



Item: 7

Monitoring and Audit Committee: 6 June 2024

Internal Audit Actions Progress Report

Report by Chief Internal Auditor

1. Overview

- 1.1. The Public Sector Internal Audit Standards requires the Chief Internal Auditor to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. Progress with actions is monitored through the Council's performance management system, Ideagen Risk Management.
- 1.2. The report, attached as Appendix 1 to this report, provides the Committee with an update on progress with implementing internal audit actions.
- 1.3. The table on Page 2 of Appendix 1 gives an overview of the actions which are currently on the Ideagen system. On Page 3 there is a further breakdown which gives an indication of which audits the actions are associated with.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
 - i. Scrutinise progress made, to date, in completing the Internal Audit actions, as detailed in Appendix 1 to this report, in order to obtain assurance that issues found during internal audits are being actioned and followed up.

For Further Information please contact:

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Implications of Report

- 1. Financial:** None directly related to the recommendations in this report.
- 2. Legal:** None directly related to the recommendations in this report.
- 3. Corporate Governance:** None.
- 4. Human Resources:** None directly related to the recommendations in this report.
- 5. Equalities:** None directly related to the recommendations in this report.
- 6. Island Communities Impact:** None directly related to the recommendations in this report.
- 7. Links to Council Plan:** Not Applicable.
- 8. Links to Local Outcomes Improvement Plan:** Not Applicable.
- 9. Environmental and Climate Risk:** None directly related to the recommendations in this report.
- 10. Risk:** None directly related to the recommendations in this report.
- 11. Procurement:** None directly related to the recommendations in this report.
- 12. Health and Safety:** None directly related to the recommendations in this report.
- 13. Property and Assets:** None directly related to the recommendations in this report.
- 14. Information Technology:** None directly related to the recommendations in this report.
- 15. Cost of Living:** None directly related to the recommendations in this report.

List of Background Papers

None

Appendix

Appendix 1: Internal Audit Action Progress Report



Internal Audit

Internal Audit Action Progress Report

Draft issue date: 13 May 2024

Final issue date: 29 May 2024

Distribution list:	Corporate Director for Strategy, Performance and Business Solutions Corporate Director for Enterprise and Sustainable Regeneration Corporate Director for Neighbourhood Services and Infrastructure Corporate Director for Education, Leisure and Housing Chief Officer Orkney Health and Care Partnership
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Executive Summary

The Public Sector Internal Audit Standards requires the Chief Internal Auditor to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

The Council's performance and risk management system, Ideagen Risk Management, is used to monitor the implementation of agreed internal audit actions.

When internal audit reports have been finalised, the actions are uploaded to Ideagen and the officers responsible for implementing the actions are then required to provide updates on progress. The status of all recommendations is reported quarterly to the Corporate Leadership Team.

This report provides an update on progress with implementing the actions and highlights any actions which are overdue an update or have not been implemented by the agreed date.

To assist with the monitoring of actions, a traffic light system on Ideagen classifies the performance of each action as follows:

- Blue: the agreed action has been progressed to completion.
- Green: the agreed action is likely to meet or exceed its target.
- Amber: the agreed action is experiencing minor underperformance, with a low risk of failure to meet its target.
- Red: the agreed action is experiencing significant underperformance, with a medium to high risk of failure to meet its target.

The system also highlights actions which are overdue for update. The table below details the number of internal audit actions on Ideagen for each of the categories.

Red	Amber	Green	Blue	Total no of Actions	Update Overdue
32	1	45	33	111	0

Introduction

Progress with internal audit actions is monitored through the Council's performance management system Ideagen Risk Management. The system sends out automated email reminders to officers responsible for updating each action at the end of each reporting period. Where no update has been made for an action for a particular reporting period, this is noted on the system.

Once an action has been marked as complete on the system, Internal Audit will review the evidence to support the effective implementation of that action and once satisfied the action will be deactivated on the system.

Actions Overview

The table below gives an overview of the number of actions by Directorate. To give some perspective to the figures presented in the table, there has been a total of 411 internal audit actions added to the performance management system over the last five financial years, of these 331 or 80.5% have been completed.

Directorate	Red	Amber	Green	Blue	Total
Strategy Performance and Business Solutions	7		6	2	15
Neighbourhood Services and Infrastructure	1	1	4	5	11
Enterprise and Sustainable Regeneration	6		6	3	15
Education Leisure and Housing	13		21	22	56
Orkney Health and Social Care Partnership			8	1	9
CLT	5				5
Totals	32	1	45	33	111

Actions Breakdown

The table on the next page shows a further breakdown to provide an indication of which audits the actions are associated with and when the audits were performed.

Year	Audit	Responsibility	Number of Actions			
			Red	Amber	Green	No Update
2012/13	Data Protection	SPBS	1			
2017/18	Housing Rents	E&SR			1	
2019/20	HEEPS/ABS	EL&H	1			
	Stromness Academy	EL&H	1			
2020/21	Housing Benefit & CTR	E&SR			1	
	Treasury Management	E&SR	1			
2021/22	Adoption & Kinship Allowances	OHASCP			3	
	Budget Monitoring Process	E&SR	1		1	
	Business Continuity	CLT	5			
	Lifestyles Service	E&SR	1			
	Non-Domestic Rates	E&SR	1		1	
	Rent Arrears	EL&H	1			
	Travel and Expenses	SPBS	2			
	Travel and Expenses	E&SR	1			
2022/23	Corporate Governance & Risk Management	EL&H	4			
	Corporate Governance & Risk Management	NS&I	1			
	Customer Services Platform	SPBS	2			
	EDRMS Project	SPBS	1			
	Disaster Recovery ICT	SPBS	1			
	Following the Public Pound	E&SR	1			
	Housing Rents	EL&H	1			
2023/24	Climate Change Reporting	NS&I		1		
	Direct Payments	OHASCP			5	
	Eday Primary School	EL&H	2		4	
	EQIA Process	SPBS			6	
	Islands Growth Deal	E&SR			2	
	IT Operations	NS&I			4	
	Kirkwall Grammar School	EL&H	1		13	
	North Walls School	EL&H	1			
	Orkney College Business Units	EL&H			2	
	Scapa Flow Museum	EL&H	1		2	
		Totals	32	1	45	0

Glossary

CLT	Corporate Leadership Team
EL&H	Education, Leisure and Housing
E&SR	Enterprise & Sustainable Regeneration
NS&I	Neighbourhood Services and Infrastructure
OHASCP	Orkney Health and Social Care Partnership
SPBS	Strategy, Performance and Business Solutions