

Appendix 2 Internal Audit Recommendations – In Progress

As at 17 December 2020

Audit Recommendation (Risk Rating)	Rating	Due Date	Progress	Service
2016/17 - Monitoring of External Care Homes - Average Assurance Rating				
The system (Mosaic) should be updated to allow staff to send work flow notifications relating to the care home.	Medium	31-Jan-2021	75%	Corporate Solutions
2016/17 - Stores - Average Assurance Rating				
Management should periodically review the scope for reducing paper and capture of electronic information to streamline the Stores processes.	Medium	31-Mar-2022	80%	Corporate Solutions
2016/17 - Sundry Debt - Average Assurance Rating				
The procedure for Sundry Debt detailed in the Financial Directive should be expanded into a broader procedure note. Additionally, the Sundry Debt risk register should be updated quarterly.	Medium	31-Dec-2020	0%*	Corporate Solutions
2017/18 - Climate Change - Average Assurance Rating				
Management should: ensure the Climate Change risk assessment is undertaken; and consider using the Climate Change Assessment Tool.	Medium	31-Jan-2021	65%	Place Service
2017/18 - Complaints - Average Assurance Rating				
For implementation of the new CRM, address access permissions, integrate letter templates, set up deputies for feedback officers, combine customers with multiple UCRNs, and date controls to ensure closure date input does not precede date of complaint.	Medium	31-Mar-2021	0%	Chief Executive
Similarly, for the 2017/18 Annual Complaints report more steps should be taken to report on Customer Satisfaction with the Complaints procedure.	Medium	31-Mar-2021	0%	Policy and Scrutiny Team
2018/19 - Tyne Esk LEADER 2018/19 - Follow-up Audit reports are not given an overall rating; 2019/20 - Tyne ESK LEADER - Substantial Assurance				
The performance monitoring aspects of the Communications Plan should be progressed	Low	31-Mar-2021	50%	Place Service
2018/19 - Developer Contributions follow up review - Follow-up reviews are not given an overall rating				
A procedure should be developed that covers the entire developer contribution process identifying which steps in the process are to be carried out by each Service. Each Service should then develop local procedures in their area.	Medium	31-Dec-2020	70%*	Place Service
2018/19 - Follow-up of Audit Recommendations 2018/19 - Follow-up Audit Reports are not given an overall audit rating				
A policy needs to be established, to either refund credit balances or to update records if the customer in credit is not traceable. The aged Sundry Debt credit balances held by the Council should be addressed once the policy is agreed.	Medium	31-Dec-2020	0%	Corporate Solutions

Audit Recommendation (Risk Rating)	Rating	Due Date	Progress	Service
2018/19 - Following the Public Pound 2018/19 - Substantial Assurance				
The 'Provider Fitness Check' process should be rolled out to all relevant contracts with outside bodies within the Education, Communities and Economy Directorate	Medium	31-Dec-2020	75%	Corporate Solutions
2018/19 - Payroll - Starters and Leavers - Substantial Assurance				
Quality assurance checking of data entered into the iTrent system and a periodic system review should be undertaken to ensure data is accurate and complete	Medium	28-Feb-2021	80%	Corporate Solutions
2018/19 - Revenue Financial Budget Monitoring - Limited Assurance				
The vacant post of Senior Accountant supporting Education, Communities and Economy Directorate should be filled. The Council should consider full adoption of a Finance Business Partner model in order to facilitate better decision making.	Medium	31-Dec-2020	50%	Corporate Solutions
2018/19 - Sales to Cash - Substantial Assurance				
The updated Financial Regulations need to include the controls and governance over how refunds should be processed in service areas.	Medium	31-Dec-2020	0%	Corporate Solutions
A sample check should be undertaken on the VAT treatment for the income collected via the ICON receipting system.	Low	31-Dec-2020	0%	Corporate Solutions
2018/19 - Workforce Strategy and Planning - Substantial Assurance				
The Council's Workforce Strategy should be reviewed in order to ensure it properly fits with the revised priorities arising from the Council's acute financial pressures as reflected in financial, business and transformation plans.	High	31-Dec-2020	33%	Corporate Solutions
CS - Revision to Service Workforce Plans and Action Plans are required for reasons set out in recommendation 5.1 including analysis of future workforce requirements, gap analysis and gap closing strategies, and performance measures and target setting for evaluation of success in delivering the Workforce Plan.	High	31-Dec-2020	25%	Corporate Solutions
ASC Revision to Service Workforce Plans and Action Plans are also required for reasons set out in recommendation 5.1 including analysis of future workforce requirements, gap analysis and gap closing strategies, and performance measures and target setting for evaluation of success in delivering the Workforce Plan.	High	31-Dec-2020	35%	Adult Health and Social Care
PLACE Revision to Service Workforce Plans and Action Plans are also required for reasons set out in recommendation 5.1 including analysis of future workforce requirements, gap analysis and gap closing strategies, and performance measures and target setting for evaluation of success in delivering the Workforce Plan	High	31-Dec-2020	50%	Chief Officer Place
A formal review process for monitoring the delivery of Service Workforce Plans and Action Plans should be introduced, along with evaluation of outcomes against performance measures and targets.	Medium	28-Feb-2021	25%	Corporate Solutions

Audit Recommendation (Risk Rating)	Rating	Due Date	Progress	Service
ASC Workforce planning processes should be aligned with business and financial planning processes, through timetabling and closer working of HR Business Partners with performance and finance colleagues to support Directors and Service Managers.	Medium	31-Dec-2020	30%*	Adult Health and Social Care
PLACE Workforce planning processes should be aligned with business and financial planning processes, through timetabling and closer working of HR Business Partners with performance and finance colleagues to support Directors and Service Managers.	Medium	31-Dec-2020	50%	Place Service
2019/20 - Asset Registers - Substantial Assurance in terms of accuracy of main registers and insurance arrangements. Limited Assurance in terms of utilisation reporting, low value plant, and some improvements noted as required for asset disposal				
Improve and consolidate road and footpath asset management data in Confirm system, and improve the referencing to road adoption / acquisition documentation.	Low	31-Mar-2021	0%	Place Service
Digital Services Asset utilisation reporting should be further developed by Services across the Council.	Medium	31-Dec-2020	65%	Corporate Solutions
2019/20 - Business Planning, Budget Setting and Monitoring - Limited Assurance relating to budgets set for 2019/20 and associated monitoring and reporting processes. Limited Assurance relating to budgets set for 2019/20				
The Financial Services team should review budget monitoring reporting at other local authorities of a similar size to Midlothian. Opportunities exist to present reports in more detail and with greater clarity for users than are currently produced; a fuller explanation of the reasons and implications of revisions to budgets during the year would be helpful to aid all stakeholders in their understanding of the budget position.	Medium	31-Jan-2021	50%	Corporate Solutions
2019/20 - Change and Transformation Programme - Limited Assurance				
Service areas should place greater emphasis on developing truly ambitious initiatives which will transform the way that services are delivered. As transformational changes may have long lead times this work should be undertaken at the earliest opportunity. Each Directorate should have a Change Board to develop savings proposals and implementation plans, and to monitor their delivery.	High	31-Mar-2021	75%	Adult Health and Social Care
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Audit Recommendation (Risk Rating)	Rating	Due Date	Progress	Service
undertaken at the earliest opportunity. Each Directorate should have a Change Board to develop savings proposals and implementation plans, and to monitor their delivery.				
BTB should call in underlying plans for existing higher value proposals and assess how robust/realistic those plans are in terms of delivery. Where FISS have already completed an assessment BTB should have due regard to their findings and undertake further enquiry where appropriate. In future where a proposal has significant financial implications BTB should review the planning documentation and satisfy themselves as to the viability of the initiative <u>before</u> allowing admission to the programme	High	31-Mar-2021	75%	Adult Health and Social Care
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2019/20 - Electronic Payment Systems - Substantial Assurance				
There should be up to date documentation mapping out the flow of transactions for all relevant payment systems. The Eform for the interface reconciliation for Council Tax refunds made via cheque should be implemented.	Low	31-Dec-2020	50%	Corporate Solutions
Authorisation types in the Payment Guidelines need to be clarified and the signatory authorities detailed in the Authorised Signatories Database (ASD) relating to electronic payments should be reviewed to make sure the signatories are appropriate.	Low	31-Dec-2020	0%	Corporate Solutions
For the two systems identified in the audit review, there should be exception reporting and segregation of duties in place to review any changes to bank details made before payment.	Low	31-Dec-2020	0%	Corporate Solutions
2019/20 - Information Governance (Records Management) - Substantial Assurance for the majority of the elements in the Council's records management plan				
The Council's RMP should be updated and a records management action plan should be formalised and progress reported as part of the IMG's update to management.	Medium	31-Mar-2021	75%*	Corporate Solutions

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Progress should be made in addressing the outstanding record reviews, destructions, and the records with no retention category in the Iron Mountain system.	Low	31-Dec-2020	35%	Corporate Solutions
Management should develop a plan for reviewing records held on Windows directory drives, establish the compliance of all Council systems in relation to records retention rules, and improve the link between lead application officers and the RADM Team Lead.	Low	31-Mar-2021	20%	Corporate Solutions
A programme of quality assurance reviews should be developed and commenced for the Information Asset Registers and adequate guidance should be created to support services in the identification of their vital records.	Low	31-Mar-2021	20%	Corporate Solutions
The records management e-learning package should be promoted as part of the refreshed GDPR training and the Council's Records Champions listing should be reviewed to ensure it is accurate and up to date.	Low	31-Mar-2021	75%	Corporate Solutions
2019/20 - Procurement and Management of Contracts - Limited Assurance				
Plans for the future delivery of the Procurement function should be urgently developed to ensure there is sufficient capacity to deliver an effective and efficient service.	High	31-Dec-2020	10%	Corporate Solutions
Contracts that have expired should be urgently retendered to ensure that the Council is obtaining best value.	High	31-Mar-2021	50%	Corporate Solutions
Contract and supplier management processes require to be strengthened, including a system to manage contracts, resource to monitor and manage contractors, and sufficient performance measures built into every contract for adequate monitoring.	Medium	31-Jan-2021	0%	Corporate Solutions
The improvement actions arising from the Scotland Excel PCIP assessments, the Council's self-evaluation and audit recommendations should be progressed.	Medium	31-Dec-2020	0%	Corporate Solutions
A Quality Assurance arrangement should be developed and implemented as a matter of urgency to ensure the necessary improvement actions are being implemented and to continuously improve this service area.	Medium	31-Dec-2020	0%	Corporate Solutions
2020/21 Tyne Esk Leader Programme 2020/21 - Substantial in terms of governance of the programme and grant application management. Assurance is limited for the grant claims processes				
Management should ensure there is sufficient staff resource to bring the LEADER programme to its end, support the completion of project claims and associated tasks, and support the grant drawdown process from the Scottish Government.	Medium	31-Dec-2020	0%	Place Service
Tyne Esk LEADER should undertake a quality check of the LEADER projects information on the web-portal system provided by the Scottish Government for completeness and accuracy (taking account of the Internal Audit findings).	Low	31-Mar-2021	0%	Place Service