

Agenda Item	4
Report No	AS/19/19

THE HIGHLAND COUNCIL

Committee: Audit & Scrutiny Committee

Date: 28th November 2019

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 4 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 those audits which have been action tracked during the period 01/06/19 – 31/10/19.

2. Recommendations

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

3. Implications

- 3.1 Resource – any resource implications arising from audit actions should be addressed by the relevant Services and where required, will be reported to Committee.
- 3.2 Risk – The implementation of the management agreed actions will assist in reducing the risk exposure to the Council.
- 3.3 There are no Legal, Community (Equality, Poverty, Rural and Island), Climate Change / Carbon Clever or Gaelic implications

4. Action Tracking Process

4.1 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.

4.2 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.

5. Action Tracking/ Follow-up results

5.1 Summary report

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. As requested by Members in the June Committee, the report format has been revised; actions are now shown as "completed" and a brief explanation of the impact has been shown for actions with revised target dates. In addition, the information is split into 2 separate tables:

- Table 1 details the audits where the action tracking process is complete. All management agreed actions have been completed and/ or it has been agreed that these will be made redundant. In such circumstances, an explanation is provided.
- Table 2 details those audits where the action tracking process is still in progress and revised target dates have been provided. Further information on these particular audits is provided at section 5.2 below.

Overall, the reported position is that a total of **73** audit recommendations were made and the current position is that:

- **51 (70%)** actions have been satisfactorily implemented.
- **19 (26%)** actions have not yet been implemented and revised target dates have been agreed.
- **3 (4%)** have been made redundant.

5.2 Actions with revised target dates

A total of **6** audits listed in Table 2 have revised target dates as detailed below.

(i) HCD07/001 - Review of Burials and Cremations – Policy, Legislation and Processes

Action tracking on this audit was last reported to Committee on 29/11/18. The update report stated that more realistic completion dates had been agreed and the Service was confident that these would be delivered. Despite this assurance and the discussions that took place at Committee, these actions remain outstanding.

A lean review of the burials and cremations process recently commenced and regular updates are being provided to the Corporate Audit Manager. A new corporate policy with supporting procedures and guidance for staff will be produced as part of the

review. This will take into account a number of the audit recommendations and also ensure that a consistent level of service is provided across all areas.

Appendix 2 provides the latest update report detailing the revised target dates which have been agreed on the basis that these will be met.

(ii) Review of the administration and payments in respect of Fostering, Adoption and Kinship Care

1 medium grade action has a further revised target date. The original date was 31/03/19 and this was revised to 31/07/19 and more recently to 31/03/20. This action relates to the change in payment frequency from fortnightly to monthly for residence and adoption allowances. This change will require consultation with carers but the effect of this would be a reduction in the administration time for officers and reduction in postage costs associated with the issue of pay advice slips which has more significance given the next redundant action.

This redundant medium grade action related to the provision of electronic pay advice. It was planned that carers would be granted access through a secure website but investigations have identified that this is not feasible.

(iii) Review of ICT projects

Both recommendations for this audit (1 high and 1 medium priority) remain outstanding and have been revised from 31/10/18 to 31/01/20. The actions relate to the review of the Council's Project Management Policy. Responsibility for the actions initially sat with the Commercial & Efficiency Team, who intended to address the audit recommendations by establishing a Project Managers Office (PMO) to drive standardisation and efficiency of Project Management, with a revised policy being part of this process.

A PMO was funded and resourced to a level with specific responsibility for the Corporate Change Programme rather than the original vision. The established office has developed a number of tools and mechanisms for corporate change projects which will support a wider corporate Project Management environment. These include developing a suite of SharePoint sites providing a number of project management document templates intended for use by the Change Programme reporting but available to all PMs in the Council.

Once the policy has been revised, the Sponsor roles and responsibilities for monitoring compliance will be reviewed and training for Project Managers and Sponsors will be refreshed. It is intended that for the general Corporate environment, the revised PM policy will be more practicable than the previous policy and will be developed based on learning from the change programme projects and will follow the principles of Prince 2. The initial Draft of the reviewed policy is intended to be completed by the end of March 2020.

(iv) Use of Purchase Cards

As previously reported, there was a change in direction following the implementation of tighter controls over expenditure. Work has been ongoing to address the audit recommendations but this has not yet been completed. As a result, further revised target dates have been agreed as follows:

Target of 31/12/19 for 3 actions (1 high, 1 medium and 1 low grade priorities) in respect of provision of training material and a revised user guide, including updated VAT guidance and retention of electronic receipts.

Target of 31/03/20 agreed for the other 3 remaining actions (2 high and 1 medium grade priorities) relating to the review of expenditure from non-contract suppliers, updating the purchase card application process and reviewing whether all cards in use

are necessary.

Until all of the above actions have been undertaken there is an ongoing risk that there is insufficient scrutiny of purchase card expenditure and that VAT rules are not complied with.

(v) Review of VAT Arrangements

1 high priority recommendation remains outstanding. The action involved reviewing the proportion of expenses claims for which receipts were held as required by HMRC. An initial sample of claims has been reviewed by the Service, but the findings from this has highlighted the need for a more in-depth review. As such, the target date has been revised to 31/03/20. Discussions with HMRC are ongoing and will be reviewed further when the in-depth analysis has been concluded.

(vi) Financial Assessments

1 medium grade action relating to the provision of online usage stats remains outstanding. The original target date has been revised from 30/09/19 to 31/01/20. This has no impact on customer service but does mean that progress with digital services and take up of this cannot be monitored.

Designation: Corporate Audit Manager

Date: 18th November 2019

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Action Tracking Report

Table 1 - audits where action tracking is complete

Report Ref and Title	Date Issued	Recommendations			Explanation/ Comments
		Total	Completed	No Action	
HAD06/002.bf - Capital Contracts - Ben Wyvis Primary School	19/09/15	17	17		A part high grade action relating to the provision of electronic tablets to Project Clerk of Works has now been completed.
HED04/002.bf - Asset Management	22/09/15	5	3	2	2 medium grade actions have been closed with no action as they are no longer applicable. Asset management is included as a project within the Corporate Change programme with the Council moving to the Corporate Landlord approach with all properties treated as corporate assets which must be used to best effect.
HCD05/001.bf - Grass Cutting contract - monitoring and contract payment arrangements (follow-up)	31/05/16	4	4		
HCD004/001 - Inspection of Roads and Bridges	11/09/17	3	3		
HEE2/001 - Affordable Housing	04/09/18	6	6		
HEA05/005 LEADER Programme 2017/18	09/11/18	1	1		
HEE03/003 - Inverness and Highland City-Region Deal	08/03/19	5	5		
HCA03/003 Review of the arrangements for procurement & payment of Homeless Services (follow up)	11/03/19	1	1		
HCA04/002 Investigation into fraudulent expenditure claims in Social Work office – System Weaknesses Report	08/05/19	2	2		
Totals		44	42	2	

Table 2 - audits where action tracking has not been completed

Report Ref and Title	Date Issued	Recommendations				
		Total	Completed	No Action	Still Outstanding	Date Revised
HCD07/001 - Review of Burials and Cremations – Policy, Legislation and Processes	05/09/17	9	1			8
HAA03/001 - Review of the administration and payments in respect of Fostering, Adoption and Kinship Care	17/07/18	6	4	1		1
HAB01/007.bf Review of ICT Projects	31/07/18	2				2
HDD01/004.bf Use of Purchase Cards	10/09/18	6				6
HDA05/001.bf - Review of VAT arrangements	14/03/19	3	2			1
HDB10/001 Financial Assessments	02/04/19	3	2			1
Totals		29	8	1	0	20

Review of Burials and Cremations – Policy, Legislation and Processes

Priority/ Ref	Recommendation	Management Agreed Action	Implementation		Latest Service Update
			Responsible Officer	Target Date	
High H1	The Burials Grounds Policy should be reviewed, revised and re-issued to all staff, along with relevant procedures to ensure a consistent service delivery across the area.	A new post of Bereavement Services Manager was created at the end of 2016. This post was filled in Spring 2017, and the priorities for the new post holder include reviewing and standardising policies and procedures relating to Burials and Cremations.	Bereavement Services Manager	31/03/18	Meeting has taken place between Legal, Sundry Debt to establish a process that will be formatted and rolled out to all areas regarding the various payment mandates received by THC from FD. Policy review completed and will be issued to all staff, along with relevant procedures by the revised target date.
	Revised to 31/03/19, now 31/03/20			Completed as part of policy review above.	
	As Service staff are located in various areas a process for policy update notifications along with a contact for support and advice should be agreed. A benefit for staff would be an internal user group to be set-up which could include taking forward the staff suggestions.				
High H2	Review the existing storage facilities and identify where fire safes are needed.	Fire safes will be provided where required.	Bereavement Services Manager	31/01/18 Was shown as complete now revised to 31/01/20	A number of area offices already have fireproof cabinets/ safes. Installation still required in 4 locations but 1 would require structure changes. The feasibility of this is being investigated.

Priority/ Ref	Recommendation	Management Agreed Action	Implementation		Latest Service Update
			Responsible Officer	Target Date	
H2 cont.	A process for the storage and retention of the historic paper records needs to be created.	The Council's retention schedules for cemetery and cremation records are being reviewed. A large quantity of historical information has been either archived or disposed of in accordance with these schedules. This will continue at all locations where cemetery information is held.	Bereavement Services Manager	30/04/18	It is proposed all historical burial records are recorded digitally.
				Revised to 31/03/19, now 31/03/20	
	31/03/21 (nb new action)	Original registers/records will be held by the Archivists in conditions that will preserve registers; this process has been ongoing in Burial Grounds covered by the Inverness administration office.			
Investigate possibility of installing/creating datum points in all burial grounds to standardise the identification and measuring of lair locations.	Datum points for all of the cemeteries still in use will be provided.	Bereavement Services Manager	31/10/18 Completed	31/12/20 (nb new action)	This has been actioned as all burial grounds now have a GPS datum.
			31/10/18 Completed		A graduate intern was appointed to work through all burial layouts and capacities.
	The Service is investigating the employment of a graduate intern to undertake the marking out and planning of these cemeteries.		29/11/19		A new graduate to be appointed by the end of November to continue this work.

Priority/ Ref	Recommendation	Management Agreed Action	Implementation		Latest Service Update
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H2 cont.	Arrange to properly document the information which is not held on our registers. Thereafter, any future changes should be promptly documented.	Arrangements will be made to record all lair information in ledgers or electronic systems.	Bereavement Services Manager	31/07/18 Revised to 31/03/19, now 28/02/20	Arrangements are in place to obtain a BACAS licence for every service point and area office dealing with bereavement bookings. Awaiting confirmation of costs which are estimated as c.£5,000. Wipro will install the programme. Training also to be provided to users. Revised target date is dependent upon Wipro installing the programme.
High H3	Review the existing practices for advance lair purchases, and amend policy to ensure all offices are following one consistent procedure.	Consultation with stakeholders will be required before implementing any new policy.	Bereavement Services Manager	28/02/18 Revised to 31/03/19, now 31/03/20	For individual cemeteries where there are known capacity constraints any request to future purchase a lair will be denied. In all cases only the next available lair in a row will be allowed to be purchased. Additional work required to ensure policy reflects the decision made.
	Investigate the possibility of extra income for bespoke services with choices.		Bereavement Services Manager	Completed	Research has shown that there is no measurable income from this source
High H4	A review of the schedule for booking slots should be undertaken, to match opening hours with working patterns to reduce the need for overtime costs. Consideration should also be given to how this schedule is deployed across all offices and need for possible local variations.	Consultation with stakeholders will be required before implementing any new policy.	Bereavement Services Manager	28/02/18 Completed	In general terms Funeral Directors (FD) are being offered more flexibility.
		Working patterns at Kilvean Crematorium to be reviewed.		28/02/18 Revised to	Discussions still ongoing with Trade Unions (TU) regarding staggered start times of operatives. Implementation is

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				31/03/19, now 31/03/20.	reliant upon TU agreement.
High H5	The Service should review current practices for debtor accounts to re-align with Financial Regulations and the corporate guidance. The Financial Regulations state services should be paid for in advance.	Bereavement Services to work with the Council's Debtors Section to ensure that the Council's Financial Regulations are either followed or altered to take into account the sensitive nature of the services being provided.	Bereavement Services Manager	28/02/18 Revised to 28/02/19 now completed	The Debtors Section is actively pursuing all outstanding invoices over the Council's standard terms; this has reduced the debt substantially.
	The Service should investigate introducing pre-payment at the time of booking for the burial and cremation services. The benefits of this would include removing the need for invoicing and debt control giving a saving on the associated costs.	Prepayment plans are an avenue of income. Funeral poverty allows individuals to spread the cost of lair purchased and internment.	Bereavement Services Manager	31/03/20	This is being included in the current policy review. This revised policy will then be submitted for approval by Committee.
		Consultation with stakeholders will be required before implementing any new policy.	Bereavement Services Manager	28/02/18 Revised to 31/03/19	Formal meetings with FDs are planned. Day to day interaction with FD is ongoing.
		Financial monitoring to be standardised.	Bereavement Services Manager	28/02/18 Revised to 31/03/20	As above, meetings are taking place out ensure all invoicing is carried out consistently across all areas.

Priority/ Ref	Recommendation	Management Agreed Action	Implementation		Latest Service Update
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High H6	The Service should create and implement an internal Council Crematorium policy with the necessary procedures and guidance, and ensuring there is suitable staff cover to authorise the necessary checks within the processes	ICCM or FBCA training in Crematorium Operations to be provided for all staff.	Burial and Cremations Officer	28/02/18 Complete	Basic FBCA training ongoing with practical side complete. Written exams are outstanding in two cases. BSM is part of a validation panel to establish an SVQ level 5 in both cremations and burials. This training award is expected to be rolled out in 2019
		We are about to recruit for a new Burial and Cremations officer, and this will provide an opportunity to build resilience into authorisations within the Crematorium processes.	Bereavement Services Manager	28/02/18 Complete	-
Medium M1	The Management Rules for Cemeteries should be reviewed and amended to cover all relevant information on the purchase of burial plot, burial arrangements and on-going maintenance of lairs.	The existing Management Rules will be reviewed in partnership with Legal Services and presented to the first Resources Committee of 2018. There is a statutory consultation process that will be built in to this review.	Bereavement Services Manager/ Burial and Cremations Officer	31/03/18 Revised to 28/02/19, now 30/04/20	Review of Management Rules agreed at EDI Committee in January 2019. Statutory consultation required and then agreement by Committee in April.
	This should also be done for the information issued to lair purchasers to include easily understood guidance on understanding the Management Rules for Cemeteries	The process for issuing information to lair holders is inconsistent across the Highlands and will be reviewed	Bereavement Services Manager/ Burial and Cremations Officer	28/02/18 Revised to 28/02/19, now 31/03/20	Meeting to be arranged with local area officers to establish ideas on how to deliver consistently across the Highlands.

Priority/ Ref	Recommendation	Management Agreed Action	Implementation		Latest Service Update
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Medium M2	The existing policy for Crematorium users should be reviewed and amended to ensure this is flexible and easily accessible for crematorium users, funeral directors, the public, Members and staff.	Consultation with stakeholders will be required before implementing any new policy.	Bereavement Services Manager/ Burial and Cremations Officer	28/02/18 Revised to 21/12/18, now 31/12/19	Set times have now been implemented for services and cremations with little negative response from FD. Venues are being finalised for the Head of Service and BSM to meet with Funeral Directors to explain Council ideas/requirements and to gather and evaluate suggestions to enable a better service delivery.
Low L1	When timescales are available from the Scottish Government the Service needs to amend current policies and procedures to take account of the new Act.	Staff are involved in the Scottish Government (SG) consultation working group. The final consultation stage has been agreed and is currently scheduled to be reviewed by the Minister by the end of the year.	Bereavement Services Manager/ Burial and Cremations Officer	31/03/19 Completed 31/10/19	The Cremation (Scotland) Regulations 2019 were enacted on 04/04/19, and the Council is fully compliant in terms of procedures, training, maintenance, record keeping and paperwork