

Agenda Item	5
Report No	AC/09/24

HIGHLAND COUNCIL

Committee: Audit Committee

Date: 21 March 2024

Report Title: Action Tracking Report

Report By: Strategic Lead (Corporate Audit & Performance)

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 Committee on a six-monthly basis with reports provided to the June and November meetings. The process has recently been amended which meant that no update was provided in November. This report provides details of action tracking completed after June 2023 up to the end of January 2024.

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 improve the control environment and 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 was amended in November 2023 and 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) On a monthly basis those actions which have passed their agreed target dates are action tracked. This involves contacting the appropriate Manager(s) to confirm that their actions have been implemented. If a timely response is not received the matter is escalated to the appropriate Executive Chief Officer.
- (3) Where the agreed management action has not been undertaken, an explanation is requested. However, if this response is considered unsatisfactory, it is subject to further audit enquiry and/ or investigation. Where delays have occurred and the explanation provided is considered reasonable, a revised implementation date is agreed, and this is action tracked once this date has expired.

4.2 In addition to the above, monthly reports are provided to each of the Executive Chief Officers detailing all outstanding recommendations within their Service which enables them to monitor progress leading up to the target dates when these should be completed.

5. Action Tracking

5.1 Summary report

The report attached as **Appendix 1** provides a summary of all actions which have been subject to the action tracking outlined above. The table details the audits where management agreed actions had now passed their agreed target date and were subject to action tracking. Overall, this shows that 18 (51%) of the 35 actions tracked have been completed with revised target dates agreed for the remainder.

5.2 Actions with revised target dates

There were 17 actions with revised action dates associated with 10 audits:

(i) Governance of Arms-Length External Organisations and Partnerships

There are two medium priority actions outstanding.

Following discussions with the Chief Executive of Eden Court, it has been agreed that a report on performance will be provided to the Education Committee at the May 2024 committee, if this can be accommodated within the agenda. (Revised action date 31/05/24).

The contract between Highland Council and Eden Court has been reviewed and will be finalised by the end of February 2024. A review board has been established to oversee work on the service delivery contract and is meeting on a regular basis with a target completion date of February 2024. (Revised action date 29/02/24).

(ii) Insurance

One medium priority action remains outstanding. Some short-term additional resource has been allocated to support the Insurance officer on a number of priority tasks, and the Council is working with its insurer on an action plan to support improvements in the Council's insurance arrangements. Ongoing staff capacity will be considered following the

budget setting of February 2024 and understanding of available budget resource within which to plan staffing arrangements. (Revised action date 31/10/2024).

(iii) Procurement: Off contract spend and reporting

One high priority action remains. The Building Repair and Small Works commodity and profiling Strategy proposes new framework options and plans to tender. A revised target date (for the roll out of the new Framework), will be provided after the Project Board meeting in February 2024. (Revised action date 31/03/2025).

(iv) Residential Care units investigation

Two actions, one high priority and one medium grade have revised dates both of which relate to the Health and Safety reporting system "Assure".

High priority - Introduction of Assure. Training has not been provided as yet and we have requested and hopefully early in the new year this will be available. Staff have access to Traineasy portal. House managers informing Care Inspectorate of notifiable incidents has been completed although again there is catch up for the Orchard service. (Revised action date 31/03/2024).

Medium priority - Introduction of Assure recording system. The introduction of Assure has now taken place but follow up training is required. We have requested this and hopefully will take place early in the new year. The development meetings have led to improved consistency in use of recording. Some ongoing issues still remain which we will continue to resolve. (Revised action date 31/03/2024).

(v) Review of Capital Projects

There are two outstanding actions, one high priority and one medium.

High priority – Agreed that any project with an estimated value of 10% under the £2M threshold (£1.8M) at Project Initiation Form (PIF) stage will going forward trigger a discussion with C&PSS on appropriate route for procurement, and reviews would be undertaken for Capital Projects as they move through the process. Procurement and the Contracts Team for Property meet on a quarterly basis to discuss matters relating to policy, procedure and process. Any potential queries/concerns around projects are discussed at these meetings or out with as required. Where advice is required on any route the Contracts Team seek advice from Procurement as required. (Revised action date to confirm implementation 31/05/2024).

Medium priority - All projects regardless of size should be subject to lessons learnt if there are significant variations in terms of budget, timescale or quality issues these should feed into Capital Programme Board and Committee reporting as part of improved governance arrangements. An external review of capital programme delivery has been commissioned by the Chief Executive and it will lead to recommendations expected to be relevant to the actions arising from this audit. The Capital programme board has also recently considered recommendations to establish some dedicated capital programme management to support the Board, who would support many of these audit actions. The timeline for taking forward audit actions will be linked to these other actions. (Revised action date 30/09/2024).

(vi) Review of Customer Resolution and Improvement Team

There is one medium priority action. A vulnerable customer policy is to be developed to ensure consistent standards of support across services as part of statutory processes. A time extension proposed to allow the alignment of this action with the My Council project as this sits alongside the Customer Relationship Policy currently out for peer review and the wider Customer Contact Strategy. However, to date the Customer Resolution and Improvement Team manager has undertaken training on Supporting Vulnerable Customers which will inform operational policy in terms of the Customer Resolution and Improvement Team. (Revised action date 30/06/2024).

(vii) Review of financial management and reporting

There are two actions, one medium priority and one low.

Medium priority - Training will be reviewed and be made mandatory for budget holders. Some modules were revised and uploaded to Traineasy in November 2023. Further work will be concluded following the completion of the implementation of the new corporate financial system 1 April 2024. Both finance and learning and development resource is currently being prioritised to the new finance system deployment. (Revised action date 31/12/2024).

Low priority – Instructions will be reviewed to ensure clarity on budget holder roles and responsibilities. Priority is being given to implementation of new corporate financial system to go live 1 April 2024. Other work has been re-prioritised and this action will need followed up later in year when capacity to do so. (Revised action date 31/12/2024).

(viii) Review of Purchase to Pay Arrangements

This audit has three medium priority actions outstanding:

- 1) Financial Regulations and guidance note Receipt of Goods and Payment of Creditor Invoices should be updated as part of the corporate refresh of Financial Regulations.
- 2) Investigate if hard copies need to be retained and issue instruction in accordance with findings.
- 3) Instructions to set out any valid exemptions where purchase orders are not expected, otherwise orders should be raised in advance of requesting goods or services.

Priority is being given to implementation of new corporate financial system to go live 1 April 2024. Other work has been re-prioritised, and these actions will be addressed up later in year when there is capacity to do so. (Revised action date 31/12/2024).

(ix) Review of recruitment process for ECO Education & Learning

Two high priority actions have revised dates.

A policy guidance document will be developed outlining the process to recruit senior interim staff to demonstrate value for money. Draft guidance has been prepared and will be submitted to the Corporate Resources Committee for approval. (Revised action date 31/03/2024).

Guidance will be produced by HR outlining the role of Members and Officers in the recruitment of senior Officers and process for these appointments. An amendment to the Scheme of Delegation was approved

in October 2023 to explicitly state Members will be involved in recruitment of staff ECO level and above. Stated in Section of Scheme – Para 2, 2.1 of Delegated Powers for all Executive Officers, Depute Chief Executive and Chief Executive. Draft guidance prepared and will be submitted to the Corporate Resources Committee for approval. (Revised action date 31/03/2024).

(x) Workforce Planning and Staffing Arrangements – Education

There is one medium priority action. A review of primary senior staffing structures should be undertaken to assess whether current structures are fit for purpose and cost effective, highlighting any potential budgetary savings. It has been agreed that this action will be taken forward based on September census data for eligible Primary Head Teacher posts. A process will be put in place for an annual review of job sizing of eligible promoted posts across primary and secondary. In the meantime, it has been clarified that all vacant posts will be checked to ensure that they are correctly sized before being advertised. Revised action date 29/02/2024 for first phase.

Designation: Strategic Lead (Corporate Audit & Performance)

Date: 27 February 2024

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Appendix 1 - Audits where actions have passed their agreed target date and were subject to action tracking

Audit Name	High		Medium		Low		Totals			Percentage complete
	Due	Complete	Due	Complete	Due	Complete	Due	Complete	Revised action date	
Governance of Arms Length External Organisations and Partnerships			2				2	0	2	0%
Housing Rent Collection					1	1	1	1		100%
Information Security in Schools			1	1			1	1		100%
Inspection of equipment in Schools (follow-up)	2	2	2	2			4	4		100%
Insurance			1				1	0	1	0%
Procurement: Off contract spend and reporting	1						1	0	1	0%
Repairs and Maintenance in Schools	1	1					1	1		100%
Residential Care Units Investigation	2	1	3	2			5	3	2	60%
Review of Absence Management Arrangements (follow-up)			1	1			1	1		100%
Review of Capital Projects	1		1		1	1	3	1	2	33%
Review of Customer Resolution and Improvement Team			3	2			3	2	1	67%
Review of financial management and reporting			1		1		2	0	2	0%
Review of purchase to pay arrangements			3				3	0	3	0%
Review of recruitment process for ECO Education & Learning	2		1	1			3	1	2	33%
Review of winter maintenance payments			2	2	1	1	3	3		100%
Workforce Planning and Staffing Arrangements - Education			1				1	0	1	0%
Grand Total	9	4	22	11	4	3	35	18	17	51%
Percentage complete		44%		50%		75%				