

INTERNAL AND EXTERNAL AUDIT REPORT FOLLOW UP 2021-22

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 September 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 September 2021.

Table 1 – Actions due by 30 September 2021

| DMT/Service | Complete | Delayed/Rescheduled | No Response | Evidence Required | Total |
|--------------------------------------|-----------|---------------------|-------------|-------------------|-----------|
| Internal Audit | | | | | |
| DH – Commercial Services | 5 | 5 | 0 | 0 | 10 |
| CEU – Cross Cutting | 0 | 2 | 0 | 0 | 2 |
| KF – Customer Support Services | 3 | 0 | 0 | 0 | 3 |
| DH – Education | 1 | 3 | 0 | 0 | 4 |
| CEU – Financial Services | 1 | 0 | 0 | 0 | 1 |
| DH – Legal & Regulatory | 0 | 4 | 0 | 0 | 4 |
| LiveArgyll | 1 | 0 | 0 | 0 | 1 |
| KF – Roads & Infrastructure Services | 3 | 0 | 0 | 0 | 3 |
| External Audit | | | | | |
| N/A | | | | | |
| TOTAL | 14 | 14 | 0 | 0 | 28 |

Table 2 – Actions due after 30 September 2021

| DMT/Service | Complete | Delayed/Rescheduled | No Response | On Course | Total |
|--------------------------------------|----------|---------------------|-------------|-----------|-----------|
| Internal Audit | | | | | |
| SW – Adult Care | 0 | 0 | 2 | 2 | 4 |
| CEU – Cross Cutting | 0 | 0 | 0 | 1 | 1 |
| KF – Customer Support Services | 2 | 1 | 0 | 7 | 10 |
| DH - Education | 0 | 0 | 0 | 3 | 3 |
| CEU – Financial Services | 0 | 0 | 0 | 5 | 5 |
| DH – Legal & Regulatory | 0 | 0 | 0 | 1 | 1 |
| DH – Lifelong Learning & Support | 0 | 0 | 0 | 1 | 1 |
| KF – Roads & Infrastructure Services | 1 | 2 | 0 | 8 | 11 |
| External Audit | | | | | |
| N/A | | | | | |
| TOTAL | 3 | 3 | 2 | 28 | 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 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 | Climate Change – None |
| 5.7 | Risk – None |
| 5.8 | Customer Service – None |

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14 December 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 September 2021 | | | | | | |
|---|--|----------|--|---|--|--|
| DMT/Service/ Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| CEU – Cross Cutting | Communication | N/A | Introduce standards to develop employee communication as a priority and practice: these to include requirement to give 'You said/we did' feedback to surveys | 31 Oct 19 31 Dec 19 31 Mar 20 31 Dec 20 31 Mar 21 30 Sep 21 31 Dec 21 | Complete in part: Providing 'You said/we did' feedback timeously to employees on surveys in practice; draft guidance going to different groups for in-put in Oct/November. Delayed & Rescheduled | Communications Manager |
| CEU – Cross Cutting | 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 Mar 20 31 Dec 20 31 Mar 21 30 Sep 21 31 Mar 22 | Revised PRD process paper coming to Management early October. Delayed & Rescheduled | Head of Customer Support Services |
| DH – Commercial Services – Contract Management – Property Services | Annual Contract Review Property Service contracts have been assigned a high level of risk which determines the level of contract monitoring required. None of the existing contractors have | Medium | Discuss level of risk with colleagues in the PCCMT and ensure that is included in any new contracts. Undertake formal annual reviews/risk assessments on all 9 term contracts. | 30 Sep 21 31 Dec 21 | 3 contracts recently let so no annual review due. 1 contract still in its first year. Now that KPIs available annual review process agreed with PCCMT and annual reviews will be undertaken for remaining 5 contracts during FQ3 2021-22. It is anticipated the standardised approach will for the 5 contracts will allow the action to be signed off as | Property Services Manager/ Property Maintenance Manager |

| Action Plan Points Due by 30 September 2021 | | | | | | |
|---|---|-----------------|---|------------------------|--|--|
| DMT/Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| | been subject to a formal annual review nor have the contracts been subject to a formal risk assessment during the contract life. | | | | complete by 31 December 2021. Delayed & Rescheduled | |
| DH – Commercial Services – Contract Management – Property Services | Roles and Responsibilities There is a need for greater clarity over the roles and responsibilities of those involved in the overall management of the term contracts. | Medium | Review resource required to administer term contracts Issue roles and responsibilities guidance to staff involved in the overall management of the term contracts. | 30 Sep 21 31 Dec 21 | Progress hindered by resignation of Property Maintenance Manager. First draft of Roles and Responsibilities completed. Revised completion date 31 December 2021. Delayed & Rescheduled | Property Services Manager/Property Maintenance Manager |
| DH – Commercial Services – Contract Management – Property Services | Concerto In order to present cost KPI data the Contract Manager needs to extract data from Concerto and manipulate it in Excel using pivot tables. There would be merit in investigating whether the required KPIs can | VFM | Investigate and develop functionality of Concerto as necessary to minimise data manipulation and therefore officer time. | 30 Sep 21 31 Mar 22 | Progress hindered by resignation of Property Maintenance Manager. To allow position to be filled on a permanent basis extend to 31 March 2022. Delayed & Rescheduled | Property Maintenance Manager |

| Action Plan Points Due by 30 September 2021 | | | | | | |
|--|---|-----------------|---|---|--|--|
| DMT/Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| | be generated via a standard reporting package rather than through data manipulation although we acknowledge there may be a cost involved in this which would need to be considered. | | | | | |
| DH – 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 30 Sep 21 31 Dec 21 | Benchmarking exercise complete, gap analysis complete. LEON training module available which will inform guidance to FRPs. Final review of resource to be completed in context of Property Restructure to be implemented in 2022/23. Revised date 31 December 2021. Delayed & Rescheduled | Executive Director with Responsibility for Commercial Services/Head of Commercial Services |
| DH – Commercial Services – Systems Interfaces & Reconciliations | General Ledger Reconciliations There is no reconciliation performed between the source system and the general ledger for | Medium | Data in the source system may not be accurately reflected in the general ledger. | 31 Mar 21 30 Sep 21 31 Dec 21 | Ongoing discussion between Auditor and Service, requirement for reconciliation report from both systems has been confirmed. Scope and output of reports to be established, may require assistance from I.T. Oracle | Concerto - Property Design Manager |

| Action Plan Points Due by 30 September 2021 | | | | | | |
|--|---|-----------------|--|------------------------|---|---|
| DMT/Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| | ResourceLink, PECOS, Concerto and Tranman and the SEEMiS interface for clothing grants. | | | | admin and Concerto admin to create compatible reports. Delayed & Rescheduled | |
| DH - Education – Pupil Work Placements | Record Keeping The Standard requires the Council to have “have robust record keeping in place which monitors and tracks where and when each young person participates in a work placement”. The establishment of a database containing all relevant information relating to work placements was a key recommendation of an audit of work placements carried out in 2010 however responsibility for | Medium | Explore options, identify and adopt a suitable document management system. | 30 Sep 21 31 Dec 21 | Best practice in schools being collated to inform new database. Database on track to be in place for end December 2021. Delayed & Rescheduled | Head of Education - Support & Lifelong Learning |

| Action Plan Points Due by 30 September 2021 | | | | | | |
|--|---|-----------------|--|--------------------------------|--|--|
| DMT/Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| | <p>recording pupil placements has been de-centralised since then and there is no centralised database and schools have designed their own recording systems. One school was unable to access any records relating to one of the sampled pupils. Consideration should be given to whether there is scope to adopt a document management system which the Council already utilises.</p> | | | | | |
| DH - Education – Pupil Work Placements | <p>Handover Process There is no robust handover process in place to ensure that staff taking on responsibility for pupil work placements are</p> | Medium | <p>Develop handover and induction procedures for school staff taking on lead role in delivering work placements.</p> | <p>30 Sep 21 31 Dec 21</p> | <p>Handover and induction procedures are being developed and will be in place by end December.</p> <p>Delayed & Rescheduled</p> | <p>Head of Education - Support & Lifelong Learning</p> |

| Action Plan Points Due by 30 September 2021 | | | | | | |
|---|--|-----------------|---|--|--|---|
| DMT/Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| | provided with the necessary governance documents and appropriate information to help them perform the role. | | | | | |
| DH - Education – Pupil Work Placements | Training There is no training programme to support officers involved in the work placement programme including ensuring appropriate steps are taken to determine whether a PVG check is required. | Medium | Conduct a training needs analysis with school staff leading on work placements. Produce a programme of centrally run CPD opportunities for next academic year (or include in Education Service Training Programme). | 30 Sep 21 31 Dec 21 | Consultation on training programme requirements and content underway. Programme will be in place for end December. Delayed & Rescheduled | Head of Education - Support & Lifelong Learning |
| DH – Legal & Regulatory – 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 | 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 | 31 Mar 20 30 Sep 20 31 Mar 21 30 Jun 21 30 Sep 21 31 Dec 21 | Report will be submitted to DMT / SMT by the end of the year. Delayed & Rescheduled | Governance & Risk Manager |

| Action Plan Points Due by 30 September 2021 | | | | | | |
|--|--|-----------------|---|---|--|-------------------------------------|
| DMT/Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| | 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. | | benefit from having a CARP. | | | |
| DH – Legal & Regulatory – 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 | High | Social Work IARs to be completed and approved by appropriate management teams | 31 Dec 20 30 Jun 21 30 Sept 21 31 Dec 21 | Social Work IARs are partially completed, and information management rep is arranging for review and approval by Heads of Service. Delayed & Rescheduled | Governance, Risk & Safety Manager |

| Action Plan Points Due by 30 September 2021 | | | | | | |
|--|--|-----------------|---|--|---|-------------------------------------|
| DMT/Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| | required. | | | | | |
| DH – Legal & Regulatory – Information Asset Registers | <p>Periodic Review and Agreement of Information Asset Registers</p> <p>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.</p> <p>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.</p> | Medium | Obtain annual approval from DMTs for all completed IARs | 30 Sep 20 31 Mar 21 30 Sep 21 31 Dec 21 | <p>Customer Services completed, extended target date for DIS and Social Work – request out with information management reps and Heads of Service to ensure current versions are approved.</p> <p>Delayed & Rescheduled</p> | Governance, Risk & Safety Manager |
| DH – Legal & Regulatory – | Periodic Review and Agreement of | Medium | Action plans for all IARs to be put in | 30 Sept 20 31 Mar 21 | Complete for Customer Services, extended target | Governance, Risk & Safety Manager |

| Action Plan Points Due by 30 September 2021 | | | | | | |
|--|--|-----------------|--------------------------------------|-------------------------|--|-------------------------------------|
| DMT/Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| Information Asset Registers | <p>Information Asset Registers</p> <p>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 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.</p> | | place and agreed by management teams | 30 Sept 21 31 Dec 21 | <p>date for DIS and Social Work, engagement required from these Services to work with IARs and prepare action plans.</p> <p>Delayed & Rescheduled</p> | |

| Action Plan Points Due After 30 September 2021 | | | | | | |
|--|--|-----------------|--|-------------------------------------|--|---|
| Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| KF – 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 31 Dec 21 | Payroll have been prioritising Covid related payments and other urgent activities. Delayed & Rescheduled | Resourcelink – Pensions & Payroll Officer |
| KF – 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 the required functionality. We have only highlighted issues where the system does have the functionality however it has not been turned on. | 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 | The password reset has been made active. Delayed & Rescheduled | Tranman Systems Administrators |

| Action Plan Points Due After 30 September 2021 | | | | | | |
|--|---|----------|--|-------------------------------------|---|-------------------------------|
| Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| | <input type="checkbox"/> Tranman o Password changes are not enforced o Password complexity not enforced o Password file visible to the systems administrator | | | | | |
| KF – Roads & Infrastructure Services – Logical Access | <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> <input type="checkbox"/> Tranman o User not locked following failed login attempts | 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 | Linked to above action. Delayed & Rescheduled | Tranman Systems Administrator |

| Action Plan Points Due After 30 September 2021 | | | | | | |
|---|--|-----------------|--|------------------------|--------------------|--|
| Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| | o No control over inactive users | | | | | |
| SW – Adult Care – Charging for non-Residential Care Services | <p>Standing Orders for Community Alarms We identified 31 service users paying for Community Alarms by standing order who are not paying the full charge of £23.72 per month due to standing orders not being increased annually in line with inflationary fee increases.</p> <p>Furthermore one service user is paying a standing order payment for £35 per month.</p> <p>We also identified seven service users who are paying for community alarms by standing order and direct debit as they agreed to move to a direct debit payment but failed to</p> | Low | The admin team are dealing with the cases where users are paying by both standing order and direct debit. Users have been asked to cancel their standing orders in these cases, and in the meantime refunds are being processed. Where service users are underpaying, they will be contacted again and requested to move to direct debits and invoices raised for the underpayments. | 30 Jun 21 30 Oct 21 | No Response | TEC Hub Co-ordinator/ Revenue and Benefits Manager |

| Action Plan Points Due After 30 September 2021 | | | | | | |
|---|--|-----------------|--|--------------|--------------------|-------------------------------------|
| Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| | cancel their standing order. There is no debtors account produced for service users paying by standing order as it is not processed through the debtors system and therefore no routine monitoring takes place which would have highlighted this discrepancy. | | | | | |
| SW – Adult Care – Charging for non-Residential Care Services | Service Uptake Data Records held on Carefirst do not allow for an analysis of the level of service uptake compared to those assessed as having a need. If this analysis could be performed it would help inform discussions and decisions in relation to service uptake, charges and barriers to uptake. | VFM | Recommendation accepted. Further discussion will be held with supplier to include service uptake functionality and reporting capabilities on new system from April 2022. | 31 Mar 22 | No Response | Deputy Head of eHealth HSCP |

| Action Plan Points Due After 30 September 2021 | | | | | | |
|---|---|-----------------|----------------------|--------------|----------------|-------------------------------------|
| Service / Report | Finding | Priority | Agreed Action | Dates | Comment | Responsible Officer / Status |
| | It would be advisable to progress this issue in conjunction with the CareFirst replacement programme which is scheduled to be complete by April 2022. | | | | | |