

Finance and Resources Committee

10.00am, Tuesday 25 June 2024

Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 29 April 2024 – referral from the Governance, Risk and Best Value Committee

Executive/routine

Executive

Wards

1. For Decision/Action

The Governance, Risk and Best Value Committee has referred the Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 29 April 2024 report to the Finance and Resources Committee for ongoing scrutiny of the overdue Internal Audit actions relevant to its remit.

Dr Deborah Smart

Executive Director of Corporate Services

Contact: Andrew Henderson, Committee Officer
Legal and Assurance Division, Corporate Services Directorate

E-mail: andrew.henderson@edinburgh.gov.uk | Tel: 0131 529 4264

Referral Report

Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 29 April 2024 – referral from the Governance Risk and Best Value Committee

2. Terms of Referral

- 2.1 Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 29 April 2024
- 2.2 The Governance, Risk and Best Value Committee agreed:
 - 2.2.1 To note the status of open and overdue Internal Audit (IA) actions and key performance indicators as at 29 April 2024
 - 2.2.2 To refer this paper to the relevant Council Executive committees for ongoing scrutiny of the overdue IA actions relevant to their respective remits; and
 - 2.2.3 To refer this paper to the Edinburgh Integration Joint Board Audit and Assurance Committee for information in relation to the current Health and Social Care Partnership position.

3. Background Reading/ External References

- 3.1 [Governance, Risk and Best Value Committee – 07 May 2024 – Webcast](#)

4. Appendices

Appendix 1 – Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 29 April 2024

Governance, Risk and Best Value Committee

10.00am, Tuesday, 7 May 2024

Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 29 April 2024

Executive/routine

Wards

1. Recommendations

- 1.1 It is recommended that the Committee:
 - 1.1.1 notes the status of open and overdue Internal Audit (IA) actions and key performance indicators as at 29 April 2024
 - 1.1.2 refers this paper to the relevant Council Executive committees for ongoing scrutiny of the overdue IA actions relevant to their respective remits; and
 - 1.1.3 refers this paper to the Edinburgh Integration Joint Board Audit and Assurance Committee for information in relation to the current Health and Social Care Partnership position.

Laura Calder

Head of Internal Audit

Legal and Assurance, Corporate Services Directorate

E-mail: laura.calder@edinburgh.gov.uk | Tel: 0131 469 3077

Report

Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 29 April 2024

2. Executive Summary

- 2.1 This report provides an update to Committee on progress of open and overdue Internal Audit (IA) management actions and key performance indicators as at 29 April 2024.
- 2.2 As at 29 April 2024 there were a total of 210 open IA management actions, with 17 of these overdue (8%), an increase of 2 compared to January 2024 (15).
- 2.3 Further detail on the status of open and overdue actions as at 29 April 2024 is provided in the open and overdue performance dashboard at [Appendix 1](#). This includes a comparison with January 2024.

3. Background

- 3.1 Progress in implementing open and overdue management actions raised in IA reports are reported monthly to the Corporate Leadership Team (CLT) and quarterly to the GRBV Committee.
- 3.2 This report specifically excludes open and overdue findings that relate to the Edinburgh Integration Joint Board (EIJB) and the Lothian Pension Fund (LPF). These are reported separately to the EIJB Audit and Assurance Committee and the Pensions Audit Sub-Committee respectively.
- 3.3 IA Key Performance Indicators (KPIs) to support effective and timely delivery of the IA annual plan were agreed by CLT and GRBV in March 2024 as part of the Internal Audit Charter.

4. Main report

Open and overdue management actions

- 4.1 [Figure 1](#) of the IA activity dashboard at [Appendix 1](#) illustrates that as at 29 April 2024 there were 210 open IA actions across the Council, with 17 actions (8%) overdue, and 193 actions (82%) not yet due.
- 4.2 The movement in open and overdue IA actions for the period 30 January to 29 April 2024 is reflected in [figure 2](#) which highlights that the total number of open actions

increased by 70 as a result of completed audits during the reporting period (from 140 to 210).

- 4.3 [Figure 2](#) also demonstrates the number of overdue actions have increased from 15 to 17 since the last update.
- 4.4 [Figure 2](#) also highlights that during the period a total of 41 IA actions were closed across the Council and 111 new IA actions were created.
- 4.5 Evidence for four actions related to the jointly owned HSCP and Children's Services Transitions audit are currently being reviewed by IA. IA has continued to achieve the established KPI for reviewing all implemented management actions.
- 4.6 [Figure 3](#) and [Figure 4](#) illustrate the allocation of the 17 overdue management actions across all directorates. [Figure 4](#) shows the composition of the 17 overdue management actions as 4 High, 11 Medium and 2 Low rated management actions.

Ageing profile of overdue actions

- 4.7 [Figure 5](#) compares the ageing profile of current (April 2024) overdue management actions with the last reported period (January 2024) and shows actions overdue for:
- less than three months have decreased from 18 to 10
 - three to six months have decreased from 3 to 2
 - six months to one year have remained constant at 4
 - more than 1 year have decreased from 2 to 1.
- 4.8 The analysis of the ageing of the 17 overdue management actions across directorates shown at [figure 6](#).
- 4.9 Appendix 2 provides details of all overdue management actions as at 29 April 2024 together with an update from management on progress with the action.

Management actions closed based on management's acceptance of risk

- 4.10 One management action was closed based on management's acceptance of risk during the period 30 January to 29 April 2024. Please refer to Appendix 3 for details.

IA Annual Plan Delivery

- 4.11 [Figure 7](#) shows that 72% of the [23/24 IA plan](#) is complete as at 29 April 2024 with 31 audits completed, 11 audits in reporting and 1 audit in fieldwork. Further detail on plan delivery and audit outcomes is provided in the Quarter 4 update report.

IA Key Performance Indicators (KPIs)

- 4.12 Meeting the KPIs set out in the [agreed audit journey map](#) is essential to support on-time delivery of the 2023/24 plan and timely preparation of the annual audit report for committee.
- 4.13 KPI performance to date is set out at [Figure 8](#). There have been delays across the following areas:
- delays in services providing comments on terms of reference

- delays during fieldwork due to late response/provision of evidence and supporting information from services
- delays in services providing agreed management responses
- delays in Head of Service/ Directors approving of reports.

4.14 A new process to support Executive Director review of terms of reference and reports has been implemented with Internal Audit booking review slots in diaries several weeks in advance to support timely completion and finalisation.

4.15 IA will continue to remind officers of the agreed KPIs and will escalate delays to Executive Directors as required to ensure completion of the remaining 2023/24 audits in time for reporting to the June 2024 Committee.

End of audit surveys

4.16 Services are also encouraged to return end of audit surveys which provide feedback on the audit process and contribute towards continuous improvement in the audit team.

4.17 During Q4, end of audit surveys were issued for 8 audits to a total of 21 key contacts and a total of 7 responses (33%) were received. Informal positive feedback was also received directly from a number of services. IA will continue to remind services to complete audit surveys to enable the team to improve where required.

A summary of responses is set out below:

- 86% agreed that the audit objectives and scope were clear and focused on the key risks
- 86% agreed that recommendations were factually accurate, addressed the risks identified, and were relevant and achievable
- 100% agreed their views were considered and reflected in the final report (where appropriate) and
- 100% agreed there was regular contact throughout the audit the audit team was professional, engaged effectively with their team, and demonstrated a willingness to understand their perspective.

5. Next Steps

5.1 IA will continue to monitor the open and overdue actions position and performance against KPIs providing monthly updates to the CLT and quarterly updates to the GRBV Committee.

6. Financial impact

6.1 There are no direct financial impacts arising from this report, although failure to close management actions and address the associated risks in a timely manner may have some inherent financial impact.

7. Equality and Poverty Impact

- 7.1 None. An assessment is not required because the reason for this report is to report Internal Audit activity to Committee. Consequently, there will be no differential equality or poverty impacts, as a result of the proposals in this report.

8. Climate and Nature Emergency Implications

- 8.1 None. The reason for this report is to report Internal Audit activity to Committee. Consequently, there will be no differential climate or nature emergency implications, as a result of the proposals in this report.

9. Risk, policy, compliance, governance, and community impact

- 9.1 This report identifies several specific impacts on, and areas of improvement for the Council's risk, policy, compliance, and governance frameworks. Management should seek to take adequate steps to reduce the impacts across the key risk areas set out.
- 9.2 Council officers and elected members are consulted on the findings of Internal Audit throughout the year. No specific consultations have taken place in relation to this report.

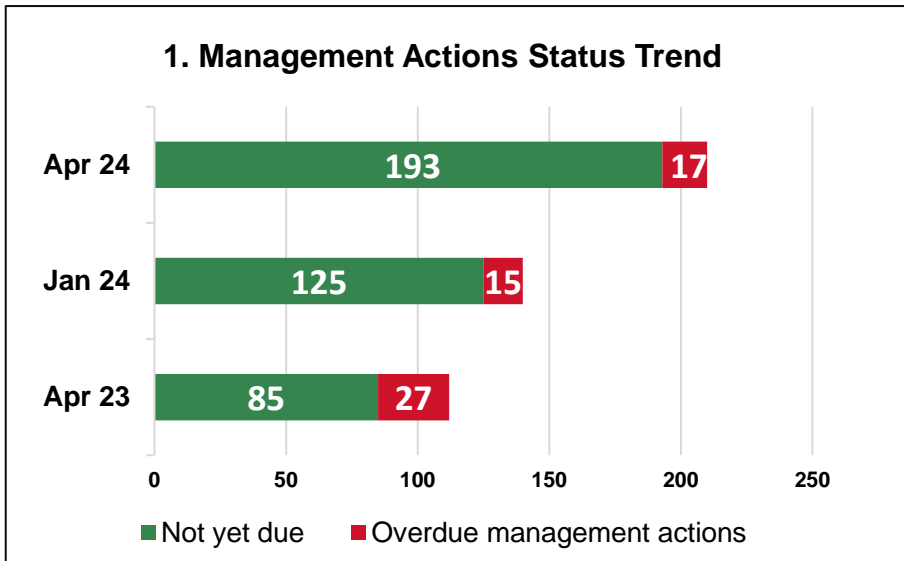
10. Background reading/external references

- 10.1 [Open and Overdue IA Findings – Performance Dashboard as at 29 January: GRBV February 2024](#)
- 10.2 [Internal Audit journey map and key performance indicators – GRBV March 2024](#)

11. Appendices

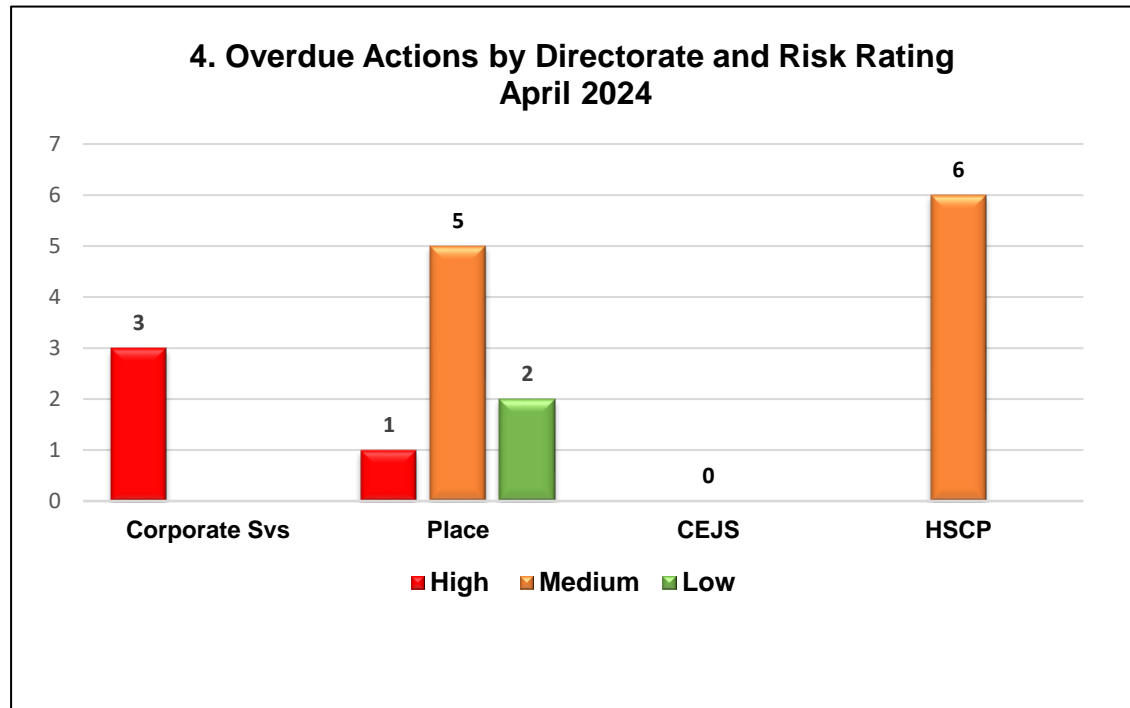
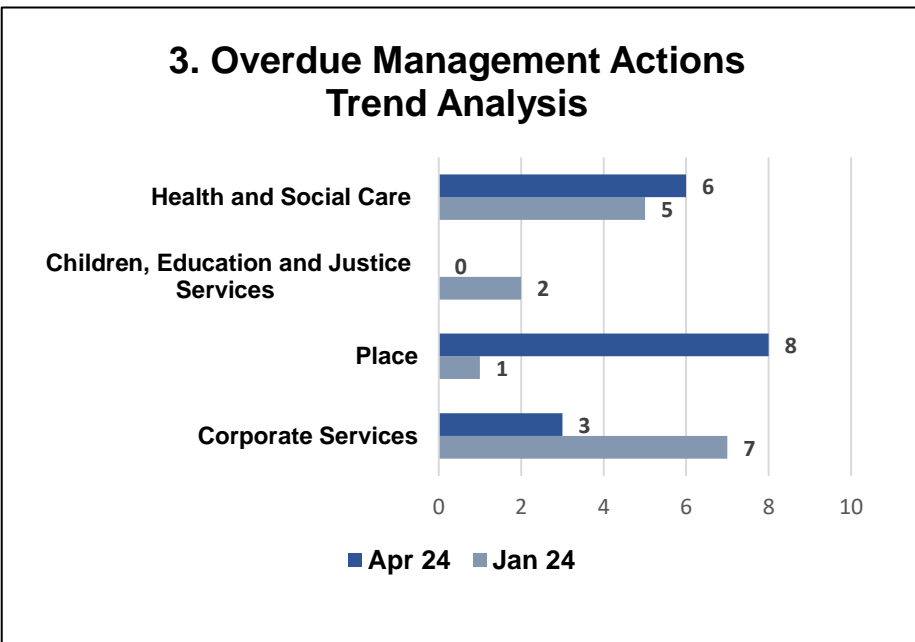
- 11.1 Appendix 1: IA Performance Dashboard as at 29 April 2024
- 11.2 Appendix 2: Overdue IA actions as at 29 April 2024
- 11.3 Appendix 3: Actions closed management accept risk 30 January to 29 April 2024

Appendix 1: IA Performance dashboard as at 29 April 2024

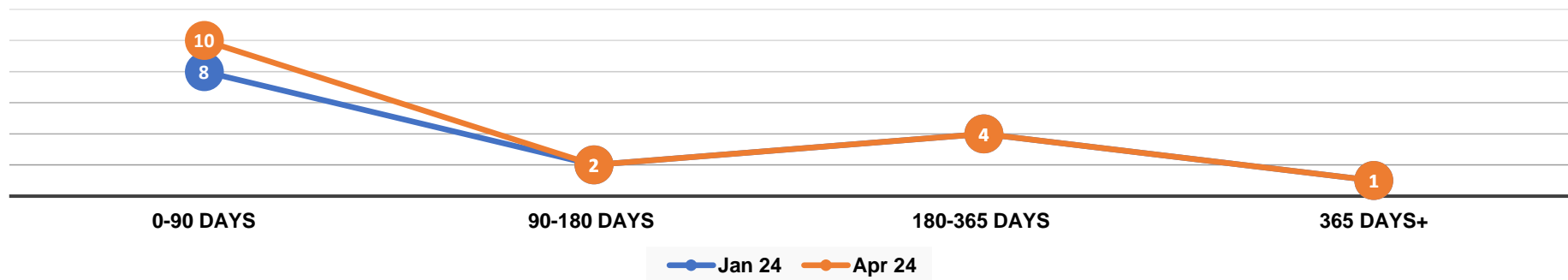


2. Analysis of changes in management actions between Jan to Apr 2024

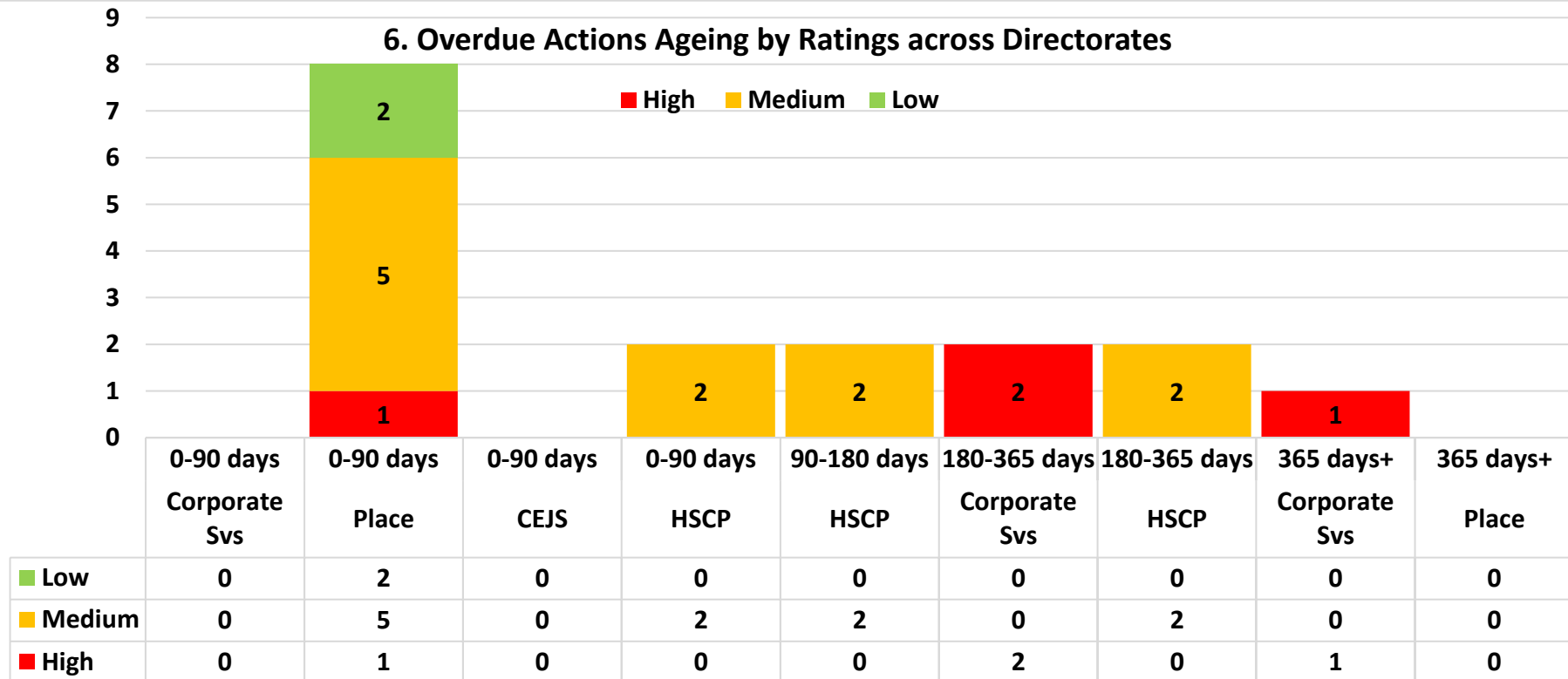
	29/1//2024	New	Closed	29/04/2024	Trend
Open Actions	140	111	41	210	↑
Overdue Actions	15	18	16	17	↑



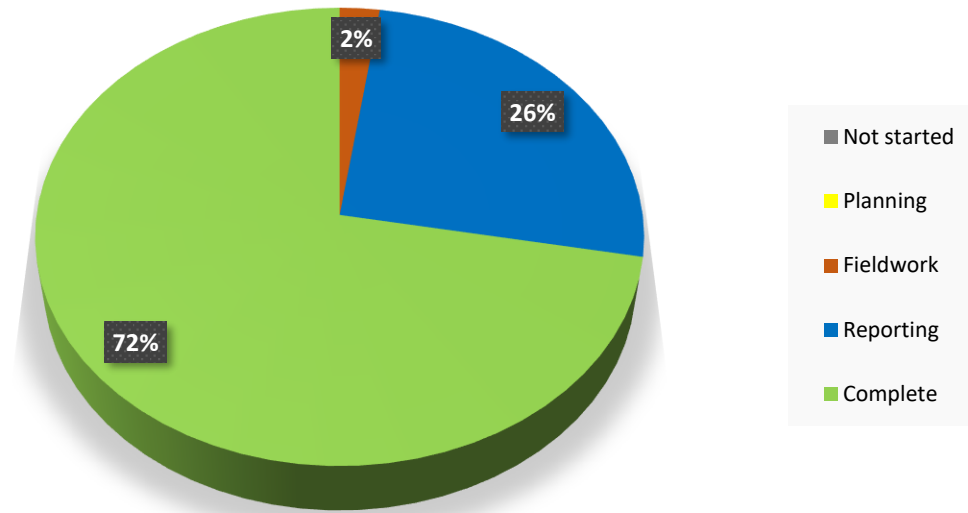
5. Overdue management actions ageing (Jan 24 vs Apr 24)



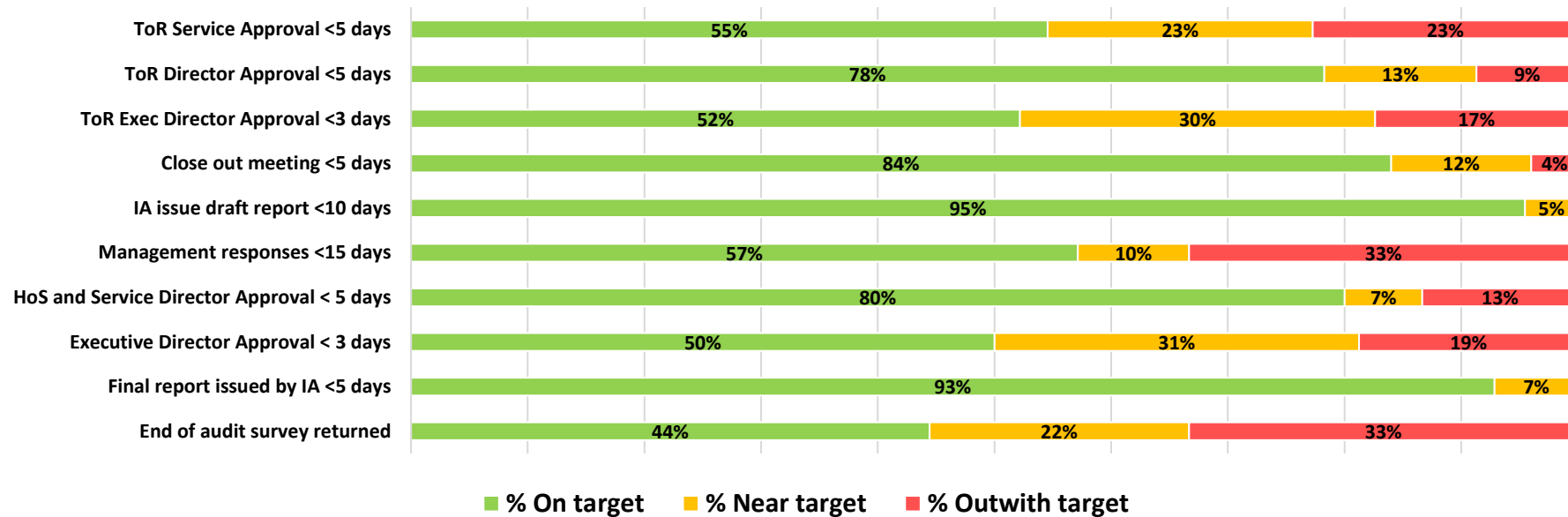
6. Overdue Actions Ageing by Ratings across Directorates



7. 2023/24 IA plan status



8. Internal Audit Key Performance Indicators Q4



Appendix 2: Overdue audit actions as at 29 April 2024

Ref.	Directorate	Committee	Audit Code	Audit Name link to report and date	% Progress	Recommendation Title	Priority Rating	Agreed Management Action	Status	Expected Date	Revised Date	Days Overdue	Status Update	Lead Director
1	Place	Finance and Resources Committee	CW2205	Management of the Housing Revenue Account (HRA) (Capital and Revenue) April 2023	60%	1.3: Budgetary assumptions sign-off	Medium Priority	All budgetary assumptions will be dated and signed to confirm they have been considered for each iteration of the HRA budget.	In Progress	28/02/2024	31/07/2024	58	Work is ongoing extension to 31/7/24 required for planning and engagement.	Executive Director of Place and Executive Director of Corporate Services
2						3.1: Lessons Learned and Continuous Improvement	Medium Priority	The approach to lessons learned will be reviewed to ensure that actions are captured centrally and monitored to ensure completion on a timely basis.	In Progress	28/02/2024	31/07/2024	58		
3	Corporate Services	Governance, Risk and Best Value Committee	CW2001	Arms length external organisations (ALEOs) August 2021	29%	1.1 ALEO Governance Framework	High Priority	Second line responsibilities for the design, implementation, and ongoing maintenance of an ALEO governance framework will be agreed; and An ALEO governance framework will be designed implemented, and communicated that incorporates all of the recommendations made.	In Progress	30/09/2022	30/06/2024	574	Work on development of the ALEO Governance Framework started in the final quarter of 2023. Progress to date is as follows: Proposed project scope agreed with Head of Service and Service Director, project plan and timeline developed and agreed, initial gathering of relevant materials and desktop review completed, review of existing arrangements in place for each ALEO completed and initial stakeholder engagement has commenced. A presentation has also been provided to all political groups, chairs and chief execs of all the main ALEOs and key officers in the Council. Completion date be extended to 30/6/24 to align with the project plan and timeline	Executive Director of Corporate Services
4						2.1 - Conflicts of Interest and Appointments	High Priority	A framework will be designed and provided to all ALEOs that makes recommendations for an appropriate composition of both elected members and independent members for inclusion in ALEO boards to ensure that there is an appropriate balance and mix of skills. The skills, background and experience required for Council Observers who represent the Council's interest at board meetings will be considered; documented; and consistently applied to all appointments. Each Directorate will be asked to confirm annually, that the background, skills and experience of each CO remains appropriate.	In Progress	30/06/2023	30/06/2024	301		
5						2.2 - Training	High Priority	Training materials will be reviewed. It was agreed at a meeting of full Council in June 2016 that EMs who were directors of Council companies would undertake mandatory training on their duties under the Companies Act. Training will also be made mandatory for COs. Completion of training by both EMs and COs will be monitored and where training has not been completed, Group Leaders will be notified.	In Progress	30/06/2023	30/06/2024	301		
6	Health and Social Care Partnership	Policy and Sustainability Committee	HSC1902	Health and Social Care - Lone Working July 2020	95%	1 - Operational procedures and monitoring controls	Medium Priority	Following approval of the business case in December 2022, the remaining elements of the lone working audit will be progressed through Jan 2023 to 31 March 2024. This will include:1. roll-out of the lone working procedure and purple pack for supporting risk assessment procedures 2. review of lone working technology and devices as appropriate3. consideration of processes to ensure post incident reviews and investigations for both HSCP and 3rd party lone workers4. recording, review and monitoring of essential & role specific learning in line with the Council's re-fresh of templates and roadmap for development of MyLearning Hub5. review of the supervision policy, adoption across all localities and teams as required, and consideration of KPIs for supervision (linked to the Council's refreshed performance framework due 2023	In Progress	31/03/2024	30/09/2024	26	Work progressing well, work to date includes: - continued roll out identicom (there are national challenges with this) - mobile devices rolled out and BAU Homecare staff - Each service reports quarterly to the Health and Safety Committee on lone working and are providing moderate assurance. - reporting to Clinical and Care Governance on work to date and continuing work - Lone working processes in place, including safe and well reporting. - incident reporting to the H&S Incident Management Group Extension until 30/9/24 will provide opportunity to undertake a sample audit of existing practice being undertaken and report that to H&S Committee.	Chief Officer, Health and Social Care Partnership
7	Health and Social Care Partnership	Finance and Resources Committee	CW2209	Annual Validation Review 2022/23 April 2023	75%	2.1: Reinstate Validation Checks	Medium Priority	The Partnership agree this management action. Recommendation: The EADP should establish a process to ensure that independent validation checks are carried out on quarterly returns information provided by suppliers, to confirm completeness and accuracy of the performance and contract compliance information presented, and to take action where service delivery and performance is not in line with contractual requirements or performed in line with an agreed timetable.	In Progress	31/03/2024	31/07/2024	26	Work is progressing, extension requested to 31/7/24 to provide evidence of processes being embedded.	Chief Officer, Health and Social Care Partnership
8	Health and Social Care Partnership / Children, Education and Justice Services	Education, Children and Families Committee	HSC2201	Transitions for young adults with a disability from children's services to Adult Social Care August 2023	33%	1.1 Operational procedures and guidance	Medium Priority	Operational procedure is currently being reviewed and updated. Short life working group has been established and procedure will be reviewed annually. Will be communicated to all staff and on the ORB when updated and approved.	IA Review - further info required	31/10/2023	30/04/2024	178	Procedure has been drafted and is undergoing final review prior to circulation.	Chief Officer, Health and Social Care Partnership and Executive Director of Children, Education and Justice Services

Ref:	Directorate	Committee	Audit Code	Audit Name link to report and date	% Progress	Recommendation Title	Priority Rating	Agreed Management Action	Status	Expected Date	Revised Date	Days Overdue	Status Update	Lead Director
9						3.1 - Tracker for future service/improvement reviews	Medium Priority	Tracker to be drawn up and identify who should lead on this which links with minutes of the bi-monthly meetings. Regular updates will be provided to Operations Managers of both directorates.	IA Review - further info required	31/07/2023	30/04/2024	270	Evidence was provided to Internal Audit on 26/4/24 to support closure of this action. Further confirmation on progress being sought by IA before closure.	Chief Officer, Health and Social Care Partnership and Executive Director of Children, Education and Justice Services
10						3.2 - Transition journey experience as part of successful transition review	Medium Priority	Skills Development Scotland check in with young adults regarding positive destinations.Young Adults with Disability team currently conduct a review after 6-12 weeks following successful transition. As part of this review a question will be asked regarding the transition journey experience. This will be formally captured and discussed with Children affected by Disability team.There are no resources currently within Children's Services to conduct a separate follow-up interview.	IA Review - further info required	31/08/2023	30/04/2024	239	Evidence was provided to Internal Audit on 26/4/24 to support closure of this action. Further confirmation on progress being sought by IA before closure.	Chief Officer, Health and Social Care Partnership
11						3.3 - Transitions performance management framework	Medium Priority	Joint KPI's to be developed, in addition to a joint file audit process.Utilise information already gathered but also need to be aware of limitations of current client record system and resources.Further discussion with QA Team to discuss how best to progress and record.Also Edinburgh is participating in the Principles into Practice being trialled in 10 local authority areas over 2 years, with support from ARC Scotland's Scottish Transitions Forum and the Scottish Government.By the end of the trial there will be a fully developed and tested framework, and evaluation resources, that will be freely available to every local authority area in Scotland.We will be using this when it's developed and this can be included into our performance management.Arrange to contact Information Governance team regarding sharing of data and consider if a Data Impact Assessment is needed.Check SLA with Business Support regarding accessing data from client records system, if possible.	IA Review - further info required	31/10/2023	30/04/2024	178	Evidence was provided to Internal Audit on 26/4/24 to support closure of this action. Further confirmation on progress being sought by IA before closure.	Chief Officer, Health and Social Care Partnership and Executive Director of Children, Education and Justice Services
12	Place	Policy and Sustainability Committee	PL2305	Port Facility Security Plan October 2023	65%	2.3: Outcomes from DfT Inspection May 2022	Low Priority	PFSO/Bridge Team to agree required measures for securing two areas of the Temporary Restricted Area (TRA) and arrange for these to be installed.	In Progress	31/03/2024	15/05/2024	26	There is no clear solution to the issue raised but CEC are currently looking at a design that will allow full access to the Pier by permitted commercial vessels during the operation of the TRA. A solution is being discussed with operators at this time. If/when a suitable arrangement can be agreed, it will be installed.	Executive Director of Place
13						3.3: Continued Engagement with DfT	High Priority	A DfT approved system of working has now been implemented. We will continue to work with DfT to ensure that future staffing /succession plans meet DfT requirements.	In Progress	31/03/2024	15/05/2024	26	Plan still under development - date revised to 15/05/24	Executive Director of Place

Ref:	Directorate	Committee	Audit Code	Audit Name link to report and date	% Progress	Recommendation Title	Priority Rating	Agreed Management Action	Status	Expected Date	Revised Date	Days Overdue	Status Update	Lead Director
14						4.2: Monitoring of Continued PFSSO Security Clearance	Medium Priority	Propose production of process maps to cover PFSSO duties and Hawes Pier management. We will include a CTC certification check in one of these processes.	In Progress	31/03/2024	15/05/2024	26	CTC process has been implemented but awaiting completion of document date extended to 15/05/24	Executive Director of Place
15						4.3: Review of Annual PFSP Updates	Medium Priority	Second person check of the PFSP to be undertaken by a PFSSO trained and vetted person within CEC.	In Progress	31/03/2024	15/05/2024	26	Plan still under development - date revised to 15/05/24	Executive Director of Place
16						5.1: Infection Control Risk Management	Medium Priority	Risk assessments will be updated in line with current procedures and recommendations. Health & Safety and risk assessment will be included as an item at the monthly meetings to ensure risk assessments are updated as infection control advice changes. Controls will be reviewed regularly.	In Progress	31/03/2024	15/05/2024	26	Health and Safety and risk assessment documents being reviewed - date revised to 15/05/24	Executive Director of Place
17						6.1: Review of Contract Terms and Conditions - Invoicing	Low Priority	Contract terms and conditions are currently being reviewed by the PFSSOs manager and G4S with any amendments to be in place prior to the 2024 cruise ship season.	In Progress	31/03/2024	15/05/2024	26	Work is ongoing - date revised to 15/05/24	Executive Director of Place

Appendix 3: Actions closed management accept risk 30 January to 29 April 2024

Directorate	Children, Education and Justice Services	Action owner	Amanda Hatton, Executive Director
Audit Code and title	CW2202: Application Technology Controls (SEEMIS) 1.1 Records Retention and Disposal	Date Raised:	November 2022
Risk Description	Regulatory and Legislative Compliance – the Council does not dispose of records in alignment with business requirements and data protection guidance and legislation.		
Internal Audit Recommendation	<p>A review of records retention periods for individual elements of pupil data held within SEEMiS should be carried out. This review should include establishing clear retention rules for documents received during the pupils' admissions process, e.g. birth certificates, passports, and proof of address.</p> <p>Following the review, there should be liaison with IGU to update the record retention schedule in line with the Council's guidelines, and the Quick Guide for Managing Pupil Information should also be updated.</p> <p>Relevant data should be disposed of in line with the revised Records Retention Schedule and the Council's records disposal guidance.</p>		
Management Action	<p>Record retention periods for pupil data will be reviewed and agreed with IGU. Following that, the Council's Records Retention Schedule and Quick Guide for Managing Pupil Information will be updated.</p> <p>A schedule will be created to facilitate a timely, complete disposal of pupil data in line with agreed record retention periods.</p>		
Risk Rating	Initial Rating in Audit report	Medium	Residual rating at closure
Due Date	31/05/2023	Revised date	15/03/2024
Mitigating Key Controls in Place	<p>The Council's Information Governance Unit (IGU) confirm that they are aware that SEEMiS is over retaining records, but this has not been challenged as there is ongoing research in to how the information with historical value within SEEMIS can be extracted and preserved archivally. This is something that is being investigated at a National Level through the Archivists of Scottish Local Authorities Working Group (ASLAWG). The ASLAWG meet quarterly, and the City of Edinburgh Council is represented at these meetings by our Information Asset Manager who will update the findings once complete.</p> <p>The Councils Records Retention Schedule has been updated and a new Quick Guide for Managing Pupil information has been produced, evidence for both of these actions has been provided and accepted.</p> <p>We are risk accepting the part of the action related to review of records retention periods for individual elements of pupil data held within SEEMiS, as this part that is ongoing at a National Level and that Information Governance colleagues are involved in this working group, therefore there have been no changes since the Audit commenced but the national piece of work is ongoing, it notes records should be being destroyed at a local level, but the Council have a vested interest in records on SEEMIS not being destroyed, while a solution to retaining records of enduring historical value is investigated at a national level. We are due to commence meetings with IGU to discuss what we might be able to do locally within Edinburgh. IGU advise, <i>SEEMiS data is of great interest to us in the City Archives as education is a core function of the Council and our existing school archives have</i></p>		

	<p><i>significant academic, local history and family history interest that we want to sustain in the digital age. There are ways by which we could archive SEEMiS that would then mean we would no longer need to be concerned about the over retention of the data, as it would have been “archived in the public interest”. While the data protection principles are clear around this, the technical practicalities are not, we are looking at the need to develop new processes and potentially system permissions to facilitate this archiving.</i></p>
<p>Residual Issue including risk impact and likelihood</p>	<p>This has not been challenged at this point as there is ongoing research in to how the information with historical value within SEEMIS can be extracted and preserved archivally.</p> <p>Risk impact and likelihood of residual risks</p> <p>The Scottish Council on archives currently recommend retention from the child’s DOB + 25 years, therefore we are not over retaining, our current retention period is DOB + 21 years. This is the area the Archivists in Scottish Local Authorities Working Group are developing to enable the preservation of historical records generated by the SEEMIS.</p>
<p>Further Actions</p>	<p>Records should be being destroyed at a local level, but we have a vested interest in records on SEEMIS not being destroyed, while a solution to retaining records of enduring historical value is investigated by the ASLAWG, IGU colleagues will keep relevant parties updated as this moves forward.</p>
<p>Date closed</p>	<p>15/03/2024</p>