

Agenda Item	5
Report No	AS/7/21

## THE HIGHLAND COUNCIL

**Committee:** Audit & Scrutiny Committee

**Date:** 17<sup>th</sup> June 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 called 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. As the June 2020 Committee was cancelled a report was provided to the next available meeting which was September. Due to the short period to the next Committee and the fact that audit activity had been paused for a period last year, no report was provided to the November meeting. The normal reporting arrangements have now resumed and this report covers those audits which have been action tracked during the period 11/09/20 – 28/05/21.

### 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. As was reported in the previous Action Tracking update, there are a greater number of revisions than normal due to a lack of action due to Officers dealing with the response to the Covid-19 pandemic.

### 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 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 **83** audit recommendations were made and the current position is that:

- **64** (77%) actions have been satisfactorily implemented.
- **16** (19%) actions have not yet been implemented and revised target dates have been agreed.
- **3** (4%) actions have been made redundant.

##### **5.2 Actions with revised target dates**

A total of **5** audits listed in Table 2 have revised target dates as detailed below.

###### **(i) Review of Information Management Arrangements**

Table 2 shows 3 recommendations with revised target dates, but these have multi-actions against them. As reported in the last update to Committee, the 2 high grade recommendations had 7 associated actions, 4 of which have been completed. The outstanding actions have further revised dates as follows:

- 1 high grade recommendation has 2 outstanding actions:  
1 relates to the provision of mandatory staff training on Information Management. This is to be addressed by revision of staff induction which includes a requirement for the managers to sign off that the employee understands the information management and security responsibilities of their role. The original target date of 30/04/20 was revised to 31/12/20 then 31/08/21.

The other action concerns the corporate approach to information management with a plan to change staff behaviour and ensure best practice is followed. This was to align with the restructuring of Services and has been delayed as a result. The original date of 30/06/20 was revised to 31/12/20 and then 30/06/21. The 2 outstanding actions detailed below are linked and so have the same target date.

- 1 high grade recommendation has 2 completed actions. The outstanding action relates to an appropriate structure and member composition of the Information Management Governance Board.
- 1 medium grade action is linked with the plan above and will consider information management practice and what resources are required to deliver this.

## (ii) Review of Absence Management

The majority of the audit recommendations have multiple management actions. Some are complete and others have revised target dates as a result of resources being directed onto the Covid-19 response. Details as follows:

- 1 high grade recommendation has 2 actions completed with the final action relating to Service improvement plans being completed with the assistance of the HR Business Partners. The target date of 31/07/20 has been revised to 31/08/21.
- 1 high grade recommendation has an outstanding action relating to the review of HR Induction Guidance where the date has been revised from 31/12/19 to 31/08/21. The other 3 actions have been completed.
- 1 medium grade action relating to explore options in MyView to provide prompts to Managers when an employee is approaching half or no pay has been revised from 31/12/20 to 31/07/21.
- 1 medium grade recommendation has 1 completed action and the other in response to revising the current approach of spreadsheet absence uploads for certain groups of staff has been revised from 30/09/20 to 31/07/21.
- 1 low grade action to ensure that the reasons for absence listed on the Self-Certified Sickness Form match those on ResourceLink has been revised from 31/12/20 to 30/04/21.
- 1 high grade recommendation and 1 medium grade recommendation have been completed.

## (iii) Local Full Fibre Network Project

1 medium grade action has been delayed as staffing resources were reprioritised to address issues arising from Covid-19. This related to the absence of guidance within Financial Regulations for the approval of capital self-financing projects. As part of the 21/22 budget Members agreed to allocate funding for a dedicated resource to develop the Council's capital strategy and subsequently support the development of a new, long-term, innovative and best practice informed capital plan. This resource will enable this action to be undertaken and the target date has been amended from 31/12/20 to 31/12/21.

(iv) Car Parks

8 actions including both high grades have been completed. 4, comprising of 3 medium and 1 low grade have revised target dates:

- The frequency of emptying of car park machines was linked with the provision of new machines which provided remote digital monitoring of cash levels. Some progress has been made but c.20 machines still require replacement and the target date of 01/09/20 has been revised to 31/10/21 to secure funding.
- Consideration to employing temporary member of staff rather than using existing staff and paying overtime rates was due to be completed by 01/05/20. A revised date of 01/07/21 has been agreed as this matter has not yet been resolved with HR.
- There was no action taken against persistent offenders who failed to pay parking fines as whilst the Enforcement Policy refers to the ability to impound vehicles, there are no such facilities. A joint paper with Environmental Health will be produced setting out a business case and the target date of 01/09/20 has been revised to 30/11/21.
- The low grade action relates to the production of a Traffic Regulation Order for an off-street site. This has been revised from 01/07/20 to 31/10/21.

(v) Investigation into the administration and use of Self Directed Support (SDS) package

3 actions have revised target dates:

- 1 high grade action in respect of the need for additional resources is progressing with 1.5 FTE posts for dedicated SDS administrative posts and job descriptions have been agreed. These are progressing through the recruitment process and so the target date has been revised from 31/05/21 to 31/08/21.
- The second high grade recommendation relates to the use and payment of family members. The SDS panel have agreed a policy on payment rates which will be included in the updated procedures. These were due to be completed by 28/02/21 and this will now be 31/08/21.
- The 3<sup>rd</sup> revised medium grade action on documenting payment procedures is reliant on the recruitment being completed and therefore has the same revised target date of 31/08/21.

i

Designation: Corporate Audit Manager

Date: 3<sup>rd</sup> June 2021

Author: Donna Sutherland

## Action Tracking Report

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

Report Ref and Title	Date Issued	Recommendations			Explanation/ Comments
		Total	Completed	No Action	
HAB01/007.bf Review of ICT Projects	31/07/18	2	2	0	
HAA03/001 - Review of the administration and payments in respect of Fostering, Adoption and Kinship Care	17/07/18	6	4	2	When last reported, there was 1 medium grade action outstanding which has now been made redundant. This related to reducing the payment frequency of allowances from fortnightly to monthly. Upon investigation it has been found that due to the way in which Care First operates this would increase the workload of the business support staff rather than make the payment process more efficient.
HDA14/002 Financial Controls	10/09/19	2	2	0	
HEA05/008 LEADER Programme 2018-19	08/11/19	3	3	0	Confirmed in following year's audit that actions were complete.
HAB01/016 Pupil Equity Fund	15/11/19	5	5	0	
HAA01/001 Provision of Early Learning and Childcare services	19/11/19	5	4	1	When last reported there were 2 actions with revised target dates; 1 is now complete. The other has been made redundant as the agreed action is no longer required. This related to verifying that customers do not exceed their 1140 free hours when blended placements are used. The new Seemis Early Years system is being introduced for the next academic year which automatically tallies the funded hours.
HCC01/001.bf.bf – Establishments Investigation - Control Weaknesses	11/02/20	10	10	0	
HDB05/005 Income Systems	17/03/20	6	6	0	
HDD04/005 ICT Contract Management	26/06/20	6	6	0	
HEB03/002 Flood Defence Capital Projects	08/08/20	3	3	0	
HTE05/001 LEADER Programme 2019-20	12/11/20	2	2	0	Actions completed at the time of the audit.
<b>Totals</b>		<b>50</b>	<b>47</b>	<b>3</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
HDD04/001 Review of Information Management Arrangements	06/09/19	6	3	0	0	3
HDD01/005 Review of Absence Management Arrangements	18/11/19	7	2	0	0	5
HEE03/004 Local Full Fibre Network Project	06/03/20	4	3	0	0	1
HCC02/002.bf - Car Parks	15/04/20	12	8	0	0	4
HSC03/003 Investigation into administration and use of SDS package	17/11/20	4	1	0	0	3
<b>Totals</b>		<b>33</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>16</b>