

Action Points Behind Schedule – Internal Audit

A – Contract Tendering & Vetting

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
5	A lack of internal controls to confirm that goods and services, including contracts, have received prior approval and budgeted funding is available are ordered or let. There is a need to install the necessary internal controls to confirm expenditure has budgeted funds.	Corporate Services – Head of Democratic Services and Governance	This will be dealt with in the new Council constitution, which is currently out for consultation.	Material	Immediate (May 2004)	March 2005
8	The integrity of the Select Lists (Mail Merge) maintained on stand alone Council PC's, relating to CSO Para 2, by the Public Transport officer is not known.	Development Services - Head of Transportation & Infrastructure	The list maintained by the Public Transport is not a "Select List" within the meaning of the Council's Contract Standing Orders, paragraph 2. For the purposes of the provision of subsidised public transport the Council is a Tendering Authority within the terms of the Transport Act 1985 and is bound by the Code of Practice on Tendering made under that Act. The tendering authority can maintain lists of contractors interested in tendering but they cannot be subject to any form of pre-qualification. Tenders must be open tenders, i.e. the authority must issue a general invitation by whatever means they think will bring this to the attention of potential operators and individual invitation to anyone who has informed the authority of their wish to	Material	Immediate (June 2004)	N/A

			receive these. (Such persons requesting invitations need not hold an 'O' Licence or permit – e.g. a consultant may request information on his client's behalf). Authorities should issue general invitations to tender both through the press and directly to persons who have indicated their wish to receive these.			
9	Select Lists maintained by departments on stand alone Council PC's do not show categories of work and financial limits to assist in the identification of contractors, at the tender selection stage, who are capable of carrying out the work. There is a need to amend spreadsheets to include categories of work and allied financial values.	Corporate Services – Head of Democratic Services and Governance	As in point 5 above	Fundamental	Immediate (May 2004)	March 2005
13	Confirmation is required that the Select Lists have been published in the local press and appropriate trade journals	Corporate Services – Head of Democratic Services and Governance	As in point 5 above	Fundamental	Immediate (May 2004)	March 2005
14	The lack of written procedures relating to the Selection and Invitation to Tender processes may expose the Council to potential criticism. There is a need to introduce appropriate written procedures	Corporate Services – Head of Democratic Services and Governance	As in point 5 above	Fundamental	September 2004	March 2005

B – Progress of the Joint Future Agenda

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
3	Budgetary control procedures will require consideration before the introduction of pooled budgets.	Community Services – Head of Integrated Services	Training relating to the de-centralisation of budgets is planned for February 2005. This will not deal with the 'pooling' as each partner will continue to manage their budget separately with the exception of Delayed Discharge and Resource Release budgets.	Fundamental	Subject to continuous review.	Management have advised an implementation date of February 2005
4	The financial framework will vary as the Joint Future Agenda develops. The Joint Finance Group is committed to regular review of the financial framework.	Community Services – Head of Integrated Services	Draft financial framework has been in place since February 2004. Given no formal agreement on joint management and governance arrangements they remain in place as a draft. A pilot proposal for joint management arrangements was presented to the Strategic Management Team on the 22 nd October that will necessitate implementation of a financial framework. Implementation during mid 2005 for an 18-month period.	Fundamental	Subject to continuous review.	As above
5	Progression of the development and implementation of joint services and associated joint management arrangements both at high and local levels require continuous review.	Community Services – Head of Integrated Services	As above	Fundamental	Subject to continuous review.	As above
6	Corporate and political governance arrangements require further development. Ditto for joint clinical/service governance systems and	Community Services – Head of Integrated Services	Joint Governance sub group should report to Core Management group quarterly. A Division wide approach has recently been scrapped due to poor progress and a new Argyll & Bute wide group has been	Fundamental	Subject to continuous review.	November 2005

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
	clinical risk assessment and management systems.		established. First meeting on 9 th November 2005.			
8	Significant elements of the Joint Financial Framework regarding joint resourcing requires further development documentation and completion.	Community Services – Head of Integrated Services	Devolved budgeting training for Social Work planned for February 2005 to allow for part implementation during 2005/06. High level of decentralisation exists in NHS.	Fundamental	Subject to continuous review.	Management have advised an implementation date of February 2005

C – Purchase of Equipment & Materials

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
1	The Action Plan from the Creditors report issued in August 2003 had not been implemented. A meeting will be arranged with the Finance Managers to address the points raised in the Action Plan.	Corporate Services – Head of ICT & Financial Services	This meeting has not yet been arranged but Finance Managers will be contacted. This will be done after the budget process is complete	Fundamental	June 2004	January 2005
2	Departmental staff thought that training should be given to staff involved in processing creditor's payments. Formal training should be provided to staff involved in the creditors process.	Corporate Services – Head of ICT & Financial Services	As above	Fundamental	As soon as possible after the meeting in Action Point 1	As soon as possible after the meeting in Action Point 1

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4	There does not appear to be an agreed procedure for adding new suppliers to or deleting obsolete suppliers from the approved list. Procedures should be adopted for choosing new suppliers. There should also be a list of officers who can approve new suppliers. The Creditors Supervisor should review this list on a regular basis	Corporate Services – Head of ICT & Financial Services	As above	Fundamental	As soon as possible after the meeting in Action Point 1	As soon as possible after the meeting in Action Point 1
5	There are examples that the same officer is authorising both purchase order forms and invoices for payment. Where possible there should be a segregation of duties to avoid the same officer being involved in too many stages of the process of ordering goods, authorising and paying of invoices	Departmental Finance Staff	As above.	Fundamental	As soon as possible after the meeting in Action Point 1	As soon as possible after the meeting in Action Point 1

D – Review of the Ferry Service

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
2	Fares are quite high in relation to other providers but are not related to a target level of income or a set level of affordability. A target will be set for the percentage of costs that should be recovered by fare income. Fares will be set accordingly in order to achieve this target whilst remaining affordable.	Operational Services – Head of Roads & Amenity Services	This is being covered by a review, which will be completed by December 2004.	Material	September 2004	December 2004
3	Only one Council vessel is included on the fixed asset register meaning there is an understatement of at least £575,000.	Chief Executives Unit - Head of Strategic Finance	Ferries will be on the Asset Register with Insurance Valuations for the 2004/05 Annual Accounts	Fundamental	Immediate (May 2004)	March 2005
4	A professional valuation will be obtained for each of the vessels to ensure that they are included at the correct value in the Council's records.	Operational Services – Head of Roads & Amenity Services	This is being covered by a review, which will be completed by December 2004.	Material	September 2004	December 2004
5	The repairs and maintenance of the ferries are not managed on an economic basis over the course of the expected life of the vessels. This results in high maintenance costs. Useful lives will be assigned to the	Operational Services – Head of Roads & Amenity Services	As above	Fundamental	September 2004	December 2004

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	key components of the vessels to support an argument that replacement should occur at the most economical time.					
6	The objectives of the ferry service are not supported by clear targets and that data is not collected that would enable assessment against the objectives. The objectives for the ferry service will be revised as part of the revision of the <i>Access the Future</i> transport strategy.	Operational Services – Head of Roads & Amenity Services	This is being covered by a review, which will be completed by December 2004.	Fundamental	October 2004 (end of peak season)	December 2004
8	All ferries will carry a standard comment card for passengers to provide their opinions on specific aspects of the service. These will be collated and used to help determine the quality of the service.	Operational Services – Head of Roads & Amenity Services	As above	Fundamental	Immediate (May 2004)	December 2004
11	There are no monitoring arrangements in place for ensuring that the operators of the Jura and Lismore services are adhering to the terms of their contracts. A regular programme of monitoring activity will be put in place and undertaken by a	Operational Services – Head of Roads & Amenity Services	As above	Fundamental	Immediate (May 2004)	December 2004

	named staff member who is fully aware of his or her duties in this area.					
15	There is a perceived lack of consensus as to the strategic objectives that the ferry service should have in the future. The service will produce a short questionnaire to be issued to ferry users, over a limited time period, regarding the service received on the journey. The results of this survey will be incorporated into the strategic consultation.	Operational Services – Head of Roads & Amenity Services	This is being covered by a review, which will be completed by December 2004.	Material	October 2004	December 2004

E – Transport VFM

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
13	There is no customer satisfaction programme in place with results advised to client. The SLA will need to be amended.	Development Services - Head of Transportation & Infrastructure	There is a Community Services Transport Review Working Party reviewing this issue at present. The SLA will be amended to take account of any agreed output from this working group.	Material	August 2004	January 2005

F – Cash & Income Banking 2004/05

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
6	Income from the public conveniences in Oban and Fionnphort do not reconcile to the expected income per the turnstile readings. On several occasions negative variances between expected and actual cash have been recorded. These variances should be investigated further by management and a satisfactory explanation must be obtained. Any problems with the cash machines or turnstiles must be rectified immediately.	Operational Services – Head of Roads & Amenity Services	A problem with the machines has been identified as the cause of the variances. Their replacement has been included within a works programme for action. This programme of work is driven by, order lead times and installation but is scheduled to be actioned prior to the commencement of the new holiday season.	Fundamental	Immediate (August 2004)	May/June 2005

G – Car Allowances

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
4	Community Services to review the current authorised signatory lists and provide the Creditors section with an updated list with the necessary additions and deletions.	Community Services – Heads of Service	This action is ongoing. It is likely to be completed by March 2005.	Fundamental	October 2004	March 2005

H – Best Value and PMP (1)

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
4	The Audit of Best Value will utilise the Council's own risk management framework as a basis to determine the service areas which are of highest risk to the Council. At present, the Council does not have a risk management framework.	Corporate Services - Head of Democratic Services & Governance	A draft Risk Management Policy and Strategy has been prepared. The strategy was agreed by the SMT in August 2004. However work is required to create an action plan and to review risk registers on an ongoing basis	Fundamental	April – October 2004	July 2005
7	Members need to have on-going information about Best Value and performance to enable them to undertake the responsibilities outlined in the Local Government in Scotland Act 2003.	Chief Executive's Unit - Policy & Strategy Manager	Reporting requirements are now part of the new performance management framework agreed by SMT (and due to be reported to the SPC in November).	Fundamental	July 2004 and Ongoing	November 2004 and ongoing
21	Areas of potential discrimination such as religion, sex, sexuality, marital status and age have not yet been fully addressed.	Chief Executive's Unit - Policy & Strategy Manager	This has been superseded by the revision of the Race Equality Scheme	Material	September 2004	N/A
22	Equality issues were not fully covered in the Human Resources Strategic Review.	Chief Executive's Unit - Policy & Strategy Manager	This has been superseded by the revision of the Race Equality Scheme	Material	October 2004	N/A

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Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
31	Completion of a review of Single Status and Job Evaluation process has not been finalised by the due date.	Chief Executive's Unit - Head of Personnel Services	Resource constraints and operation delays have resulted in slippage	Material	September 2004	October 2005
33	It is difficult to assess the effectiveness of some of the actions identified in the Peoples Issues Action Plan	Chief Executive's Unit - Head of Personnel Services	Not actioned due to other priorities	Material	July 2004	March 2005
36	An action has not been included in the peoples issues action plan to review and report on the progress and effectiveness of the completed actions.	Chief Executive's Unit - Head of Personnel Services	Delays in preparation of report on Stress Management have resulted in this report being delayed.	Material	July/August 2004	March 2005
38	The Support Procedures Action Plan does not provide for the reviewing and reporting of progress and effectiveness of the identified actions.	Chief Executive's Unit - Head of Personnel Services	Target was revised due to changes in personnel.	Material	August 2004	December2004

I – Property Asset Management

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
1	The Council should decide whether a single asset management and asset register system should be adopted.	Development Services – Head of Transport & Infrastructure	The draft asset management strategy and the executive summary have been sent out for consultation with internal council departments; these documents are due to be presented to the SMT for review and approval during November 2004. When approved, these documents will form the basis for developing a single Asset Management process for the Council.	High	September 2004	November 2004
4	The 74 assets included within the Asset Register but not the Property Register should be investigated and the Asset Register records validated or removed.	Chief Executives Unit - Head of Strategic Finance Development Services - Head of Strategic Finance	This has been completed as far as the 2003/04 Annual Accounts are concerned but in respect of wider asset planning and future years' accounts there are still issues to be addressed in the completion of the Asset Register.	High	May 2004	March 2005
8	The 11 assets on the Asset Register that are no longer owned by the Council should be reviewed and, if appropriate, removed.	Chief Executives Unit - Head of Strategic Finance	As above	High	April 2004	March 2005

J – Treasury Management

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
2	There was no formal training programme for Treasury staff although staff attended workshops, seminars, user group meetings and Treasury Forums.	Chief Executive's Unit – Head of Strategic Finance	This was delayed as staff were involved in the resolution of issues relating to the Annual Accounts.	Minor	September 2004	November 2004

K – Budgetary Control

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
1	Budget setting and monitoring are still not adequately linked to the quarterly reporting of service delivery and performance.	Chief Executive's Unit – Head of Strategic Finance	The Head of Strategic Finance will submit a separate report to the Audit Committee	Fundamental	May 2004	See separate report
3	Budget holders receive no formal training in financial control or the nature of the Council's budgetary control systems.	Chief Executive's Unit – Head of Strategic Finance	As above	Fundamental	May 2004	See separate report
4	There are no Council wide policies and procedures covering the responsibilities of budget holders in monitoring their budgets.	Chief Executive's Unit – Head of Strategic Finance	As above	Fundamental	March 2004	See separate report

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
5	The department does not have a set of procedures for its own budget holders to work to.	Chief Executive's Unit – Head of Strategic Finance	As above	Fundamental	March 2004	See separate report

L – Sundry Debtors

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
1	There are certain categories of income where the debtor accounts are unlikely to be collected.	Chief Executive's Unit – Head of Strategic Finance	The Head of Strategic Finance will submit a separate report to the Audit Committee	Fundamental	July 2003	See separate report

M - Government Grants – Supporting People

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
9	There is no dedicated IT support for the Supporting People team as recommended by the Executive's <i>Strategic Guidance</i> .	Community Services – Head of Community Regeneration	Proposals are currently being considered to consolidate ICT support across all areas of Community Services. It is anticipated the proposals will be finalised by December and implemented by April 2005.	Material	June 2004	April 2005

N – Unified Benefits System

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
5	The duties of Benefit Fraud Officers are to be reconsidered when they come under the line management of the Benefits Officer.	Community Services – Head of Community Regeneration	Fraud posts transferred to Benefits – 1st April 2004. Lead Counter Fraud Officer PDR to be held November 2004. Job description will be agreed at that point. This will then cascade down to rest of Fraud team.	Material	April 2004	November 2004

O – Payments to Voluntary Associations

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
3	Council Officers, who act as advisors to Care & Repair, have no specific guidance on their responsibilities when representing the Council. Council Officers to be made fully aware of their responsibilities to both parties when representing the Council on the board of Care & Repair.	Corporate Services – Head of Democratic Services & Governance	It was decided at the previous follow up that responsibility for this action would change from the Head of Community Regeneration to the Head of Democratic Services & Governance. Work is ongoing.	Material	Immediate (February 2004)	December 2004

P – Operating Leases

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
2	Several leases in the areas under review failed the SSAP21 AND Section 94 definitions of operating leases	Chief Executive's Unit – Head of Strategic Finance	Following the introduction of the Prudential Code, decisions on operating leases, finance leases or purchase of assets will be based on the lowest cost of financing. Strategic Finance will make recommendations to the Council as to the best method of financing the acquisition of assets. Hence there is no need for training on leasing for frontline staff.	Fundamental	April 2004	N/A
6	None of the services reviewed had any procedures for tendering, monitoring or terminating lease agreements.	Chief Executive's Unit – Head of Strategic Finance	Strategic Finance will adhere to the Council's Financial & Security Regulations regarding tendering, monitoring or terminating of lease agreements. Any issues which arise in terms of monitoring / termination of leases will be addressed by contacting the Council's lease advisers for advice.	Fundamental	April 2004	N/A
11	Several properties were missing from the 2002/03 operating leases note.	Corporate Services - Head of Legal & Protective Services	Not yet complete. Revised date of March 2005. Agreement needs to be reached between Finance and Estates on the list of operating leases. Priority was given to the exercise of reconciling the properties on the Property and Asset Registers.	Material	August 2004	March 2005

Q – DLO's

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
14	DLO Management in consultation with IT professionals should actively pursue an integrated stores system thus eliminating the inefficient and manually intensive processes currently employed.	Operational Services – Head of Facility Services	This has been delayed until the future of DLO, as a Council function has been resolved. As an interim measure, the DLO has, in conjunction with the Council's E Procurement Team, taken forward collaborative buying initiatives with other local authorities to improve the efficiency, transparency and reduce the costs of material procurement.	Fundamental	Immediate (October 2003)	Revised date to be determined
17	The Roads Costing System should be adapted for use by the DLO to improve the costing figures for Buildings DLO jobs	Operational Services – Head of Facility Services	This has been delayed until the future of DLO, as a Council function has been resolved. Interim solutions have been introduced to existing systems to provide required visibility.	Fundamental	Immediate (October 2003)	Revised date to be determined

R – Best Value and PMP (2)

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
2	The Best Value Statutory guidance requires services to have a BV strategy, and vision.	Chief Executive's Unit - Policy & Strategy Manager	This is part of the performance management framework agreed by SMT (due to be reported to the SPC in November 2004).	Fundamental	March 2004	November 2004
3	The Local Government in Scotland Act (LGSA) requires councils to measure performance using outcome rather than output	Chief Executive's Unit - Policy & Strategy Manager	Original timescale and target unrealistic. Now part of the performance management framework agreed by SMT.	Fundamental	April 2004	November 2004

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	performance measures.					
10	Although phase one of the Council's PPRg framework received commendations from the Scottish Executive, the framework has to be adapted and expanded to incorporate the additional requirements outlined in the statutory guidance.	Chief Executive's Unit - Policy & Strategy Manager	This is part of the performance management framework agreed by SMT (due to be reported to the SPC in November 2004).	Fundamental	February 2004	November 2004
14	Some sections/departments have not carried out a self-assessment PMP review exercise.	Chief Executive's Unit - Policy & Strategy Manager	The Policy & Strategy Manager feels that this action is no longer applicable. Work on self-assessment will be incorporated in preparatory work for the Best Value Audit.	Fundamental	May 2004	N/A
17	The council has the intention to regularly review the Equal Opportunities Policy but does not have a programme of review set down.	Chief Executive's Unit - Policy & Strategy Manager	This has been superseded by the revision of the Race Equality Scheme (published September 2004) and this will inform the Equal Opportunities Policy.	Material	January 2004	N/A
19	Specific targets and indicators have not been developed to redress potential inequality in implementing the race equality scheme.	Chief Executive's Unit - Policy & Strategy Manager	This has been superseded by the revision of the Race Equality Scheme (published September 2004) and this will inform the Equal Opportunities Policy.	Material	January 2004 and ongoing	N/A
35	It is not clear the extent to which Central Personnel supervise/audit departmental procedures.	Chief Executive's Unit - Head of Personnel Services	Due to other areas of work being given priority, policy reviews are constrained by resources. Reviews are prioritised on the basis of statutory changes, which impact on Council policies and the level of resources available to undertake them.	Fundamental	Ongoing	N/A
41	It has so far taken 2 years to complete the Legal Services Strategy Review.	Corporate Services - Head of Legal & Protective Services	Some actions are complete. Discussions ongoing through SMT regarding a partnering arrangement with an external firm.	Fundamental	March 2004	Revised date dependent on SMT decisions

42	Most of the actions included in the review report are outputs rather than outcomes.	Corporate Services - Head of Legal & Protective Services	Some actions are complete. Discussions ongoing through SMT regarding a partnering arrangement with an external firm.	Material	March 2004 and ongoing	As above
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S - Education VFM – Schools NPDO

Ref	Action Point / Implication	Department / Head of Service	Explanation for delay	Risk Grading	Original implementation date	Revised implementation date
6	The period between the appointment of the provisional preferred bidder and financial close is around 15 weeks less than average for similar projects. The legitimate additional costs associated with missing financial close should be assessed and the provisional preferred bidder will be requested to provide an estimate of how much these costs will be.	Community Services Head of Service – Capital Project	A report of the estimated costs associated within missing financial close date will be prepared and presented at the next meeting of the Project Board in November 2004	Fundamental	Immediate (March 2004)	November 2004