

**REPORT TO: SCRUTINY COMMITTEE – 28 SEPTEMBER 2022**

**REPORT ON: INTERNAL AUDIT REPORTS - SUMMARY OF PROGRESS ON THE IMPLEMENTATION OF RECOMMENDATIONS**

**REPORT BY: ACTING SENIOR MANAGER – INTERNAL AUDIT**

**REPORT NO: 234-2022**

**1.0 PURPOSE OF REPORT**

To submit to Members of the Scrutiny Committee an update on the progress in implementing internal audit recommendations previously reported to and agreed by Management.

**2.0 RECOMMENDATIONS**

Members are asked to note the information contained within this report.

**3.0 FINANCIAL IMPLICATIONS**

None

**4.0 MAIN TEXT**

- 4.1. Standard 2500 of the Public Sector Internal Audit Standards (PSIAS) entitled Monitoring Progress states “the chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management”. In practice, this requirement is discharged by the Acting Senior Manager – Internal Audit ensuring that there are effective processes in place to capture assurances that audit recommendations have been implemented in full or if this is not the case that senior management are aware of the consequences and have accepted the risk.
- 4.2. The Internal Audit Plan submitted to the Scrutiny Committee annually contains a list of formal follow-up reviews to be undertaken by internal audit staff. This allocation is used to assess the extent to which recommendations previously agreed with management have been implemented. The outcomes of such reviews are formally reported to management. In addition, the Executive Summaries from these reviews are submitted to the Scrutiny Committee as part of the standing item on Internal Audit Reports.
- 4.3. It is not feasible within existing resources for the Internal Audit Service to carry out formal follow-up reviews of all areas previously audited. Therefore, to ensure compliance with the PSIAS, assurances are also formally sought from management via progress reviews. These progress reviews require management to provide an update of the action taken in respect of recommendations previously made. Pentana, the Council’s performance and risk management system, is used for this purpose. On the basis of these updates and taking cognisance of the potential risk if the actions previously agreed have not been implemented, a formal follow-up review may be subsequently undertaken by Internal Audit and reported to Committee in line with paragraph 4.2 above.
- 4.4. The Council has recently established a Risk and Assurance Board with membership at Head of Service level and which is chaired by the Executive Director of Corporate Services. Part of the remit of this Board is to consider progress with implementation of Internal Audit recommendations. This group has met twice in 2022/23 and it has been emphasised to services to provide updates on their outstanding recommendations and to complete them as soon as possible.

- 4.5. In line with previous year's progress reviews, updates on recommendations with implementation deadlines up to an agreed cut-off date have been included. The cut-off date utilised for reporting purposes this year is 31 August 2022. Historically, progress towards implementation of recommendations was not formally reported until the implementation deadlines had passed for all recommendations in an audit report.
- 4.6. The information in this report relates to the Internal Audit recommendations recorded in Pentana and which are due for completion on or before the 31<sup>st</sup> August 2022. The focus of this report is primarily on the Critical and Significant recommendations. Reference to the outstanding routine recommendations is also provided, together with a summary of those recommendations that are now fully completed since the last progress review.
- 4.7. A total of 147 recommendations from 71 internal audit reports were subject to a progress review as part of the 2022/23 Internal Audit Plan. This included 24 audit reports either finalised since the last progress review or where recommendations have become due since the last progress review was completed. Of these recommendations, 70 were also part of the 2021 Progress Review Exercise.
- 4.8. Some outstanding recommendations from the previous year's exercise have, however, not been included because planned audit work within the same area was undertaken and reported to Scrutiny Committee. The original reports, in which these recommendations were contained, are detailed in the table below along with the corresponding audit reports that superseded them. Implementation of these recommendations within the new audit reports is being monitored in line with standard working practices.

Audits which have been subject to a follow up since the previous progress review.

<b>Original Audit Report – Superseded</b>	<b>Planned Audit Work &amp; Corresponding Audit Reports</b>
2019/05 – Corporate – Travel and Subsistence	2021/07 Follow Up Review of Travel and Subsistence carried out and reported to Scrutiny Committee 27/04/22.
2018/30 – Mosaic	2021/08 – Follow Up Review of Mosaic carried out and reported to Scrutiny Committee 27/04/22.
2018/07 – Climate Change	2021/09 – Follow Up Review of Climate Change carried out and reported to Scrutiny Committee 27/04/22.
2020/10 – Materials Purchasing	2021/24 – Follow Up Review of Materials Purchasing carried out and reported to Scrutiny Committee 29/06/22.

- 4.9. The IJB internal audit reports which Internal Audit has been involved with have not been included in the progress review exercise, however, progress towards implementation of the recommendations contained within them can be found in the Governance Action Plan Progress Report submitted to each Performance and Audit Committee of the Dundee IJB.
- 4.10. Of the 147 recommendations subject to the progress review, 4 (3%) have been superseded, 74 (50%) have been fully implemented and 62 (42%) have been partly implemented. 7 (5%) recommendations are showing as not started or with no update recorded in Pentana. Good progress has been made since the last progress review in completing outstanding recommendations. Of the 74 which have been fully implemented, 6 were of critical importance, 38 were significant and 30 were routine.

- 4.11. Of the 69 audit recommendations marked as partly implemented or not yet started/updated, 39 of them do not currently have a revised completion date in Pentana (1 critical, 18 significant and 20 routine). 30 (1 critical, 25 significant and 4 routine) now have revised completion dates between 31st August 2022 and 31st March 2023. The Risk and Assurance Board referred to in Para 4.4 above, together with Internal Audit, will continue to review progress with these actions on a regular basis.
- 4.12. Attached at Appendix A are the five individual service area reports of those 19 critical and significant recommendations which do not have revised dates in Pentana or are still showing as not started/not updated. These reports provide the detail of the outstanding recommendations which are due for completion by 31st August 2022, including the date that they were originally due for completion, where available. Updates in Pentana on some of these reports have been made and Internal Audit will look to agree revised completion dates and continue monitoring of progress in due course, with focus on the critical and significant recommendations.
- 4.13. In terms of management responses as part of this progress review, there has been some slippage in the anticipated timeframes provided by management for the full implementation of some of the recommendations, which is offset by the progress made in completing the recommendations referred to at para 4.11 above. The specific reasons for this are varied across services, including delays in the replacement or implementation of IT systems, further progress being dependent on the outcome of decisions in terms of service provision and the impact of Covid19 in service delivery which has impacted on progress in some areas again this year.

## **5.0 POLICY IMPLICATIONS**

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

## **6.0 CONSULTATION**

The Chief Executive, Executive Director of Corporate Services, Head of Corporate Finance and Head of Democratic and Legal Services have been consulted on the content of this report.

## **7.0 BACKGROUND PAPERS**

None

David Vernon, Acting Senior Manager – Internal Audit

Date: 1 September 2022

*This page is intentionally left blank*

## Critical & Significant Actions overdue – City Development

Report Type: Actions Report  
 Generated on: 01 September 2022



Service Code	Audit Title	Action Code & Title	Priority	Progress	Original Due Date	Revised Due Date	Latest Note
IA-CDPE	Follow-up Review of Grant Funding	CSIA2016/06-1 Corporate Oversight and Approval	Significant	97%	31-Mar-2021	31-Dec-2021	Two Development Officers – External Funding & Major Projects recruited and started on 6th December 2021. The Corporate External Funding Unit now has its full complement of staff.

## Critical & Significant Actions overdue – Children and Families

Report Type: Actions Report

Generated on: 01 September 2022



Service Code	Audit Title	Action Code & Title	Priority	Progress	Original Due Date	Revised Due Date	Latest Note
IA-CFCJ	Respite Services	CSIA2020/03-1 Eligibility Criteria, Procedures and Guidance	Significant	<div style="background-color: #4f81bd; width: 60%; text-align: center; padding: 2px;">60%</div>	30-Apr-2021	31-Jan-2022	A new assessment tool to inform decisions on the nature and level of respite support is being introduced. The outcomes from the tool are being presented to a multi-agency Resource Management Group to consider and make joint decisions on proposals. All cases are then being reviewed at least once every 12 months. Implementation date December 2021.




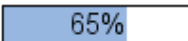
## Critical & Significant Actions overdue – Corporate Services

Report Type: Actions Report

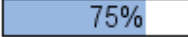
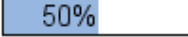
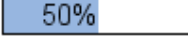
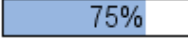
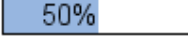
Generated on: 01 September 2022



Service Code	Audit Title	Action Code & Title	Priority	Progress	Original Due Date	Revised Due Date	Latest Note
IA-CSDL	Data Protection	CSIA2012/36-1 Policies and Procedures	Significant	90%	31-Mar-2014	31-Dec-2021	<p>The outstanding policy is currently being updated to include hybrid working and intended that the final draft be put before the Strategic Information Governance Group for review in September, before being presented for sign-off.</p> <p>Additional discussions are required about how best to disseminate the policy and its associated procedures, given its complexity.</p>
IA-CSHB	Lone Working	CSIA2017/07-1 Policies and Procedures	Significant	95%	01-May-2019	31-Mar-2022	<p>A complete review of the Council-wide lone working guidance is part of the H&amp;S Action Plan 2022-25; associated with this will be confirmation of operational arrangements in all service areas (to also include elected members lone working arrangements). This review will separate aggression and violence guidance from the lone working guidance (they are currently together). The updated guidance documents will reference each other but these need to be separate: aggression and violence is not the only hazard associated with lone working and lone working is not the only situation in which aggression and violence occurs.</p>

Service Code	Audit Title	Action Code & Title	Priority	Progress	Original Due Date	Revised Due Date	Latest Note
IA-CSHB	IR35	CSIA2017/10-2 Check Employment Status for Tax (CEST) Tool	Significant	 90%	30-Sep-2019	31-Dec-2021	<p>The New Supplier request/IR35 Firmstep process is up and running as of 1st October. The next step is to create the retest process which will be done by copying the current process and making some slight changes. This should be implemented by the end of December, in time for 6-monthly reviews to be possible in March 2022, as per the recommendation.</p> <p>IT bid will be submitted to create this process</p>
IA-CSHB	IR35	CSIA2017/10-4 Corporate Procurement Team (CPT)	Significant	 95%	30-Sep-2019	31-Dec-2021	<p>During the creation of the IR35 Firmstep process, it was identified that the starting point was at New Supplier Request. Therefore, this was adapted to become the New Supplier Request/IR35 process to ensure that there was no point that a manager could set up any form of payment or supplier until an IR35 assessment had been carried out. This will be implemented at the beginning of October.</p>
IA-CSHB	User Access Levels	CSIA2017/11-2e Access Provisioning - Northgate (HR & Payroll)	Significant	 85%	01-May-2019	31-May-2022	<p>Resourcelink Superusers have been reduced from 4 to 2, in line with audit recommendations. Ongoing review of employee access and removal of access for those who are not regularly logging in to Resourcelink is in place to mitigate access risk.</p>
IA-CSHB	Health & Safety Risk Assessments	CSIA2018/11-3 Hazard Identification	Significant	 65%	31-Mar-2020	31-Mar-2022	<p>The use of the hazard identification tool has been discontinued as it was found to be not fit for purpose. Risk assessments will be tracked using the Risk Assessment Management tool developed by Neighbourhood Services - this has been successfully implemented in that area and is an example of good practice. Further development and roll out of the RAM tool to other service areas will follow the completion of the CeRDMS to Sharepoint migration project (the tool currently operates from CeRDMS).</p>



Service Code	Audit Title	Action Code & Title	Priority	Progress	Original Due Date	Revised Due Date	Latest Note
IA-CSDL	Follow-up Review of General Data Protection Regulations (GDPR)	CSIA2020/19-4 Privacy Policies, Notices and Consent	Significant		31-Dec-2021	31-Dec-2021	Almost all Services have confirmed that they have carried out the review of these areas. The remaining Services have been asked to provide an update.
IA-CSDL	Follow-up Review of General Data Protection Regulations (GDPR)	CSIA2020/19-7 Subject Access Requests ("SAR")	Significant		30-Sep-2021	14-Jan-2022	Testing of system and documentation is on-going.
IA-CSIT	Project Management	CSIA2020/22-2 Project Manager Role, Responsibilities and Training	Significant		30-Sep-2021	17-Jan-2022	The training framework is now in place and copy sent to Internal Audit for follow-up audit. There is a cohort of qualified project managers and others participating in training.
IA-CSIT	Cyber Security	CSIA2020/25-2 IT Security Training	Significant		31-Jan-2022	31-Jan-2022	Package of requirements identified to LOD. Method of delivery of training being identified.
IA-CSHB	Incident Management	CSIA2020/29-2 Working Practices - Under Recording & Reporting of Incidents	Significant		31-Aug-2022	31-Aug-2022	The issue this action refers to was specifically in C&FS Children's Services. The Team Leader (Health and Safety) and Health and Safety Officer for C&FS, working with Children's Services management, identified the issue which was causing the perceived under-reporting. Changes to reporting procedures are currently being made; this work is ongoing as it requires changes to operational software but, once completed, will resolve the issue. These changes will be supported by training for employees.

Service Code	Audit Title	Action Code & Title	Priority	Progress	Original Due Date	Revised Due Date	Latest Note
							A review of incident reporting guidance and procedures is included in the Council Wide Health and Safety Action Plan 2022/25. This includes identifying the requirements and necessary functionality of an incident reporting/case management system, including whether this can deliver through workflows on the new Sharepoint platform, once available.
IA-CSCF	Purchasing	CSIA2021/02-1 Civica Purchasing System	Significant	<div style="background-color: #4F81BD; width: 85%; text-align: center; padding: 2px;">85%</div>	28-Feb-2022	28-Feb-2022	Purchase orders have been followed up and wording on new user form amended, review of users with systems access largely completed, a number of queries remain and will now be completed as soon as possible. The review has been delayed due to long-term absence of staff responsible for administering the system.

## Critical & Significant Actions overdue - IJB / HSCP

Report Type: Actions Report

Generated on: 01 September 2022



Service Code	Audit Title	Action Code & Title	Priority	Progress	Original Due Date	Revised Due Date	Latest Note
IA-HSCP	Self-directed Support	CSIA2015/29-2 Timely Return of Financial Monitoring Forms	Significant	<div style="width: 90%;"><div style="width: 90%;"></div></div> 90%		31-Dec-2021	<p>Work around improvements on the Mosaic system in relation to financial monitoring and annual reviews is continuing with reviews of forms being reviewed to ensure that the correct data is being recorded resulting in a reduced need for a manual process.</p> <p>We are currently exploring the implementation of a direct payment card system which improves access to monitoring ensuring correct regulation is in place to prevent issues arising that leave our citizens at risk. This offers live monitoring and would be a significant improvement including saving time and more efficient monitoring and timely use of allocated budgets to meet assessed need.</p>
IA-HSCP	Joint Community Equipment Service	CSIA2019/17-1 Partnership Agreement	Significant	<div style="width: 75%;"><div style="width: 75%;"></div></div> 75%	31-Oct-2020	31-Mar-2022	<p>Work has recommenced but awaiting a decision from both Dundee and Angus regarding education equipment and whether they are in scope or not.</p>
IA-HSCP	Follow-Up Review of Mosaic	CSIA2021/08-4 Super User Accounts	Critical	<div style="width: 90%;"><div style="width: 90%;"></div></div> 90%	31-May-2022	31-Aug-2022	<p>Process developed and report ready for sign off by Chief Social Work Officer.</p>

## Critical & Significant Actions overdue – Leisure and Culture Dundee

Report Type: Actions Report

Generated on: 01 September 2022



Service Code	Audit Title	Action Code & Title	Priority	Progress	Original Due Date	Revised Due Date	Latest Note
IA-LACD	L&CD Governance Arrangements	CSIA2020/17-3 Service Level Agreements and Memorandum of Understanding	Significant	<div style="width: 50%; background-color: #4f81bd; color: white; text-align: center;">50%</div>	31-Mar-2022	31-Mar-2022	All SLA's and MOU have been identified and reviewed. Formal review and discussion around updating SLA's and reviewing MOU to be held with DCC as part of the action plan of the LACD Short Term Governance working group, dates to be agreed.
IA-LACD	Gladstone MRM System	CSIA2021/17-1 Cash Sale Reconciliations	Significant	<div style="width: 95%; background-color: #4f81bd; color: white; text-align: center;">95%</div>	30-Sep-2022	31-Jul-2022	Difference thresholds agreed, just requires to be documented now in the procedural notes.