

REPORT TO SOCIAL WORK AND HOUSING COMMITTEE – 4 JUNE 2015

INTERNAL AUDIT REPORTS

1. Recommendation

- 1.1 **The Committee is requested to discuss and comment on the issues raised within this report and the attached appendix.**

2. Discussion

- 2.1 This report advises the Committee of progress made by Communities with implementing agreed recommendations (paragraph 2.3 and Appendix A). Assurances have been sought from officers regarding the implementation of agreed recommendations.
- 2.2 The Head of Finance and the Monitoring Officer within Business Services have been consulted and any comments made have been incorporated into this report.
- 2.3 Progress with agreed recommendations**
- 2.3.1 Appendix A shows progress made by the Service with completing agreed recommendations contained in Internal Audit reports. Where recommendations have not been completed by their original due date, reasons are provided along with the grading applied to the recommendation in the original Internal Audit report. An explanation of the gradings used is shown at appendix B.
- 2.3.2 Where it has been confirmed that all actions contained in reports issued before April 2015 have been fully completed, these reports are no longer shown.

3. Equalities, Staffing and Financial Implications

- 3.1 An equality impact assessment is not required because the reason for this report is for Committee to discuss and comment on the findings of Internal Audit work and there will be no differential impact, as a result of this report, on people with protected characteristics.
- 3.2 There are no staffing or financial implications arising directly from this report other than those implicit in the tightening of internal controls recommended in the Internal Audit reports.

CHIEF INTERNAL AUDITOR

Report prepared by David Hughes, Chief Internal Auditor.
22 May 2015.

APPENDIX A

POSITION WITH AGREED RECOMMENDATIONS AS AT 22 MAY 2015

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 30.04.15	Confirmed Implemented by Service	Not implemented by original due date	
1362	Building Maintenance Stores	March 2014	12	11	0	0	
1410	Adults with Incapacity	January 2014	4	1	3	3	3 Important
<p>As reported previously, the three overdue recommendations (graded "important within audited area") were due to be implemented by the end of December 2014, and relate to the Service giving consideration to providing additional support and guidance for employees involved in day to day management of client's finances, ensuring that the use of funds has been clearly specified in advance, and ensuring that the use of clients' funds is appropriately reviewed. A policy and procedure has been drafted and was being consulted on with a view to full implementation by the end of March 2015. The Service has now advised that there has been some debate in the Service regarding the documentation produced and it will not now be implemented until June 2015.</p>							
1429	Gas Servicing Procedures	February 2014	7	6	1	1	1 Important
<p>As reported previously, the overdue recommendation (graded "important within audited area"), was due to be implemented by the end of September 2014, and relates to updating procedures to reflect necessary changes. Procedures had been reviewed but still needed to be updated to reflect changes being implemented under Phase 2 of the Housing organisational review. The review of procedures was then widened following the appointment of a new Quality Assurance contractor and the Service had stated that they would not be complete until the end of April 2015. The Service has now advised that following approval of phase three of the organisation review, the gas Servicing Procedures will be completed by the end of May 2015.</p>							

Report Number	Report Title	Date Issued	Number of Recommendations			Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.15	Confirmed Implemented by Service	

1432	Social Work Client Transport	April 2014	17	16	14	2	1 Significant 1 Important
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As reported previously, one of the overdue recommendations was due to be implemented in September 2014. It relates to the Public Transport Unit considering simplification of the charging basis for internal and contracted-in transport services by providing Social Work with an annually reviewed unit cost rate (**graded "important within audited area"**). Transportation has advised that this will not be completed until June 2015 following delays in implementing some other recommendations that have now been completed.

The final overdue recommendation (**graded "significant within audited area"**) relates to Transportation using the Quick Quote facility of the Public Contracts Scotland website for procuring transport requirements from external operators at short notice. This was due to be implemented by the end of March 2015. The Service has advised that this has not been completed due to staffing issues and a major procurement exercise (covering all mainstream home-to-school transport and local bus service contracts) taking priority. However, a number of PTU staff have now been trained in using the Quick Quote facility and the intention is to introduce this for non-scheduled tendering of all passenger transport services in August 2015, when a new Framework Agreement for emergency school, local bus and Demand Responsive Transport service tendering is implemented. Procurement of this Framework Agreement is currently underway, with a view to reporting to Policy and Resources Committee in June 2015 to seek establishment of the Framework Agreement. An August implementation date will also allow the Service time to advise and, if necessary, train operators in use of the facility.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 34.04.15	Confirmed Implemented by Service	Not implemented by original due date	
1447	Change Fund	November 2014	6	5	4	1	1 Significant
<p>The overdue recommendation (graded "significant within audited area"), was due to be implemented by the end of March 2015, and relates to the Service identifying projects which can be incorporated into or replace mainstream activities, and mainstream activities where disinvestment can be carried out, as a matter of priority. Due to staff changes, the Service has stated that this will now be implemented in May 2015.</p>							
1452	CareFirst System	October 2014	8	6	6	0	0
1504	HRA Business Plan	July 2014	1	0	0	0	0
1512	Financial Assessments	November 2014	8	8	7	1	1 Significant
<p>The overdue recommendation (graded "significant within audited area"), was due to be implemented by the end of March 2015, and relates to the Service ensuring that Financial Assessment Forms are fully completed, and that it is made clear on forms that all sections have been considered. Training on this has still to be completed for some staff groups and the Service has stated that this will now be completed by the end of May 2015.</p>							
1528	Homeless Persons Budget	February 2015	6	5	5	0	0

APPENDIX B

Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
Major at a Service Level / within audited area	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.

