cars. Fleet Services should explore this further via a more detailed review which should consider the potential benefits of:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> a more centralised approach to the administration and booking of pool cars</li> <li><input type="checkbox"/> better promotion of the use of pool cars</li> <li><input type="checkbox"/> providing greater visibility of bookings and destinations to encourage pool car sharing</li> <li><input type="checkbox"/> implementing or developing a pool car booking system</li> <li><input type="checkbox"/> identifying ways of transferring the balance of pool car usage from shorter journeys to longer ones.</li> </ul>		<p>approach to bookings and visibility. The Council's internal communications department will be contacted to highlight the use of the pool cars. Work will be undertaken to increase usage.</p>		<b>Delayed &amp; Rescheduled</b>	

<b>Action Plan Points Due After 30 June 2021</b>						
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<b>KF - Roads &amp; Infrastructure Services – Logical Access</b>	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 30 Jun 21 to make use of Active Directory to access the system and this is being considered.	31 Mar 21 30 Jun 21 31 Dec 21	There is a delay due to the small tools project being completed. User log ins required and Civica are required to do further work prior to completion.  <b>Delayed &amp; Rescheduled</b>	Tranman Systems Administrator
<b>KF - Roads &amp; Infrastructure Services – Logical Access</b>	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 where the system does have the functionality however it has not been turned on. <input type="checkbox"/> Tranman o Password changes are not enforced o Password complexity not enforced	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 31 Dec 21	Civica will be required to conduct further work.  <b>Delayed &amp; Rescheduled</b>	Tranman Systems Administrator

Action Plan Points Due After 30 June 2021						
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	o Password file visible to the systems administrator					
<b>KF - Roads &amp; Infrastructure Services – Logical Access</b>	<p>Logon Controls 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"> <li><input type="checkbox"/> Tranman</li> <li>o User not locked following failed login attempts</li> <li>o No control over inactive users</li> </ul>	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 31 Dec 21	<p>Civica will be required to conduct further work.</p> <p><b>Delayed &amp; Rescheduled</b></p>	Tranman Systems Administrator
<b>KF - Roads &amp; Infrastructure Services – Logical Access</b>	<p>User Management Controls A number of issues were identified where user management controls fell short of</p>	Low	Tranman – on 25 august a call was logged with Civica regarding audit trail.	30 Sep 20 31 Jan 21 31 Mar 21 30 Jun 21 31 Dec 21	<p>Link directly to other audit actions, Civica will be required to conduct further work.</p> <p><b>Delayed &amp; Rescheduled</b></p>	Tranman Systems Administrator



Action Plan Points Due After 30 June 2021						
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	<p>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"> <li><input type="checkbox"/> Tranman</li> <li>o Leaver and change notifications are not always received in a timely manner</li> <li>o No review of user access rights and permission levels</li> <li>o No audit trail is available</li> </ul>		Resolution and timescale will depend on response to logged call.			