

Agenda Item	<b>6</b>
Report No	<b>AS/26/21</b>

## **THE HIGHLAND COUNCIL**

**Committee:** **Audit & Scrutiny Committee**

**Date:** **25<sup>th</sup> November 2021**

**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 known as action tracking, is provided at section 4 of this report.
- 1.2 The outcome of this process is normally reported to the Audit & Scrutiny Committee on a six-monthly basis with reports provided to the June and November meetings. This report covers those audits which have been action tracked during the period 29/05/21 – 05/11/21.

### **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, 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. The information is split into 2 separate tables:

- Table 1 details those audits where the management agreed actions have been completed.
- Table 2 details the 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 for the **26** audit recommendations made is that:

- **20 (77%)** are complete as the agreed management actions have been undertaken.
- **6 (23%)** have not yet been implemented and revised target dates have been agreed.

### 5.2 Actions with revised target dates

A total of **3** audits listed in Table 2 have revised target dates as detailed below.

#### (i) Repairs and Maintenance – Care & Learning Properties

1 high grade recommendation remains outstanding relating to the need to review the Devolved School Management (DSM) budget allocation process for school repairs and maintenance. This had a target date of 31/03/18 but staffing resources prevented this being completed in time. It was then intended that this would take into account the national review of DSM guidance being undertaken by the Scottish Government and COSLA but implementation of this was subsequently delayed due to Covid-19 resulting in further revised dates of 30/09/18, 30/04/20 and 31/08/21. All Councils are now required to review their DSM schemes by 01/04/22. In response, the Highland Council set up a DSM review group who have been meeting regularly during 2021 with the plan that their recommendations will be considered by the Education Committee in February 2022. A final revised target date of 30/03/22 has been agreed.

(ii) Review of Information Management Arrangements

As previously reported to Committee there were multiple management agreed actions in response to the audit recommendations. When last reported there were 3 actions with revised target dates. 2 are now complete. The final action had an original target date of 30/04/20 which has been revised to 31/12/20, 31/08/21 and now 31/03/22.

This is in response to a high grade recommendation for mandatory staff training on Information Management. This is to be addressed by the revision of the staff induction process by Human Resources and will include the requirement for managers to sign off that the employee understands the information management and security responsibilities of their role. Induction is being reviewed as part of the phased roll out of the new Learning Management System.

(iii) Collection of School Meals Income

This audit has 6 recommendations (3 high and 3 medium grades) and there are 4 with revised target dates, but these have multiple agreed actions to address these as noted below:

- 1 high grade recommendation has 1 completed action and 2 with revised target dates. The first action relating to review of the cash handling risk assessment has a revised date from 30/11/20 to 30/11/21. The second action requiring the provision of secure storage facilities has been revised from 18/12/20 to 30/11/21.
- 1 high grade recommendation has 4 actions, 2 of which are complete. The outstanding actions are ICT related. The first one where the target date was revised from 30/04/21 to 31/01/22 relates to the further rollout of the online payment system which has been reassessed following the planned introduction of free school meals to all primary pupils from August 2022. The final action is in respect of the plan to interface Saffron to the cashless catering system so that data is automatically transferred. The target date of 30/06/21 has been amended to 31/01/22.
- 1 medium grade recommendation has 4 actions, 1 is complete and a revised date of 31/01/22 has been agreed for 2 actions (was 30/11/20) relating to the set-up of a central database of staff using their own cars for work purposes and issue of insurance declarations for completion by them. The 4<sup>th</sup> action related to the annual issue of such declarations and monitoring to ensure these are received (date revised from 31/08/21 to 31/08/22).
- 1 medium grade recommendation has 3 agreed actions, 2 of which are complete. The final action has a revised date from 30/11/20 to 30/11/21 in respect to the documented procedure for dealing with school meals debts.

The above delays have been attributed to staff and supplier resources being diverted to addressing “Natasha’s law” and analysis required by new government nutritional regulations.

Designation: Corporate Audit Manager

Date: 11<sup>th</sup> November 2021

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## Action Tracking Report

**Table 1 - audits where action tracking is complete**

Report Ref and Title	Date Issued	Recommendations		
		Total	Completed	No Action
HTE05/003 COVID-19 Grants	19/03/21	4	4	0
HCC03/005.bf.bf.bf - Fleet Management arrangements	01/09/21	3	3	0
HRF22/001.bf - Review of CT and NDR discounts and exemptions	10/09/21	2	2	0
<b>Totals</b>		<b>9</b>	<b>9</b>	<b>0</b>

**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
HED04/004 - Repairs and Maintenance - Care & Learning Properties	15/09/17	5	4	0	0	1
HDD04/001 Review of Information Management Arrangements	06/09/19	6	5	0	0	1
HEC05/001 Collection of School Meals Income	09/11/20	6	2	0	0	4
<b>Totals</b>		<b>17</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>6</b>