

Agenda Item	5
Report No	AS/9/17

HIGHLAND COUNCIL

Committee: Audit & Scrutiny Committee

Date: 26th June 2017

Report Title: Action Tracking Report

Report By: Corporate Audit Manager

1. Purpose/Executive Summary

- 1.1 The Public Sector Internal Audit Standards (the standards) requires the Chief Audit Executive to establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. Details of this process called action tracking, is provided at section 3 of this report.
- 1.2 The outcome of this process is reported to the Audit & Scrutiny Committee on a six-monthly basis. This report covers the period from 01/11/16 to 31/05/17.

2. Recommendations

- 2.1 The Committee is invited to note the action tracking information provided including the revised target dates for the completion of outstanding actions.

3. Action Tracking Process

3.1 The action tracking process operates as follows:

- (1) Audit reports contain an action plan which details the areas of concern; management agreed action; target date for implementation; and the title of the Officer responsible for implementation.
- (2) Once all of the target dates in the action plan have passed, these are action tracked. This involves contacting the appropriate Manager(s) to confirm that their actions have been implemented.
- (3) Where the agreed management action has not been undertaken, an explanation is requested. However, if this response is considered to be unsatisfactory, it is subject to further audit enquiry and/ or investigation. Where delays have occurred and the reason for these are considered reasonable then a revised implementation date is agreed and this is action tracked once this date has expired.

3.2 Where an audit is undertaken on an annual basis such as the Leader Programme and Compliance with the Carbon Reduction Commitment Energy Efficiency Scheme, the management agreed actions are followed up as part of the following's year's audit work. Any outstanding recommendations are carried forward into the following year's report.

4. Action Tracking/ Follow-up results

4.1 Summary

The report attached as Appendix 1 provides a summary of all audit reports issued which have been subject to the action tracking/ follow up process outlined above. This shows that a total of 105 audit recommendations were made and the current position is that:

- 81 (77%) actions have been satisfactorily implemented which includes a number of actions which previously had revised target dates.
- 22 (21%) actions have not yet been implemented and revised target dates have been agreed.
- 3 actions have been made redundant.

4.2 Actions with revised target dates

A total of 11 audits have revised target dates as detailed below.

(i) Highland Instrumental Unit

The medium grade action for the documentation of procedures for staff to follow has still to be addressed. This was due to be completed by 30/10/15 but was delayed due to staffing changes and then staff efforts were targeted towards operational matters. The revised target date is 31/03/18.

(ii) Records Management

2 medium grade recommendations have revised target dates. Both of these had multiple actions which have been implemented except for the following:

- The need to review the ICT Security Policy for Mobile and Flexible Working to cover both paper and ICT records, and add this to the Information Management Policy Framework. The target date has been revised from 31/12/16 to 30/11/17.
- The production of written guidance on the storage of archived health records. This is a shared action between the Care and Learning and Corporate Development Services. The original target date was 31/12/15 and this has been revised to 31/10/16 and then 31/03/18. This has been delayed as agreement needs to be reached with NHS Highland about the archiving of records and it has been acknowledged that this is an issue for both

organisations. The risks around this area have been recognised and this is listed as a risk on the Council's Clinical Governance risk register.

(iii) School Lets Arrangements

The 3 audit actions comprising 2 medium and 1 low grades which had revised target dates of 31/12/16 were further delayed as a result of the review of the future arrangements for Cleaning, Catering, Facilities Management, and Janitorial Services. This review resulted in this function moving from the Care and Learning to the Development and Infrastructure Service on 01/04/17. A project board has been set up and will conclude the review of school lets and this will include addressing the audit recommendations. A new revised target date of 31/03/18 has now been agreed for all 3 actions.

(iv) Ben Wyvis Primary School

The position has not changed from the last action tracking report in that the 2 agreed actions relating to this high grade recommendation have further revised target dates.

- The first which had a target date of 30/11/15 (revised to 30/06/16, now 31/12/17) related to a review of the role of the Capital Clerk of Works. This was delayed as the Service had to first recruit the relevant staff. This has been completed and the review has commenced. Work will continue with the new team to ensure that the site inspection quality process meets the performance required.
- The second related to the provision of electronic tablets to the Project Clerk of works which had a target date of 31/03/16 (revised to 30/09/16, now 31/12/17). The necessary software was procured but work is still ongoing with the roll out of the tablets and software access/ training to the area based Clerk of Works. In addition a period of user testing will be undertaken and this action should now be fully completed by 31/12/17.

(v) Governance of Inverness Old Town Arts and Inverness City Arts Group

Again this position remains the same as the 2 high grade recommendations have further revised dates which are now 30/06/17. These matters are now being dealt with by the Council's external legal advisers and so no further details can be provided at this time.

(vi) Asset Management

Both medium grade recommendations have the revised target date of 31/03/18.

The first management action which was due by 31/12/16 relates to developing cost information for each occupied building in order that the full property cost can be established to inform the decision making process. This is being progressed by officers from Development and Infrastructure and Finance Services in order that there is an improved understanding and visibility of the annual property budgets and costs.

The second action was to review the Target Operating Model to ensure that it addressed the Council's current priorities. Once this was done then an action plan would be developed to implement any outstanding actions. The target date was 31/12/15 and the review of the Model has been completed. The outstanding actions are in progress and are due to be completed by the end of this financial year.

(vii) School Off-Site Excursions (follow-up)

The first low grade action relates to consideration whether the current guidance provided to Head Teachers is sufficient. It was stated that national guidance is available but consideration will be given to whether any additional local guidance is required and this will be established through consultation with Head Teachers. As a result, the target date which had been revised from 30/06/16 to 31/12/16 has been further amended to 30/09/17.

The second high grade action relates to the need for a revised minibus policy and supporting guidance. When last reported to this Committee it was stated that due to a change in direction, the agreed action was revised and a new target date of 31/01/17 agreed. Following consultation with the Care and Learning Service including Head Teachers the policy and guidance has been updated by officers from Community Services. This took longer than anticipated due to issues such as the new regulations on minibus licencing requirements and ensuring that Head Teachers were comfortable with the approach being taken. The revised policy is expected to be approved by Committee in August 2017 and the amended target date reflects this.

(viii) Review of the Council's arrangements for the charging of services

This high grade recommendation was due to be implemented by 31/03/16 and relates to school let arrangements. This links with (iii) above and so has the same revised target date of 31/03/18.

(ix) Grass Cutting Contract – monitoring and contract payment arrangements (follow-up)

Since this report was issued the Council decided to bring the external contacts back in house. However, the audit recommendations are still applicable to this operation as there is still a need to monitor performance. It is recognised that the Service efforts have been expended on the implementing the new arrangements which has delayed full implementation of the previous management agreed actions. As a result, 3 medium grades have revised target dates. A number of actions have already been taken to address these but parts are still outstanding as detailed below.

An electronic monitoring system has been developed and the relevant officers identified but delivery of the handheld devices is awaited for training to be provided and the system to go live. As a result the target date has been revised from 31/03/17 to 31/07/17. Once this performance information is available then this will enable better information to be reported to the relevant Area Committees which is another action.

It was also agreed that work would be undertaken to ensure that the WDM asset management system is fully operational by 30/09/16. This was delayed due to capacity issues but Amenity Services are investigating the use of graduate intern(s) to bring the asset database within WDM up to date and develop scope for improvements to the system. A revised target date of 31/03/18 has been agreed for this action.

(x) Managing school rolls

1 high grade action has been partially addressed in that updated school roll forecasts were published in December 2016. Following this, further work has been undertaken to refine the forecasting methodology particular in response to major housing developments within Inverness. This is ongoing and finalisation of

methodology notes has been put on hold until this work concludes. The intention is ensure that the revised methodology notes are in place before publication of the 2017 data. Therefore a revised target date of 30/11/17 has been agreed.

(xi) Inspection of equipment in schools (follow-up)

3 recommendations comprising of 2 high and 1 medium grades have multiple management agreed actions which have been partially implemented and responsibilities are split between officers in the Care and Learning, and Development and Infrastructure Services.

The main outstanding issues relate to the development of a change control process for contract revisions (revised target date changed from 29/08/16 to 30/03/18); completion of a Property policy (30/09/16 to 28/08/17) and review of resources required for contract administration (target date changed from 30/09/16 to 28/08/17)

4.3 Redundant/ no action

The following 3 actions have been made redundant and details are provided below.

(i) Review of financial procedures operated in Schools

2 actions have been made redundant; the medium grade which related to budget monitoring meetings is no longer applicable due to changes in the Council's approach by the increased use of ICT. The other high grade action relates to the need to maintain inventories and this has been taken forward in the latest review which was reported as part of the previous agenda item.

(ii) Data Protection

1 medium grade action was agreed that the local Data Sharing Partnership was out of date as it referred to the previous Fire and Police authorities and this required review and amendment. Attempts have been made to address this locally but it is recognised that this needs to be taken forward at a national level with both organisations and this is not within the control of Council officers. However, Partners are following the revised draft Data Sharing Protocol and are awaiting new legislation for further guidance.

5. Implications

5.1 Resource – any resource implications arising from audit actions should be addressed by the relevant Services and where required, will be reported to Committee.

Legal – one of the audits as detailed above has legal implications which is being addressed by the Head of Corporate Governance together with legal advisers.

Community (Equality, Poverty and Rural) – none.

Climate Change/Carbon Clever – none.

Risk – The implementation of the management agreed actions will assist in reducing the risk exposure to the Council.

Gaelic – none.

Designation: Corporate Audit Manager

Date: 14th June 2017

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Background Papers:

Action Tracking Report - Highland Council Completed Actions

Report Ref and Name	Final Issued	Number of Recommendations	Number				Comments
			Cleared	Date Revised	No Action	Outstanding	
HH03/001.bf.bf - School Transport	10/06/14	2	2	0	0	0	When previously reported, 1 recommendation had a revised target date. This has now been completed. It should also be noted that whilst only 2 recommendations were made these contained multiple management actions.
HAD06/001 - Highland Instrumental Unit	16/02/15	6	5	1	0	0	
HBA03/001.bf - Records Management	20/08/15	5	3	2	0	0	
HC13/018.bf.bf - School Lets Arrangements	02/09/15	4	1	3			
HAD06/002.bf - Capital Contracts - Ben Wyvis Primary School	16/09/15	17	16	1	0	0	
HAB01/001.bf - Review of financial procedures operated in Schools	16/09/15	5	3	0	2	0	
HA02/001.bf.bf - Governance of Inverness Old Town Arts and Inverness City Arts Group	17/09/15	8	6	2	0	0	
HED04/002.bf - Asset Management	22/09/15	5	3	2	0	0	

Report Ref and Name	Final Issued	Number of Recommendations	Number				Comments
			Cleared	Date Revised	No Action	Outstanding	
HDB05/003 - Review of the Council's arrangements for the charging for services	05/11/15	4	3	1	0	0	
HAB01/005 - School off-site excursions (follow-up)	08/12/15	3	1	2	0	0	
HFB03/001 - Data Protection	14/01/16	6	5	0	1	0	
HED04/001.bf - Corporate Property Asset Management system	09/03/16	6	6	0	0	0	
HCC03/001.bf.bf - Administration of Fuel	25/04/16	7	7	0	0	0	
HEV04/003 - Drummie Offices - Chimney Rebuild	09/03/16	3	3	0	0	0	
HAF03/001.bf.bf - Self Directed Support	06/05/16	10	10	0	0	0	
HBB02/002.bf - Review of Performance Indicators 2014-15	20/05/16	3	3	0	0	0	
HCD05/001.bf - Grass Cutting contract - monitoring and contract payment arrangements (follow-up)	31/05/16	4	1	3	0	0	
HAD06/003.bf.bf - Managing School Rolls	06/06/16	3	2	1	0	0	
HAB01/004.bf - Inspection of equipment in Schools (follow-up)	06/06/16	4	1	3	0	0	
Totals		105	81	21	3	0	