

# The Highland Council

<b>Agenda Item</b>	<b>8</b>
<b>Report No</b>	<b>AC/23/24</b>

**Committee:**                      **Audit Committee**

**Date:**                              **26 September 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 5 of this report.
- 1.2 The outcome of this process is reported to the Audit Committee. This report provides details of the action tracking completed for all outstanding actions at the end of July 2024.

## **2. Recommendation**

- 2.1 The Committee is invited to scrutinise 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) or Gaelic implications. One agreed action in relation to the audit on Climate Change Plans and Implementation was provided with revised action dates.

## 4. Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is an update report and therefore an impact assessment is not required.

## 5. Action Tracking Process

- 5.1 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 Assistant Chief Executive.
  - (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.
- 5.2 In addition to the above, monthly reports are provided to each of the Assistant Chief Executives detailing all outstanding recommendations within their service cluster which enables them to monitor progress leading up to the target dates when these should be completed.

## 6. Action Tracking Results

### 6.1 Summary report

There are currently 82 agreed actions in progress, of which 38 (46%) have revised action dates.

The report attached as **Appendix 1** provides a summary of actions which have been subject to the action tracking outlined above. The table details the audits where management agreed actions had passed their agreed target date and were subject to action tracking at the end of July 2024. Overall, this shows that 11 (42%) of the 26 actions tracked had been completed with revised target dates agreed for the remainder.

### 6.2 Actions with revised target dates

Action tracking at the end of July 2024 resulted in 15 actions with revised action dates associated with 6 audits, further details are provided below. The original

target date for implementation and the most recent revised date are also shown in brackets.

#### Car Parks (One Low priority action)

The revised off street traffic regulation order has been further delayed due to the request to add additional Car Parks by Members. Now scheduled to be advertised by 1 December 2024. (Target date 01/07/20 revised to 1/12/24).

#### Climate Change Plans and Implementation (One High priority action)

A timescale for the development of a Highland Council adaptation strategy should be set. Issues with recruiting to the Adaption post were resolved in April. In the interim Highland Adapts have progressed work on the regional Climate impact assessment which we are now in the process of aligning to the Council's net zero strategy, a draft approach is expected to be ready for consultation in November 2024 with final review by the Climate Change Committee in quarter 4 of this year. (Target date 31/03/24 revised to 31/03/25).

#### Corporate Landlord Model (Two High priority actions)

- (i) Management should continue to highlight the risks associated with the Council being unable to provide safe and effective property and determine contingency plans for critical property that is unsafe or unable to be used. The Chief Officer - Property and Assets confirmed that the Property Compliance Board will reconvene week commencing 23/09/24, where property risks will be reported, discussed, and tracked to ensure that effective risk mitigations are adopted. (Target date 1/05/24 revised to 27/09/24).
- (ii) Management must prepare a programme to demonstrate that the Council's assets will be properly maintained consistently in compliance with corporate standards and with health and safety requirements. Additionally, records should be maintained to confirm that properties are being inspected in accordance with the programme/ standards. The Chief Officer - Property and Assets confirmed that the approval to recruit the in-house property survey team will enhance the ability to increase the number of property surveys per annum. The area where it is likely that random buildings have been added to the estate are in relation to the depot estate (salt barns) and these will be fully surveyed within the next 12 months. Any additional buildings identified via the survey process will be entered into the Corporate Property Database and maintained accordingly, in line with available funding. (Target date 31/05/24 revised to 31/08/25).

#### Residential Care Units investigation (Three actions, one high priority and two medium priority).

- (i) High priority – Management should ensure that the appropriate follow up action is taken following serious incidents involving children and young persons. This should consider all relevant factors that led to the incident and action that should be taken to prevent any further occurrences.
- (ii) Medium Priority – The processes for the completion of Incident Reports and Violent Incident Reports should be reviewed and instructions prepared outlining when these should be prepared. These should be circulated to all staff to ensure that they are aware of the importance of completing the correct report in all circumstances.

For both actions above, the existing processes in place are to be reviewed further, to fully adopt Assure, to comprehensively include violent incident recording and to ensure that the required actions are met. However as is

currently the case all serious incidents will be highlighted through levels of management to ensure senior council officers are immediately aware of events. There is a new Children's Service Manager in post and the Strategic Lead has confirmed that arrangements are being progressed as a matter of urgency. (Target date 31/08/2023 revised to 31/12/2024).

- (iii) Medium priority - A full review of the overarching Health and Social Care Service policies and procedures for residential units should be completed and supported by individual policies relevant to each of the Units. As part of a wider review of policy and guidance across Children's Services, a steering group is being developed to oversee new policy and guidance developments. This group will be responsible for agreeing constancy in formatting and template, version control and reviewing. The group will also support a workplan for policy, procedures and guidance developments and ensure there are robust mechanisms to read across with other existing guidance/service areas to ensure consistency in approach and policy. The first meeting of the Policy and Procedures Steering group is being arranged for September 2024 and will have membership across the service as well as relevant partner agencies and multi-agency forums such as the Child Protection Committee to ensure a consistency of approach. (Target date 31/03/23 revised to 30/10/24).

#### Review of Financial Procedures in Schools (1 High Priority, 1 Medium)

- (i) High priority - The findings of this audit should be shared with all schools. For all the recommendations and areas of concern identified in this audit and previous audits the Finance and Education Services should ensure there is a robust mechanism in place for following up with schools to ensure the required actions are effectively implemented. The Education Service should report to the Education Committee on the findings of their follow up to show whether compliance has improved. A spreadsheet is being maintained by Finance which will track meetings with Head Teacher which will be reported to the Education Committee in February 2025. (Target date 30/06/24 revised to 28/02/25).
- (ii) Medium Priority - Schools should be instructed to comply with Section 19 of Financial Regulations and the associated Instruction notes requiring an inventory to be compiled. For schools moving to new premises, procedures should be created covering item disposal and movement of items to the new building. Written agreement should be sought with the Service Finance Team on how any money raised from sales of disposed items is to be treated. Such a procedure and agreement should be in place for any school moving to new buildings. The Interim Head of Service (Resources) Education & Learning Service confirmed regarding School inventories that further consideration is being given to what items are already catalogued within schools such as IT equipment. Technical and PE equipment, it will then be decided what, if any other equipment needs to be included in an inventory. Appropriate advice will be provided to schools that are closing merging in terms of disposal of excess furniture and equipment. (Target date 30/06/24 revised to 31/12/24).

#### Review of the use and control of imprests in Health and Social Care (HSC) establishments (Six actions, five medium and one low priority).

Medium priority actions:

- (i) Instructions on complying with Financial Regulations will be issued. Finance are currently revising imprest procedures and guidance in response to a previous internal audit of imprests. HSC will develop supplementary guidance to help staff comply with Financial Regulations. Finance issued a Microsoft

Form and the financial regulations in May 2024. Imprest holders to confirm that they were working in line with financial regulations. Finance to chase those who have not familiarised themselves with financial regulations. (Target date 31/03/24 revised to 30/11/24).

- (ii) Instructions will be issued to ensure that the official claim form is used for all imprest claims. Receipts must be provided to evidence all expenditure. Written guidance on what is and is not acceptable spend via cash should be issued to all sites. This will signpost staff to alternative methods of purchase and link into the Health and Social Care Service's plans to reduce cash use. Imprest procedures should be revised to show how to account for any situation where money is returned. Ongoing work to develop new procedure. (Target date 31/03/24 revised to 30/11/24)
- (iii) HSC are in the process of standardising their practices and procedures. The points in the recommendation will be actioned. Ongoing work to develop new procedure. (Target date 31/03/24 revised to 30/11/24)
- (iv) An action plan will be developed setting out the possible alternative methods of payment and what work would be needed to implement these. Health and Social Care will hold meetings with peers in other local authorities to explore how services can be or are already delivered using alternative methods of payment. This knowledge sharing will feed into the action plan. Ongoing work with Finance held back due to new Finance system being implemented and the availability of Finance staff to schedule meetings with HSC Accountant and Business Support Staff to discuss cash needs/imprest requirements. (Target date 31/03/24 revised to 31/10/24)
- (v) Part of the action plan will involve deciding where to use existing options to a greater extent for example targeted use of purchase cards or using official orders for some items. Finance have established a new resource to look more closely at imprests and purchase cards in conjunction with one another and will assist Health and Social Care with the action plan. Procedure notes and training being prepared for pre-paid cards. (Target date 31/03/24 revised to 31/10/24).

Low priority action:

HSC will finalise the closure of imprests that are rarely used or no longer needed, ensuring reconciliations are done before closure. This will be discussed in the Finance Meeting with Accountant and Business Support when discussing cash needs. (Target date 31/03/24 revised to 31/10/24).

Designation: Strategic Lead (Corporate Audit & Performance)

Date: 4 September 2024

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

Audit Name	Service Cluster	High		Medium		Low		Action Tracking Results			
		Due	Complete	Due	Complete	Due	Complete	Due	Complete	Revised action date	Percentage complete
Car Parks	Place					1	0	1	0	1	0%
Cheque control arrangements	Corporate			1	1			1	1		100%
Climate Change Plans and Implementation	Place	2	1					2	1	1	50%
Corporate Landlord Model	Place	2	0					2	0	2	0%
Governance of Arms Length External Organisations and Partnerships	Corporate			1	1			1	1		100%
Residential Care Units Investigation	People	1	0	2	0			3	0	3	0%
Review of Capital Projects	Place	1	1					1	1		100%
Review of commissioned children's services	People	2	2	1	1			3	3		100%
Review of Financial Procedures in Schools	People	1	0	3	2			4	2	2	50%
Review of Payroll Control Environment	Corporate	1	1					1	1		100%
Review of the use and control of imprests in HSC establishments	People			6	1	1	0	7	1	6	14%
<b>Grand Total</b>		<b>10</b>	<b>5</b>	<b>14</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>26</b>	<b>11</b>	<b>15</b>	<b>42%</b>
<b>Percentage complete</b>			<b>50%</b>		<b>43%</b>		<b>0%</b>				