

# Public Document Pack



To: Councillor Flynn, Convener; Councillor Yuill, Vice Convener; and Councillors Allard, Duncan, Graham, Lumsden, Avril MacKenzie, Reynolds and Townson.

Town House,  
ABERDEEN 18 June 2018

## **AUDIT, RISK AND SCRUTINY COMMITTEE**

The Members of the **AUDIT, RISK AND SCRUTINY COMMITTEE** are requested to meet in **Committee Room 2 - Town House** on **TUESDAY, 26 JUNE 2018 at 2.00 pm.**

FRASER BELL  
CHIEF OFFICER - GOVERNANCE

### **BUSINESS**

#### **DETERMINATION OF URGENT BUSINESS**

1.1 There are no items of urgent business at this time

#### **DETERMINATION OF EXEMPT BUSINESS**

2.1 There are no items of Exempt Business

#### **DECLARATIONS OF INTEREST**

3.1 Members are requested to intimate any declarations of interest (Pages 5 - 6)

## **REQUESTS FOR DEPUTATION**

- 4.1 There are no requests at this time

## **MINUTE OF PREVIOUS MEETING**

- 5.1 Minute of Previous Meeting of 8 May 2018 (Pages 7 - 18)

## **COMMITTEE BUSINESS PLANNER**

- 6.1 Committee Business Planner (Pages 19 - 24)

## **FINANCE, PERFORMANCE RISK AND SERVICE WIDE ISSUES**

### Financial Reporting

- 7.1 ISA 260 Report to Those Charged with Governance - to follow
- 7.2 Audited Annual Accounts 2017/18 - RES/18/044 - to follow

### Performance and Improvement

- 7.3 Internal Audit Progress - IA/18/014 (Pages 25 - 38)
- 7.4 Internal Audit Charter - IA/18/010 (Pages 39 - 46)
- 7.5 Internal Audit Annual Report - IA/18/011 (Pages 47 - 58)
- 7.6 Internal Audit Planning - IA/18/012 (Pages 59 - 64)
- 7.7 RIPSA - Quarterly Report - GOV/18/025 (Pages 65 - 70)
- 7.8 Scottish Public Services Ombudsman Decisions and Inspector of Crematoria Complaint Decisions - CUS/18/017 (Pages 71 - 78)

### Control Environment and Assurance - External

- 7.9 Local Scrutiny Plan (Pages 79 - 84)

Control Environment and Assurance – Audit Follow Up

7.10 Internal Audit Reports - Follow-up of Agreed Recommendations - IA/18/009  
(Pages 85 - 132)

**EXEMPT/CONFIDENTIAL BUSINESS**

EHRIA's related to reports on this agenda can be viewed at  
[Equality and Human Rights Impact Assessments](#)

To access the Service Updates for this Committee please use the following link:  
<https://committees.aberdeencity.gov.uk/ecCatDisplayClassic.aspx?sch=doc&cat=13450&path=0>

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Should you require any further information about this agenda, please contact Karen Finch, tel 01224 522723 or email [kfinch@aberdeencity.gov.uk](mailto:kfinch@aberdeencity.gov.uk)

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# Agenda Item 3.1

You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether reports for meetings raise any issue of declaration of interest. Your declaration of interest must be made under the standing item on the agenda, however if you do identify the need for a declaration of interest only when a particular matter is being discussed then you must declare the interest as soon as you realise it is necessary. The following wording may be helpful for you in making your declaration.

I declare an interest in item (x) for the following reasons .....

*For example, I know the applicant / I am a member of the Board of X / I am employed by...*  
and I will therefore withdraw from the meeting room during any discussion and voting on that item.

**OR**

I have considered whether I require to declare an interest in item (x) for the following reasons ..... however, having applied the objective test, I consider that my interest is so remote / insignificant that it does not require me to remove myself from consideration of the item.

**OR**

I declare an interest in item (x) for the following reasons ..... however I consider that a specific exclusion applies as my interest is as a member of xxxx, which is

- (a) a devolved public body as defined in Schedule 3 to the Act;
- (b) a public body established by enactment or in pursuance of statutory powers or by the authority of statute or a statutory scheme;
- (c) a body with whom there is in force an agreement which has been made in pursuance of Section 19 of the Enterprise and New Towns (Scotland) Act 1990 by Scottish Enterprise or Highlands and Islands Enterprise for the discharge by that body of any of the functions of Scottish Enterprise or, as the case may be, Highlands and Islands Enterprise; or
- (d) a body being a company:-
  - i. established wholly or mainly for the purpose of providing services to the Councillor's local authority; and
  - ii. which has entered into a contractual arrangement with that local authority for the supply of goods and/or services to that local authority.

**OR**

I declare an interest in item (x) for the following reasons.....and although the body is covered by a specific exclusion, the matter before the Committee is one that is quasi-judicial / regulatory in nature where the body I am a member of:

- is applying for a licence, a consent or an approval
- is making an objection or representation
- has a material interest concerning a licence consent or approval
- is the subject of a statutory order of a regulatory nature made or proposed to be made by the local authority.... and I will therefore withdraw from the meeting room during any discussion and voting on that item.

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## AUDIT, RISK AND SCRUTINY COMMITTEE

ABERDEEN, 8 May 2018. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Flynn, Convener; Councillor Yuill, Vice-Convener; and Councillors Allard, Councillor Donnelly, the Depute Provost (as substitute for Councillor Reynolds), Duncan, Graham, Lumsden, Avril MacKenzie and Townson.

### CHANGE TO THE AGENDA

1. The Convener advised that he proposed to take item 7.17 (Fleet and Transport MOT issues) after item 7.7 (Inspection Report of Aberdeen Crematorium by the Inspector of Crematoria) on the agenda.

**The Committee resolved:-**

to concur with the proposed change from the Convener.

### DETERMINATION OF EXEMPT BUSINESS

2. The Convener proposed that the Committee consider item 8.1 (Garthdee Alpine Sports) on the agenda with the press and public excluded.

**The Committee resolved:-**

that in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting for item 8.1 so as to avoid disclosure of exempt information of the class described in paragraph 6.

### MEMBERS ARE REQUESTED TO INTIMATE ANY DECLARATIONS OF INTEREST

3. Members were requested to intimate any declarations of interest in respect of the items on the agenda, thereafter, the following declarations of interest were intimated:-

- (1) Councillor Duncan declared an interest in item 7.4 (ALEO Assurance Hub) by virtue of her position as a Board member for Aberdeen Performing Arts, she considered that the nature of her interest did not require her to leave the meeting at that item on the agenda; and
- (2) Councillor Graham declared an interest in item 7.4 (ALEO Assurance Hub) by virtue of his position as Director of Sport Aberdeen, he considered that the nature of his interest did not require him to leave the meeting at that item on the agenda.

**The Committee resolved:-**

to note the declarations of interest.

**AUDIT, RISK AND SCRUTINY COMMITTEE**  
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**COMMITTEE BUSINESS PLANNER**

4. The Committee had before it the Business Planner prepared by the clerk.

**The Committee resolved:-**

to note the content of the Committee Business Planner.

**MINUTE OF MEETING OF 22 FEBRUARY 2018**

5. The Committee had before it the minute of its previous meeting of 22 February 2018.

**The Committee resolved:-**

to approve the minute as a correct record.

**UNAUDITED ANNUAL ACCOUNTS 2017/18 - RES/18/011**

6. The Committee had before it a report by the Director of Resources which (1) provided an overview of the Council's 2017/18 unaudited annual accounts; (2) sought approval of the annual Governance Statement which had been included in the 2017/18 unaudited accounts; and (3) provided the unaudited 2017/18 accounts for those registered charities where the Council was the sole trustee and were subject to statutory requirements for separate accounts and audit opinions.

**The report recommended:**

That the Committee -

- (a) approve the Annual Governance Statement as included in the Council's unaudited Annual Accounts for the financial year 2017/18;
- (b) note that following the meeting, the Council's and the registered charities unaudited Annual Accounts would be finalised, signed and submitted to Audit Scotland;
- (c) note that this Committee on 26 June 2018 would receive the Council's audited accounts for consideration and approval prior to their signature by the Director of Resources, Chief Executive and a Council Leader;
- (d) note that this Committee on 26 June would receive the external auditor's report on the annual accounts for debate and consideration and that the report would set out the auditor's findings and conclusions, highlight the significant issues arising from the audit of the annual accounts and inform Members of the proposed audit opinion in advance of the accounts being certified; and
- (e) note that this Committee would receive the audited Annual Accounts for the registered charities for consideration and approval prior to their signature along with the associated external auditor's report.



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The Convener thanked all staff involved with the accounts process, specifically members of the finance team for the work undertaken to get the unaudited accounts before the Committee at an early stage than previous years.

### **The Committee resolved:-**

- (i) in response to a question from the Convener relating to the City Region Deal and whether the delays with the city fibre network had been taken into account within the accounts, to note that the Interim Chief Officer Finance would liaise with the Service and provide a response to the Committee;
- (ii) in response to a question from the Convener relating to remuneration bands and the difference between the figures from the previous year and how many was attributed to exit packages, to note that the Interim Chief Officer Finance would liaise with colleagues and provide a response to the Committee;
- (iii) to note the thanks offered to all those involved with the accounts process, specifically members of the finance team for the work undertaken to get the unaudited accounts before the Committee; and
- (iv) to otherwise approve the recommendations contained in the report.

### **INTERNAL AUDIT PROGRESS REPORT - IA/18/006**

7. The Committee had before it a report by the Chief Internal Auditor which advised on progress against the 2017/18 Internal Audit Plan.

#### **The report recommended:**

that the Committee review, discuss and comment on the issues raised within the report and the attached appendices.

#### **The Committee resolved:-**

to approve the recommendation contained in the report.

### **FORMAT OF INTERNAL AUDIT REPORTS - IA/18/008**

8. The Committee had before it a report by the Chief Internal Auditor which presented options for the content of future internal audit reports.

#### **The report recommended:**

That the Committee consider whether the format of internal audit reports meet the requirements of the Audit, Risk and Scrutiny Committee and to determine whether any changes were required.

Members discussed the options as presented in the report and agreed that option 2 would be the preferred choice for future reports.

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### **The Committee resolved:-**

to instruct the Chief Internal Auditor to proceed with option 2 as presented in the report so that the Internal Auditor would continue to produce fully detailed reports for management with graded recommendations and no overall report grading, with a longer more detailed executive summary, with the full report being presented to this Committee.

### **ALEO ASSURANCE HUB - GOV/18/004**

9. The Committee had before it a report by the Chief Officer Governance which provided assurance on the risk management, financial management and governance arrangements of Arm's Length External Organisations (ALEOs) within the ALEO Assurance Hub's terms of reference.

### **The report recommended:**

That the Committee –

- (a) note the level of assurance provided by each ALEO on risk management, financial management and governance;
- (b) note the future oversight arrangements for each ALEO and to further note that this had been predicted on the level of risk to the Council and the level of assurance provided by the ALEO; and
- (c) note that Assurance Hub Officers and ALEO Service Leads would discuss any outstanding issues with representatives of each ALEO with a view to improving the assessment ratings at the next Hub meeting.

### **The Committee resolved:-**

- (i) in relation to questions from members regarding the General Data Protection Regulations and whether ALEO's were fully prepared, to note that ALEO's were assessed in March and that a further assessment would be undertaken and presented in the report before the Committee in September 2018;
- (ii) in relation to a question from Councillor Duncan regarding Bon Accord Care and the percentage of Board members that were female, to request the Head of Commercial and Procurement Services to re-state the importance of moving towards gender equality with Bon Accord Care;
- (iii) in relation to a question from Councillor Duncan regarding Bon Accord Care and the reason why they felt that a Scheme of Delegation was not required, to note that the legal team within Commercial and Procurement Services would be discussing this further with Bon Accord Care during the ongoing Service Level Agreement Review;
- (iv) in relation to a question from Councillor Duncan regarding Sport Aberdeen and the comparison of the overall risk assessment with other ALEO's, to note that there had been a negative movement on the risk rating from the previous report which had taken into account the complexity of implementing GDPR and the merger of Garthdee Alpine Sports and Adventure Aberdeen into Sport Aberdeen;

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- (v) in relation to a question from Councillor Duncan regarding Aberdeen Heat and Power and the current process for appointing a Chief Executive Officer, to note that interviews had been scheduled and that officers were in regular contact with the ALEO regarding the matter; and
- (vi) to otherwise approve the recommendations contained in the report.

### PROTECTIVE MONITORING - CUS/18/007

**10.** The Committee had before it a report by the Director of Customer which provided (1) assurance that Protective Monitoring is performed in line with legislation and best practice and (2) an update on the governance process for officers and elected members.

**The report recommended:**

that the Committee approves the following documents which make up the suite of Protective Monitoring:

- (a) Protective Monitoring Policy
- (b) Protective Monitoring Privacy Impact Assessment
- (c) Protective Monitoring Risk Assessment
- (d) Protective Monitoring Access to Information Procedure
- (e) Access to Information Guide and Form.

**The Committee resolved:-**

- (i) in relation to a question from the Vice Convener regarding the implications if elected members were found to be in breach in the ICT Acceptable Use Policy, to note that the Councillor's Code of Conduct specifies that members must abide to the Council's ICT Acceptable Use Policy and that any breaches would be reported, and appropriate action taken; and
- (ii) to otherwise approve the suite of documents relating to Protective Monitoring as presented in the report.

### SPSO DECISIONS AND INSPECTOR OF CREMATORIA COMPLAINT DECISIONS - CUS/18/006

**11.** The Committee had before it a report by the Director of Customer which provides information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Crematoria decisions made in relation to Aberdeen City Council since the last reporting cycle to provide assurance to Committee that complaints and Scottish Welfare Fund applications are being handled appropriately.

**The report recommended:**

that the Committee note the content of the report.

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### **The Committee resolved:-**

- (i) in relation to a question from Councillor Duncan regarding the Scottish Welfare Fund and whether the misinterpretation of the guidance during the application process related to the information not being recorded correctly or whether the process had not been followed, to note that it was the way in which the information had been recorded and that additional guidance had been provided to staff; and
- (ii) to otherwise approve the recommendation contained in the report.

### **INSPECTION REPORT OF ABERDEEN CREMATORIUM BY THE INSPECTOR OF CREMATORIA - OPE/18/012**

12. The Committee had before it a report by the Chief Operating Officer which presented the Inspector of Crematoria's Inspection Report of the Aberdeen Crematorium.

#### **The report recommended:**

that the Committee note the report.

Councillor Duncan, the Convener and Vice Convener offered their thanks to the staff working at the Crematorium for their hard work to make the improvements required especially under difficult circumstances.

### **The Committee resolved:-**

- (i) in relation to questions from members regarding the forthcoming refurbishment to the chapel and office accommodation located at the Crematorium, to note that alternative arrangements for holding services were being investigated and the information would be shared with all funeral directors and where appropriate the fees would reflect the alternative arrangements;
- (ii) to note the thanks offered to staff for their hard work in making the improvements at the Crematorium especially under difficult circumstances which resulted in a positive inspection report; and
- (iii) to otherwise note the content of the inspection report as appended to the report.

### **FLEET AND TRANSPORT MOT ISSUES - OPE/18/024**

13. The Committee had before it a report by the Chief Operating Officer which provided information regarding Aberdeen City Council operating six vehicles without valid MOT certificates.

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### **The report recommended:**

That the Committee -

- (a) note the report and that the Corporate Investigation Team had been instructed to carry out an internal investigation of Fleet Services;
- (b) instruct the Chief Operating Officer to report back to this Committee within two committee cycles, following the completion of the investigation and following consideration of the matter being concluded by the Operational Delivery Committee.

Members asked various questions in relation to the incident specifically around insurance for the vehicles with no MOT, the changes in procedures and the internal investigation to be undertaken. The Chief Officer Operations and Protective Services advised that if there had been an accident with the vehicle and another, that only the other vehicle would be covered. He further advised that moving forward, all vehicles would have a copy of all of the required documentation.

### **The Committee resolved:-**

- (i) to note the additional information provided in relation to the incident; and
- (ii) to otherwise approve the recommendations contained in the report.

### **INTEGRATION JOINT BOARD - INTEGRATION AND CHANGE FUNDING - IA/AC/18/07**

14. The Committee had before it a report by the Chief Internal Auditor which presented the outcome of an audit that was included in the Aberdeen City Health and Social Care Partnership Internal Audit Plan 2017/18.

### **The report recommended:**

that the Committee note the content of the report.

### **The Committee resolved:-**

to approve the recommendation contained in the report.

### **FINANCIAL LEDGER SYSTEM - IA/AC/18/12**

15. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to the Financial Ledger which considered whether appropriate control was being exercised over the system and that interfaces to and from other systems were accurate and properly controlled.

Councillor Townson sought assurance that the current system was still fit for purpose, wherein the Chief Internal Auditor advised that the Council could demonstrate value for money using the system.

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Councillor Duncan sought clarification as to whether the superusers were from within the finance team, wherein the Director of Resources advised that they were and that all activity for them would be monitored.

**The Committee resolved:-**

to note the content of the report and endorse the recommendations for improvement as agreed by the Service.

**PECOS - IA/AC/18/20**

16. The Committee had before it a report by the Chief Internal Auditor which presented an audit report in relation to PECOS which considered whether appropriate control was being exercised over the system and that interfaces to and from other systems were accurate and properly controlled.

**The Committee resolved:-**

to note the content of the report and endorse the recommendations for improvement as agreed by the Service.

**OUT OF AUTHORITY PLACEMENTS - IA/AC/18/26**

17. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Out of Authority Placements which reviewed progress with implementing the applicable recommendations of the Inclusion Review and to consider whether the system used to make and review on-going out of authority placements is robust and that alternatives were considered before decisions were made which committed expenditure.

**The Committee resolved:-**

- (i) in relation to a question from Councillor Duncan regarding the recommendation that the Service review the impact of the changes made as a result of the Inclusion Review to determine the impact on out of authority placements and which Committee would receive this information, to note that the Lead Service Manager would provide an update to this Committee at its September meeting;
- (ii) to instruct the Lead Service Manager to present a report to the Operational Delivery Committee presenting the outcome of the impact of the Inclusion Review on out of authority placements; and
- (iii) to otherwise note the content of the report and endorse the recommendations for improvement as agreed by the Service.

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**CAPITAL PLAN - IA/AC/1818**

18. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to the Capital Plan which was undertaken to ensure that robust procedures were in place for setting, progressing and monitoring the Capital Programme. The audit focused on ensuring that the new processes were being applied and to provide assurance over the setting and delivery of the Capital Plan.

**The Committee resolved:-**

- (i) in relation to a question from the Convener regarding the information provided for the Energy from Waste project and whether it had been reported via a Committee, to note that the Chief Officer Corporate Landlord would provide a response to the Committee;
- (ii) in relation to questions from members regarding the information provided for the Broad Street project to note the information provided by the Director of Resources; and
- (iii) to otherwise note the content of the report and endorse the recommendations for improvement as agreed by the Service.

**HOMELESS PERSON - HOUSING SUPPORT BUDGET - IA/AC/18/25**

19. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to the Housing Support Budget which considered whether adequate control was being exercised over income and expenditure and that best value was being obtained.

Councillor Donnelly inquired as to whether there had been a decline in the number of people presenting themselves as homeless, wherein the Support Services Manager advised that there had been a 23% increase since 2015 with increased reporting and assessment to comply with the regulators.

**The Committee resolved:-**

- (i) in relation to questions from Councillor Graham regarding the recommendation to update the written procedures to reflect appropriate changes and the information provided relating to out of hours temporary accommodation given with no paperwork completed, to note that a Service update would be issued to provide details of the changes and the decision-making processes;
- (ii) in relation to a question from Councillor Lumsden regarding the number of void properties and the length of time to reallocate the properties, to request the Internal Auditor to include Void Properties into a future internal audit plan; and
- (iii) to otherwise note the content of the report and endorse the recommendations for improvement as agreed by the Service.

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### CARE MANAGEMENT - IA/AC/18/28

20. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Care Management which was undertaken to obtain assurance that care needs were being identified, planned and recorded accurately with the costs charged being appropriate and accurately controlled.

#### **The Committee resolved:-**

- (i) in relation to a question from Councillor Duncan regarding compliance with recording details in the CareFirst system, to note that the procedure notes had been updated, workshops for staff would be provided and specific training would be given to employees;
- (ii) in relation to a question from Councillor Duncan regarding how CareFirst could be improved for Self-Directed Support, to note that additional work was required to make improvements to the CareFirst system in this area; and
- (iii) to otherwise note the content of the report and endorse the recommendations for improvement as agreed by the Service.

### EXTERNAL AUDIT, INTERIM MANAGEMENT REPORT

21. The Committee had before it a report by the External Auditor which presented the Interim Management Report and Audit Status Summary. The report provided an update in relation to significant risks and other focus areas, the results of the control testing encompassing overarching governance and system controls and best value approach.

Members asked various questions in relation to the content of the interim management report specifically around the risk section.

#### **The Committee resolved:-**

to note the content of the interim report.

### INTERNAL AUDIT FOLLOW UP ON AGREED RECOMMENDATIONS - IA/18/007

22. The Committee had before it a report by the Chief Internal Auditor which provided an update on the progress made by Services with implementing recommendations that has been agreed in Internal Audit reports.

The Chief Internal Auditor advised that the number of outstanding recommendations had reduced and that all of the recommendations were being monitored by the Corporate Management Team.



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**The Committee resolved:-**

to note the content of the report and request all Services to undertake the work required to complete the outstanding audit recommendations.

**In accordance with the decision recorded under article 2 of this minute, the following item of business was considered with the press and public excluded.**

**GARTHDEE ALPINE SPORTS**

**23.** The Committee had before it a report by the Director of Commissioning which provided an update in relation to Garthdee Alpine Sports.

**The Committee resolved:-**

to approve the exempt recommendations contained in the report.

- **COUNCILLOR STEPHEN FLYNN, Convener**

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DRAFT

	A	B	C	D	E	F	G	H	I
1	<b>AUDIT, RISK &amp; SCRUTINY COMMITTEE BUSINESS PLANNER</b> The Business Planner details the reports which have been instructed by the Committee as well as reports which the Functions expect to be submitting for the calendar year.								
2	<b>Report Title</b>	<b>Minute Reference/Committee Decision or Purpose of Report</b>	<b>Update</b>	<b>Report Author</b>	<b>Chief Officer</b>	<b>Directorate</b>	<b>Terms of Reference</b>	<b>Delayed or Recommended for removal or transfer, enter either D, R, or T</b>	<b>Explanation if delayed, removed or transferred</b>
3	<b>26 June 2018</b>								
4	Audited Annual Accounts 2017/18	To present the audited annual accounts	on agenda - additional circulation	Lesley Fullerton	Finance	Resources	4.1		
5	Timetable for Preparation of Internal Audit Plans for 2019/20 and 2020/21	To advise the Committee of the process and timetable for developing the Internal Audit Plan for 2019/20 and 2020/21	on agenda	David Hughes	Governance	Governance	2.1		
6	Internal Audit Charter	To advise the Committee of the annual review of the Council's Internal Audit Charter	on agenda	David Hughes	Governance	Governance	2.2		
7	Internal Audit Annual Report	To present Internal Audit's annual report to Committee	on agenda	David Hughes	Governance	Governance	2.1		
8	Internal Audit Progress and Performance	To provide an update on progress for the 2017/18 and 2018/19 audit	on agenda	David Hughes	Governance	Governance	2.4		
9	<b>Creditors Payments</b>	<b>To provide assurance that there are adequate controls around the interface of payment data from named systems to the Creditors System (supporting documentation for and authorisation controls over input data, segregation of duties, accuracy and reconciliation of interfaced data sent and received) and that any associated balance sheet / suspense codes are reconciled on a regular basis.</b>		<b>David Hughes</b>	<b>Governance</b>	<b>Governance</b>	<b>2.2</b>	<b>D</b>	<b>Additional Systems to be tested compared to those first identified in the audit plan and to enable internal audit to discuss this with the service staff.</b>
10	<b>Fixed Asset Register</b>	<b>Consider whether procedures for ensuring timely recording of the acquisition/disposal of assets are adequate and that revaluations are undertaken in accordance with recognised best practice.</b>		<b>David Hughes</b>	<b>Governance</b>	<b>Governance</b>	<b>2.2</b>	<b>D</b>	<b>Internal Audit have still to review the information submitted from the Service.</b>
11	<b>Stores Purchasing</b>	<b>Ensure appropriate arrangements are in place regarding procurement of stock</b>		<b>David Hughes</b>	<b>Governance</b>	<b>Governance</b>	<b>2.2</b>	<b>D</b>	<b>Internal Audit have still to review the information submitted from the Service.</b>
12	Internal Audit Follow Up on Recommendations	To provide an update on where Services are with implementing agreed recommendations	on agenda	David Hughes	Governance	Governance	2.3		
13	ISA 260 Report to Those Charged with Governance	to present External Audit's interim position on the annual accounts	on agenda - additional circulation	Andy Shaw	Governance	Governance	1.4		

	A	B	C	D	E	F	G	H	I
2	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
14	RIPSA Activity	Audit, Risk and Scrutiny Committee's decision 26/9/17 the Committee requested quarterly updates on policy/compliance. The update includes an update on training delivered, the number of applications "live" and extant, and any new procedural requirements.	on agenda	Jess Anderson	Governance	Governance	5.2		
15	Local Scrutiny Plan	To present for approval the Local Scrutiny Plan 2018/19 from the Local Area Network	on agenda	Andy Shaw	Governance	Governance	3.1		
16	<b>Corporate Investigation Team - Annual Fraud Report</b>	<b>To consider the annual fraud report</b>		<b>Brian Muldoon</b>	<b>Governance</b>	<b>Governance</b>	<b>5.2</b>	<b>D</b>	<b>Delayed until September due to additional workload</b>
17	SPSO Decisions, Inspector of Crematoria Complaint Decisions	In order to provide assurance to Committee that complaints and Scottish Welfare Fund applications are being handled appropriately, this report provides information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Crematoria decisions made in relation to Aberdeen City Council since the last reporting cycle.	on agenda	Lucy Mackenzie	Customer Experience	Customer	6.9		
18			<b>25 September 2018</b>						
19	Internal Audit Progress and Performance	To provide an update on progress for the 2017/18 and 2018/19 audit		David Hughes	Governance	Governance	2.4		
20	Internal Audit Follow Up on Recommendations	To provide an update on where Services are with implementing agreed recommendations		David Hughes	Governance	Governance	2.3		
21	Transformation	To provide assurance that the Council has appropriate arrangements in place to ensure the success of its transformational aspirations.		David Hughes	Governance	Governance	2.2		
22	Timesheets and Allowances	To provide assurance that payments are accurate and justified, and that improvements recommended in previous reviews have been fully implemented.		David Hughes	Governance	Governance	2.2		
23	General Data Protection Regulations	To provide assurance that the Council has adequate arrangements in place, that are understood throughout the organisation, to protect the Council's information.		David Hughes	Governance	Governance	2.2		
24	Devolved Education Management	To provide assurance that the scheme in place is adequate and that the decision making process is appropriate based on delegations in place.		David Hughes	Governance	Governance	2.2		
25	Impact of Universal Credit on rent collection	To provide assurance that appropriate arrangements have been put in place to manage the impact of Universal Credit on rent collection including intervention relating to identified vulnerable cases.							
26	Internal Transport Tendering Procedures	to consider whether robust tendering procedures are in place and are operating satisfactorily.		David Hughes	Governance	Governance	2.2		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
27	Debtors System	To provide assurance over system controls, documentation supporting invoices raised and debt recovery process.		David Hughes	Governance	Governance	2.2		
28	VAT	To provide assurance over arrangements in place to maximise the recovery of VAT and ensure that VAT recovered is adequately supported.		David Hughes	Governance	Governance	2.2		
29	Digital Strategy	To provide assurance that there are appropriate plans in place to manage the Council's digital strategy including reporting of progress against established milestones.		David Hughes	Governance	Governance	2.2		
30	Health and Social Care Partnership Charging Policy	To provide assurance that there is a clear charging policy in place and that it is being complied with.		David Hughes	Governance	Governance	2.2		
31	Annual Information Governance Statement	To provide Committee with an annual report on the Council's information governance performance.		Caroline Anderson	Governance	Governance	1.4		
32	Council's RIPSAs Policy and the statistical information on RIPSAs activity	As per the Committee's decision 26/9/17 the report presented the annual report on the Council's RIPSAs policy and the statistical information on RIPSAs activity.		Jess Anderson	Governance	Governance	5.2		
33	External Audit Annual Report	to present External Audit's annual report on the accounts		Andy Shaw	Governance	Governance	3.1		
34	Money Laundering	To present the reviewed Money Laundering policy for approval.		Brian Muldoon	Governance	Governance	GD7.1		
35	ALEO Assurance Hub	To provide assurance to the Committee on the risk management, financial management and governance arrangements of the ALEOs within the remit of the Assurance Hub.		Iain Robertson	Governance	Governance	1.2		
36	Corporate Risk Register	To present the annual Corporate Risk Register.		Vikki Cuthbert	Governance	Governance	1.1		
37	Audit Scotland Report on Councils' Use of Arm's Length Organisations	To present Audit Scotland's report on Councils' use of arms-length organisations for members' information.		Iain Robertson	Governance	Governance	1.2		
38	Fleet and MOT Issues	<b>AR&amp;SC 8 May</b> - instruct the Chief Operating Officer to report back to this Committee within two committee cycles, following the completion of the investigation and following consideration of the matter being concluded by the Operational Delivery Committee.		William Whyte	Operations and Protective Services	Operations	6.2		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
39	SPSO Decisions, Inspector of Crematoria Complaint Decisions	In order to provide assurance to Committee that complaints and Scottish Welfare Fund applications are being handled appropriately, this report provides information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Crematoria decisions made in relation to Aberdeen City Council since the last reporting cycle.		Lucy Mackenzie	Customer Experience	Customer	6.9		
40			<b>04 December 2018</b>						
41	Internal Audit Progress and Performance	To provide an update on progress for the 2017/18 and 2018/19 audit		David Hughes	Governance	Governance	2.4		
42	Voluntary Severance / Early Retirement (VSER) Scheme	To provide assurance that the terms of the VSER Scheme are complied with and that payments made / enhancements to pensions are accurate.		David Hughes	Governance	Governance	2.2		
43	Compliance with Procurement Legislation and Council Regulations	To provide assurance that the Council has appropriate arrangements in place that are being complied with, to ensure compliance with procurement legislation and internal regulations.		David Hughes	Governance	Governance	2.2		
44	Business Rates	To provide assurance over the accuracy of Business Rates billing and robustness of collection arrangements.		David Hughes	Governance	Governance	2.2		
45	Data security in a cloud based environment	To provide assurance over the Council's arrangements to ensure data security where business is transacted through the Cloud.		David Hughes	Governance	Governance	2.2		
46	National Care Home Contract	To provide assurance that risk to supply is controlled through adequate monitoring of supply and suppliers and related business continuity plans. (Ref Kingsmead Nursing Home.)		David Hughes	Governance	Governance	2.2		
47	ALEO Assurance Hub Annual Review	To review the ALEO Assurance Hub terms of reference and oversight of ALEOs over the previous 12 months		Iain Robertson	Governance	Governance	1.2		
48	Internal Audit Follow Up on Recommendations	To provide an update on where Services are with implementing agreed recommendations		David Hughes	Governance	Governance	2.3		
49			<b>14 February 2019</b>						
50	Internal Audit Progress and Performance	To provide an update on progress for the 2018/19 audit		David Hughes	Governance	Governance	2.4		
51	Internal Audit Follow Up on Recommendations	To provide an update on where Services are with implementing agreed recommendations		David Hughes	Governance	Governance	2.3		
52	Health and Safety	To provide assurance that appropriate arrangements to manage Health and Safety have been implemented across the Council.		David Hughes	Governance	Governance	2.2		
53	Prevention of Fraud, Bribery and Corruption	To provide assurance that the Council's arrangements for the prevention of fraud, bribery and corruption are adequate and proportionate.		David Hughes	Governance	Governance	2.2		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
54	Pupil Equity Fund	To provide assurance that schools are spending in accordance with their plans, and that these were developed as required, to close the poverty related attainment gap.		David Hughes	Governance	Governance	2.2		
55	i-World	To provide assurance that appropriate control is being exercised over the i-World system and that interfaces to and from other systems are accurate and properly controlled.		David Hughes	Governance	Governance	2.2		
56	Craft Workers' Terms and Conditions	To provide assurance that new Terms and Conditions have been implemented and are being complied with.		David Hughes	Governance	Governance	2.2		
57	Bond Governance	To provide assurance that the requirements of the Bond Trust Deed are complied with.		David Hughes	Governance	Governance	2.2		
58	SPSO Decisions, Inspector of Crematoria Complaint Decisions	In order to provide assurance to Committee that complaints and Scottish Welfare Fund applications are being handled appropriately, this report provides information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Crematoria decisions made in relation to Aberdeen City Council since the last reporting cycle.		Lucy Mackenzie	Customer Experience	Customer	6.9		
59	RIPSA Activity	Audit, Risk and Scrutiny Committee's decision 26/9/17 the Committee requested quarterly updates on policy/compliance. The update includes an update on training delivered, the number of applications "live" and extant, and any new procedural requirements.		Jess Anderson	Governance	Governance	5.2		
60			<b>30 April 2019</b>						
61	Internal Audit Progress and Performance	To provide an update on progress for the 2018/19 audit		David Hughes	Governance	Governance	2.4		
62	Internal Audit Follow Up on Recommendations	To provide an update on where Services are with implementing agreed recommendations		David Hughes	Governance	Governance	2.3		
63	Digital Booking, Fees and Charges	To provide assurance over the controls around on-line booking and collection of fees and charges		David Hughes	Governance	Governance	2.2		
64	Music Centre	To provide assurance that procedures have been improved following completion of work undertaken by Corporate Investigation Team.		David Hughes	Governance	Governance	2.2		
65	Contract Management	To focus on recent identified issues - 3rd Don Crossing - Photovoltaic Panels  To include data/intelligence used for monitoring escalation of risk		David Hughes	Governance	Governance	2.2		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2									
66	Criminal Justice	To provide assurance that adequate control is exercised over income and expenditure, that system data is accurate and adequately supported, and that reporting arrangements between the Council and IJB are appropriate.		David Hughes	Governance	Governance	2.2		
67	Annual Committee Effectiveness Report	To present the annual effectiveness report for the Committee.	May-19		Governance	Governance	GD 7.4		
68	SPSO Decisions, Inspector of Crematoria Complaint Decisions	In order to provide assurance to Committee that complaints and Scottish Welfare Fund applications are being handled appropriately, this report provides information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Crematoria decisions made in relation to Aberdeen City Council since the last reporting cycle.		Lucy Mackenzie	Customer Experience	Customer	6.9		
69			<b>Other Items</b>						
70	Marchburn Park	Operational Delivery Committee 19 April 2018 that in regards to Marchburn Park, "to instruct the Chief Officer (Early Intervention and Community Empowerment) to bring a report to Audit following conclusion of all matters detailed within this report."	A report has been instructed to be discussed at Operational Delivery Committee within 6 months. Following conclusion of all matters a report will be submitted to this Committee. No date has been scheduled as yet.		Early Intervention and Community Empowerment	Customer			



## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Audit, Risk and Scrutiny Committee
<b>DATE</b>	26 June 2018
<b>REPORT TITLE</b>	Internal Audit Progress
<b>REPORT NUMBER</b>	IA/18/014
<b>DIRECTOR</b>	N/A
<b>REPORT AUTHOR</b>	David Hughes
<b>TERMS OF REFERENCE</b>	2.2 and 2.4

### 1. PURPOSE OF REPORT

- 1.1 This report advises the Committee of Internal Audit's progress against the approved 2017/18 Internal Audit plan.

### 2. RECOMMENDATIONS

- 2.1 The Committee is requested to review, discuss and comment on the issues raised within this report and the attached appendix.

### 3. BACKGROUND / MAIN ISSUES

- 3.1 The Internal Audit plans for 2017/18 and 2018/19 were approved by this Committee on 23 February 2017 and 22 February 2018, respectively. The plans included an indicative Committee date by when it was planned to report each audit. Progress against the 2017/18 plan has been reported to each subsequent meeting of the Committee.
- 3.2 Appendix A to this report shows progress with the audits contained in the 2017/18 plan whilst Appendix B shows progress with the audits contained in the 2018/19 plan. Summaries are shown in the following tables.

2017/18 Planned Audit Status	As at 13 June 2018 by Original Target Committee Date						%age
	Jun 17	Sep 17	Nov 17	Feb 18	May 18	Total	
Complete	3	5	5	9	3	25	86.0
Draft Report Issued	0	0	0	0	1	1	3.5
Work in Progress	0	0	0	1	1	2	7.0
Rescheduled to 2018/19	0	0	0	0	1	1	3.5
<b>Total</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>10</b>	<b>6</b>	<b>29</b>	<b>100.0</b>

2018/19 Planned Audit Status	As at 13 June 2018 by Original Target Committee Date						%age
	Jun 18	Sep 18	Dec 18	Feb 19	Apr 19	Total	
Complete	0	0	0	0	0	0	0.0
Draft Report Issued	0	0	0	0	0	0	0.0
Work in Progress	1	5	0	0	0	6	24.0
To Start	0	4	5	6	4	23	76.0
<b>Total</b>	<b>1</b>	<b>9</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>25</b>	<b>100.0</b>

**4. FINANCIAL IMPLICATIONS**

4.1 There are no direct financial implications arising from the recommendations of this report.

**5. LEGAL IMPLICATIONS**

5.1 There are no direct legal implications arising from the recommendations of this report.

**6. MANAGEMENT OF RISK**

6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Where planned progress is not maintained, there is a risk that sufficient work will not have been completed by the end of the financial year for Internal Audit to complete its annual opinion on the Council’s control environment.

**7. OUTCOMES**

7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Model.

7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council’s framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

**8. IMPACT ASSESSMENTS**

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	An assessment is not required because the reason for this report is to report Internal Audit's progress to Committee. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
<b>Privacy Impact Assessment</b>	Not required
<b>Duty of Due Regard / Fairer Scotland Duty</b>	Not applicable

**9. APPENDICES**

- 9.1 Appendix A – Progress with 2017/18 Internal Audit Plan
- 9.2 Appendix B – Progress with 2018/19 Internal Audit Plan.

**10. REPORT AUTHOR DETAILS**

David Hughes, Chief Internal Auditor  
[David.Hughes@aberdeenshire.gov.uk](mailto:David.Hughes@aberdeenshire.gov.uk)  
(01467) 537861

## APPENDIX A

### PROGRESS WITH 2017/18 INTERNAL AUDIT PLAN – BASED ON 2017/18 COUNCIL STRUCTURE (Note – text in italics represents updates provided to Committee previously)

SUBJECT / SCOPE	OBJECTIVE	Progress as at 13 June 2018	Red Amber Green	Comment where applicable
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#### CORPORATE GOVERNANCE

Fixed Asset Register	Consider whether procedures for ensuring timely recording of the acquisition / disposal of assets are adequate and that revaluations are undertaken in accordance with recognised best practice. Ensure that a sample of recorded assets exist and those that should be recorded are.	Draft report due to be issued	TBC	Amber	See below:
		Draft report issued			
		Original target Committee date	22.02.18	Amber	
		Amended target date	08.05.18		
		Revised amended target	26.06.18	Red	

*Following commencement of the audit, Internal Audit was advised that one area due to be tested is undertaken as an annual exercise by the end January each year. As at 8 February 2018, this work had not been completed. As this is one of the audits that External Audit planned to take assurance from Internal Audit's work, the testing requires to be undertaken on 2017/18 work. Therefore, completion of the audit has been delayed and the outcome will be reported to Committee in May 2018.*

*Finance has not yet completed the work that Internal Audit planned to include in testing. Although External Audit has confirmed to Finance that they will not now be placing reliance on Internal Audit's work in this area, Internal Audit still intends to review the most recently completed work once it is done.*

The latest update is that Finance has completed the required work and passed information to Internal Audit for review. Internal Audit is working on this.

SUBJECT / SCOPE	OBJECTIVE	Progress as at 13 June 2018	Red Amber Green	Comment where applicable
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### COMMUNITIES, HOUSING AND INFRASTRUCTURE

Stores Purchasing	Ensure that appropriate arrangements are in place regarding procurement of stock.	Draft report due to be issued	27.04.18	Green	<i>Delays in Internal Audit caused by staff sickness.</i> There have been various meetings and exchanges of views in reaching the position of issuing the final draft report.
		Draft report issued	25.04.18		
		Management response due	23.05.18	Green	
		Management response received	23.05.18		
Final draft issued to management	08.06.18	Green			
Management confirmation received	N/A				
Original target Committee date	08.05.18	Red			
Revised target Committee date	25.09.18				

Internal Transport Tendering Procedures	Consider whether robust tendering procedures are in place and are operating satisfactorily.	Draft report due to be issued	10.08.18		See below:
		Draft report issued	N/A		
		Original target Committee date	08.05.18	Red	
Revised target Committee date	25.09.18				

*When Internal Audit contacted the Service to commence this audit, the Service, whilst accepting that the audit should proceed, requested that it be delayed for a short period of time to allow current work demands to be prioritised. As a result, Internal Audit plans to commence the audit on 14 May 2018, which would mean reporting the outcome from the review to the September 2018 meeting of the Audit, Risk and Scrutiny Committee.*

## APPENDIX B

### PROGRESS WITH 2018/19 INTERNAL AUDIT PLAN

*(Note – text in italics represents updates provided to Committee previously)*

SUBJECT / SCOPE	OBJECTIVE	Progress as at 13 June 2018	Red Amber Green	Comment where applicable
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#### Originally Planned for June 2018 Committee

Payments made following interface to the Creditors System from Care First, Caps Uniform, TALIS, Total Consilium, Confirm and Tranman	To provide assurance that there are adequate controls around the interface of payment data from named systems to the Creditors System (supporting documentation for and authorisation controls over input data, segregation of duties, accuracy and reconciliation of interfaced data sent and received) and that any associated balance sheet / suspense codes are reconciled on a regular basis.	Draft report due to be issued Draft report issued	20.06.18 N/A	Green	Delay caused by additional systems having to be tested compared to those identified in the plan and the availability of Service staff to discuss these. In addition, testing is being undertaken in relation to the eFinancials to BACS interface.
		Original target Committee date Revised Committee Date	26.06.18 25.09.18	Amber	

SUBJECT / SCOPE	OBJECTIVE	Progress as at 13 June 2018	Red Amber Green	Comment where applicable
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### Originally Planned for September 2018 Committee

Transformation	To provide assurance that the Council has appropriate arrangements in place to ensure the success of its transformational aspirations.	Original target Committee date	25.09.18	Green	Not yet commenced
Timesheets and Allowances	To provide assurance that payments are accurate and justified, and that improvements recommended in previous reviews have been fully implemented.	Original target Committee date	25.09.18	Green	Not yet commenced
General Data Protection Regulations	To provide assurance that the Council has adequate arrangements in place, that are understood throughout the organisation, to protect the Council's information.	Draft report due to be issued	30.07.18	Green	
		Draft report issued	N/A		
		Original target Committee date	25.09.18	Green	
Impact of Universal Credit on rent collection.	To provide assurance that appropriate arrangements have been put in place to manage the impact of Universal Credit on rent collection including intervention relating to identified vulnerable cases.	Draft report due to be issued	17.07.18	Green	
		Draft report issued	N/A		
		Original target Committee date	25.09.18	Green	

SUBJECT / SCOPE	OBJECTIVE	Progress as at 13 June 2018	Red Amber Green	Comment where applicable
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### Originally Planned for September 2018 Committee (continued)

Debtors System	To provide assurance over system controls, documentation supporting invoices raised and debt recovery process.	Draft report due to be issued	25.06.18	Green	
		Draft report issued	N/A		
		Original target Committee date	25.09.18	Green	
Digital Strategy	To provide assurance that there are appropriate plans in place to manage the Council's digital strategy including reporting of progress against established milestones.	Original target Committee date	25.09.18	Green	Commencement delayed at request of Service pending Chief Officer – Digital and Technology taking up post.
Devolved Education Management Scheme	To provide assurance that the scheme in place is adequate and that the decision making process is appropriate based on delegations in place.	Draft report due to be issued	N/A	Green	Awaiting planning meeting with Service
		Draft report issued	N/A		
		Original target Committee date	25.09.18		
VAT	To provide assurance over arrangements in place to maximise the recovery of VAT and ensure that VAT recovered is adequately supported.	Draft report due to be issued	20.07.18	Green	
		Draft report issued	N/A		
		Original target Committee date	25.09.18	Green	
Health and Social Care Partnership Charging Policy	To provide assurance that there is a clear charging policy in place and that it is being complied with.	Original target Committee date	25.09.18	Green	Planning meeting scheduled for 19.06.18



SUBJECT / SCOPE	OBJECTIVE	Progress as at 13 June 2018	Red Amber Green	Comment where applicable
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### Originally Planned for December 2018 Committee

Voluntary Severance / Early Retirement (VSER)	To provide assurance that the terms of the VSER Scheme are complied with and that payments made / enhancements to pensions are accurate.	Original target Committee date	04.12.18	Green	Not yet commenced
Compliance with Procurement Legislation and Council Regulations	To provide assurance that the Council has appropriate arrangements in place that are being complied with, to ensure compliance with procurement legislation and internal regulations.	Original target Committee date	04.12.18	Green	Not yet commenced
Business Rates	To provide assurance over the accuracy of Business Rates billing and robustness of collection arrangements.	Original target Committee date	04.12.18	Green	Not yet commenced
Data security in a cloud based environment	To provide assurance over the Council's arrangements to ensure data security where business is transacted through the Cloud.	Original target Committee date	04.12.18	Green	Not yet commenced
National Care Home Contract	To provide assurance that risk to supply is controlled through adequate monitoring of supply and suppliers and related business continuity plans. (Ref Kingsmead Nursing Home.)	Original target Committee date	04.12.18	Green	Not yet commenced

SUBJECT / SCOPE	OBJECTIVE	Progress as at 13 June 2018	Red Amber Green	Comment where applicable
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### Originally Planned for February 2019 Committee

Health and Safety Arrangements across the Council	To provide assurance that appropriate arrangements to manage Health and Safety have been implemented across the Council.	Original target Committee date	14.02.19	Green	Not yet commenced
Prevention of Fraud, Bribery and Corruption	To provide assurance that the Council's arrangements for the prevention of fraud, bribery and corruption are adequate and proportionate.	Original target Committee date	14.02.19	Green	Not yet commenced
i-World Housing Management System	To provide assurance that appropriate control is being exercised over the i-World system and that interfaces to and from other systems are accurate and properly controlled.	Original target Committee date	14.02.19	Green	Not yet commenced
Pupil Equity Fund	To provide assurance that schools are spending in accordance with their plans, and that these were developed as required, to close the poverty related attainment gap.	Original target Committee date	14.02.19	Green	Not yet commenced
Craft Workers' Payroll	To provide assurance that new Terms and Conditions have been implemented and are being complied with.	Original target Committee date	14.02.19	Green	Not yet commenced

SUBJECT / SCOPE	OBJECTIVE	Progress as at 13 June 2018	Red Amber Green	Comment where applicable
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**Originally Planned for February 2019 Committee (continued)**

Bond Trust Deed	To provide assurance that the requirements of the Bond Trust Deed are complied with.	Original target Committee date	14.02.19	Green	Not yet commenced
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SUBJECT / SCOPE	OBJECTIVE	Progress as at 13 June 2018	Red Amber Green	Comment where applicable
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### Originally Planned for April 2019 Committee

Digital Booking, Fees and Charges	To provide assurance over the controls around on-line booking and collection of fees and charges	Original target Committee date	30.04.19	Green	Not yet commenced
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Music Centre	To provide assurance that procedures have been improved following completion of work undertaken by Corporate Investigation Team - review of income, expenditure (procurement and payroll), and inventory	Original target Committee date	30.04.19	Green	Not yet commenced
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Management of high risk contracts	To focus on recent identified issues:- <ul style="list-style-type: none"> <li>- 3<sup>rd</sup> Don Crossing</li> <li>- Photovoltaic Panels</li> </ul> <p>To include data / intelligence used for monitoring and escalation of risk.</p>	Original target Committee date	30.04.19	Green	Not yet commenced
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Criminal Justice Service	To provide assurance that adequate control is exercised over income and expenditure, that system data is accurate and adequately supported, and that reporting arrangements between the Council and IJB are appropriate.	Original target Committee date	30.04.19	Green	Not yet commenced
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SUBJECT / SCOPE	OBJECTIVE	Progress as at 13 June 2018
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### No Planned Reporting to Committee

Interreg Projects where Aberdeen City Council is involved as a Lead Partner and / or Project Partner	<p>To certify required grant claims in accordance with Programme Secretariat requirements.</p> <p><i>There will be no specific reporting to management and / or Audit Risk and Scrutiny Committee in relation to these grant claims unless a significant issue were identified.</i></p>	<p>BEGIN Project ACC Partner Claim for period 2 certified (June 2018).</p> <p>HyTrEc2 Project ACC Partner Claim for period 2 certified (June 2018)</p> <p>HyTrEc2 Overall Project Claim for period 2 certified (June 2018)</p>
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### GENERAL

Contingency - Investigations and additional works.	To undertake investigations and additional works as they arise and to provide a contingency should systems subject to audit not be adequately documented by Services prior to audit.	Additional works being undertaken are detailed in the following tables.
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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Audit, Risk and Scrutiny Committee
<b>DATE</b>	26 June 2018
<b>REPORT TITLE</b>	Internal Audit Charter
<b>REPORT NUMBER</b>	IA/18/010
<b>DIRECTOR</b>	N/A
<b>REPORT AUTHOR</b>	David Hughes
<b>TERMS OF REFERENCE</b>	2.2

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek Committee approval for the Council's Internal Audit Charter.

### 2. RECOMMENDATIONS

- 2.1 It is recommended that the Committee approve the attached Internal Audit Charter.

### 3. BACKGROUND / MAIN ISSUES

- 3.1 The Public Sector Internal Audit Standards (PSIAS) require that Councils have an Internal Audit Charter which includes specific requirements contained within the Standards. The Standards require that the organisation's Board (for the Council, the Audit, Risk and Scrutiny Committee) approves the Internal Audit Charter.

- 3.2 The Standards define the Charter as follows:

“The internal audit charter is a formal document that defines the internal audit activity's purpose, authority and responsibility. The internal audit charter establishes the internal audit activity's position within the organisation, including the nature of the chief audit executive's functional reporting relationship with the board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the board.”

- 3.3 In relation to the public sector, it must:

- define the terms 'board' and 'senior management' for the purposes of internal audit activity;
- cover the arrangements for appropriate resourcing;

- define the role of internal audit in any fraud-related work; and
  - include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities.
- 3.4 There is a requirement that the Internal Audit Charter be reviewed annually. The current Internal Audit Charter was approved by the Audit, Risk and Scrutiny Committee on 27 June 2017. The Charter has been reviewed by the Chief Internal Auditor and considered to still be appropriate, the only changes being required relating to changes in reporting arrangements between the Pensions Committee and the Audit, Risk and Scrutiny Committee, and the titles of Chief Officers referred to in the Council's Financial Regulations.
- 3.5 The Internal Audit Charter, which is attached as an appendix to this report, is based on the requirements of the PSIAS, the main requirements of which are:
- 3.5.1 Relationships between the chief audit executive (Chief Internal Auditor), chief financial officer, chief executive, the audit committee and other key officers are defined.
- 3.5.2 The purpose, authority and responsibility of Internal Audit must be formally defined in the Charter which must be consistent with the Definition of Internal Audit, the Code of Ethics and the Standards.
- 3.5.3 The nature of assurance services provided to the organisation must be defined.
- 3.5.4 The mandatory nature of the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards* must be recognised in the internal audit charter.
- 3.6 Other important considerations include establishing Internal Audit's independence and ensuring that it is free from interference in determining the scope of internal auditing, performing work and communicating results. This includes the reporting of any impairment to that independence (either in fact or appearance), scope limitations, and restrictions on access to records, etc to appropriate parties.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications arising from the recommendations of this report.

#### **5. LEGAL IMPLICATIONS**

- 5.1 There are no direct legal implications arising from the recommendations of this report.

#### **6. MANAGEMENT OF RISK**

- 6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations are made to address the identified risks and Internal Audit follows up progress with



implementing those that are agreed with management. Where planned progress is not maintained, there is a risk that sufficient work will not have been completed by the end of the financial year for Internal Audit to complete its annual opinion on the Council’s control environment.

**7. OUTCOMES**

7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Model.

7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council’s framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

**8. IMPACT ASSESSMENTS**

Assessment	Outcome
<b>Equality &amp; Human Rights Impact Assessment</b>	An assessment is not required because the reason for this report is for Committee to approve the Internal Audit Charter. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
<b>Privacy Impact Assessment</b>	Not required
<b>Duty of Due Regard / Fairer Scotland Duty</b>	Not applicable

**9. APPENDICES**

9.1 Appendix A – Aberdeen City Council Internal Audit Charter.

**10. REPORT AUTHOR DETAILS**

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## **Appendix A**

# **ABERDEEN CITY COUNCIL INTERNAL AUDIT CHARTER**

## **INTRODUCTION**

The Public Sector Internal Audit Standards (PSIAS) require that an Internal Audit Charter be in place to detail the purpose, authority and responsibility of Internal Audit. The Charter should also establish Internal Audit's position within the organisation, including the Chief Internal Auditor's functional reporting relationship with the "Board", authorise Internal Audit's access to records, personnel and physical properties relevant to the performance of its activity, and define the scope of such activity.

It is a requirement of PSIAS that the Charter be approved by the "Board". Within Aberdeen City Council, the Board is the Audit, Risk and Scrutiny Committee.

## **ROLE**

Internal Audit's primary role is to provide independent and objective assurance on the Council's entire control environment (framework of governance, risk management and internal control systems). This involves a continuous rolling review and appraisal of the internal controls of the Council involving the examination and evaluation of the adequacy of the control environment. Reports are produced relating to each audit assignment and these are provided to the Audit, Risk and Scrutiny Committee. Where reports relate to the North East Scotland Pension Fund and Aberdeen City Integration Joint Board, these are considered after the Pensions Committee and Audit and Performance Systems Committee, respectively, has considered them. Along with other evidence, these reports are used in forming annual opinions on the adequacy of the control environment.

Internal Audit is also responsible for carrying out ad-hoc investigations into potential irregularities involving cash, stores, equipment or other property of the Council, and for providing advice as and when required in relation to control and compliance issues.

## **PROFESSIONALISM**

Internal Audit will govern itself by adherence to the requirements of the Public Sector Internal Audit Standards. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

## **AUTHORITY**

Internal Audit, with strict accountability for confidentiality and safeguarding records and information, has authority, through the Council's Financial Regulations, to:

- (a) Enter at all reasonable times any Council premises or land.
- (b) Have access to all records, documents and correspondence relating to any financial and other transactions of the Council.
- (c) Require and receive such explanations as are necessary concerning any matter under examination.
- (d) Require any employee of the Council to produce cash, stores, equipment or any other Council property under his or her control.

The Chief Internal Auditor has free and unfettered access to the Council's Chief Executive, and Convener of the Board. The Chief Internal Auditor has the right to report direct to Council in any instance where he or she deems it inappropriate to report direct to the Chief Officer – Governance, Chief Executive, or Audit, Risk and Scrutiny Committee.

## **ORGANISATION**

The Chief Internal Auditor will report functionally to the Audit, Risk and Scrutiny Committee and administratively (i.e. day to day operations) to the Chief Officer - Governance.

In this context functional reporting means the Audit, Risk and Scrutiny Committee will:

- (a) Approve the Internal Audit Charter.
- (b) Be consulted on and approve the annual Internal Audit Plan.
- (c) Receive reports from the Chief Internal Auditor on the results of Internal Audit activity or other matters the Chief Internal Auditor determines necessary.
- (d) Make enquiries of management to ensure that Internal Audit is adequately resourced to meet assurance and other key responsibilities.
- (e) Make enquiries of management to ensure that Internal Audit is operating in an independent manner and that it is receiving the necessary co-operation from Council management in undertaking its duties.

The Chief Internal Auditor's annual review will be undertaken by the Director of Business Services in Aberdeenshire Council.

## **INDEPENDENCE AND OBJECTIVITY**

In order to satisfy the requirements of the Public Sector Internal Audit Standards, Internal Audit must be independent and objective.

Internal Audit will remain free from interference by any element in the organisation in the matter of audit selection (including scope, procedures, frequency and timing), and content of reports thereon to permit maintenance of a necessary independent and objective mental attitude. Notwithstanding this, Internal Audit will consult with management regarding the scope, timing and outcome of each assignment.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair an internal auditor's judgment. However, Internal Audit may be consulted on the implementation of new systems to ensure that, as far as possible, all considerations are taken into account during their implementation. Such involvement shall not preclude Internal Audit from reviewing that area and reporting thereon.

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

Internal Audit staff will complete an annual declaration confirming compliance with rules on independence, any conflicts of interest, and the offer and / or acceptance of inducements. Where Internal Audit staff have had operational responsibility for any activity whilst working in a previous or seconded role, they will not be involved in the audit of that area for at least one year following the end of any such responsibility.

The Chief Internal Auditor will confirm to the Audit, Risk and Scrutiny Committee, at least annually, the organisational independence of the Internal Audit function.

## **RESPONSIBILITY**

It shall be the responsibility of Internal Audit to complete sufficient assurance work to support the annual opinion detailed in its Internal Financial Control Statement. All work shall be undertaken in accordance with the requirements of the Public Sector Internal Audit Standards. All Internal Audit staff will complete an annual declaration confirming that they have read and understood these requirements.

It shall be the responsibility of Council management to ensure that adequate and appropriate systems of internal control are in operation which help ensure that the Council's objectives are fulfilled in a manner which complies with the

Council's policies and procedures and in accordance with the law. Council management will ensure that access is provided to records, personnel and assets of the Council as required by Internal Audit, and that responses are provided to Internal Audit as required by the Council's Financial Regulations.

The CIPFA *Statement on the Role of the Chief Financial Officer in Local Government* states that the chief financial officer (Chief Officer – Finance) must:

- (a) ensure an effective internal audit function is resourced and maintained
- (b) ensure that the authority has put in place effective arrangements for internal audit of the control environment
- (c) support the authority's internal audit arrangements, and
- (d) ensure that the audit committee receives the necessary advice and information, so that both functions can operate effectively.

The Council's Financial Regulations require that the Chief Officer – Finance and the Chief Officer – Governance be advised of any suspected irregularity affecting the finances, property, services or policy of the Council and that they may investigate such matters as appropriate.

Internal Audit will consider the outcome of such investigations in its future work programme and in forming its opinion on the control environment of the Council.

## **INTERNAL AUDIT PLAN**

On an annual basis, the Chief Internal Auditor will consult with senior management in developing an Internal Audit plan for submission to the Council's Corporate Management Team (in terms of PSIAS "senior management") and Audit, Risk and Scrutiny Committee for review, comment and approval by the latter. The Internal Audit plan will consist of a work schedule as well as budget and resource requirements for the period covered by the plan.

The Internal Audit plan will be developed based on a prioritisation of the audit universe using a risk-based methodology, including input from the Council's Corporate Management Team and Audit, Risk and Scrutiny Committee. Any significant deviation from the Internal Audit plan will be communicated to the Council's Corporate Management Team and Audit, Risk and Scrutiny Committee through periodic activity reports.

## **REPORTING AND MONITORING**

A written report will be prepared and issued by the Chief Internal Auditor or designee following the conclusion of each audit and this shall be distributed as appropriate. Internal Audit results will be reported to the Audit, Risk and Scrutiny Committee. Where such reports relate to the NESPF, they will initially be considered by the Pensions Committee. Where such reports relate to the Aberdeen City Integration Joint Board, they will initially be considered

by the Audit and Performance Systems Committee. Where reports relate to consultancy requested by management for operational purposes, the results will be reported to the Audit, Risk and Scrutiny Committee where they relate to governance or control issues.

The Internal Audit report will include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response will include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

Internal Audit will monitor action taken by management to implement agreed recommendations and will provide this information to the Audit, Risk and Scrutiny Committee / Pensions Committee / Audit and Performance Systems Committee as appropriate.

### **PERIODIC ASSESSMENT**

The Chief Internal Auditor will periodically report to the Council's Corporate Management Team and Audit, Risk and Scrutiny Committee on Internal Audit's purpose, authority, and responsibility, as well as performance relative to its plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Council's Corporate Management Team and Audit, Risk and Scrutiny Committee.

In addition, the Chief Internal Auditor will communicate to the Council's Corporate Management Team and Audit, Risk and Scrutiny Committee regarding Internal Audit's quality assurance and improvement program, including results of ongoing internal assessments and external assessments which must be conducted at least every five years.

Approved by the Audit, Risk and Scrutiny Committee on ...

## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Audit, Risk and Scrutiny Committee
<b>DATE</b>	26 June 2018
<b>REPORT TITLE</b>	Internal Audit Annual Report and Internal Financial Control Statement 2017/18
<b>REPORT NUMBER</b>	IA/18/011
<b>DIRECTOR</b>	N/A
<b>REPORT AUTHOR</b>	David Hughes
<b>TERMS OF REFERENCE</b>	2.3

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide the Committee with Internal Audit's Annual Report for 2017/18.

### 2. RECOMMENDATIONS

It is recommended that the Committee:

- 2.1 Note the Annual Report for 2017/18;
- 2.2 Note that the Chief Internal Auditor has confirmed the organisational independence of Internal Audit;
- 2.3 Note that there has been no limitation to the scope of Internal Audit work during 2017/18; and
- 2.4 Note that during the year, KPMG completed an External Quality Assessment of Internal Audit that has already been reported to Committee.

### 3. BACKGROUND / MAIN ISSUES

- 3.1 It is one of the functions of the Audit, Risk and Scrutiny Committee to review the activities of the Internal Audit function, including its annual work programme. Internal Audit reports interim progress at each meeting of the Committee.
- 3.2 The Internal Audit plan for 2017/18 was agreed by the Audit, Risk and Scrutiny Committee on 23 February 2017. Each of the audits contained in the plan was allocated a certain number of days determined by the perceived complexity of the work, level of testing envisaged and expected outcome of the audit. The plan also included an allocation of time for dealing with additional work requests, providing advice to Services, and for

investigations into suspected financial irregularities.

- 3.3 Appendices A and B to this report detail the position with those audits carried forward from 2016/17, along with details relating to audits contained in the original 2017/18 plan. Some 2017/18 audits have been deferred as agreed by the Audit, Risk and Scrutiny Committee previously.
- 3.4 The 2017/18 Internal Audit plan was based on the Internal Audit Section being fully staffed during the year. However, the Section was operating at less than full establishment during the year due to: higher than usual sickness absence; the resignations of three Assistant Auditors all of whom were replaced on temporary contracts to 31 March 2018. The Section ended the year at full establishment. It is estimated that around 10% of the Section's capacity during the year was lost for these staffing reasons.
- 3.5 During 2017/18, a majority of recommendations made by Internal Audit were accepted which, if taken to full implementation, will improve the Council's internal control environment and, in some cases, result in more efficient and effective processes, and financial savings for the Council. Any failure to implement the more significant recommendations can have an impact on the overall Internal Audit opinion expressed in the annual Internal Financial Control Statement and the level of assurance that can be provided to those charged with governance. Internal Audit monitors the implementation of agreed recommendations on a regular basis with the results reported to each meeting of the Audit, Risk and Scrutiny Committee.
- 3.6 Despite the issues raised above, it is considered that sufficient work was completed during the year, or was sufficiently advanced by the year-end, on which to base the conclusion drawn in the annual Internal Financial Control Statement. This is attached as Appendix C, and, despite some areas of concern having been raised during the year as detailed in the appendix, concludes that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and internal control system in the year to 31 March 2018.
- 3.7 The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor report to Senior Management and the Board (the Audit, Risk and Scrutiny Committee) on the outcome of Internal Audit's Quality Assurance and Improvement Plan (QAIP).
- 3.8 For 2017/18, an external review of the Council's Internal Audit arrangements was completed by KPMG. The outcome of the review was reported to the Audit, Risk and Scrutiny Committee on 23 November 2017.
- 3.9 The Standards also require that Internal Audit confirms to the Board, at least annually, that it is organisationally independent. The organisational independence of Internal Audit is established through Financial Regulations (approved by full Council) and the Internal Audit Charter (approved by the Audit, Risk and Scrutiny Committee). Other factors which help ensure Internal Audit's independence are that: the Internal Audit plan is approved by the Audit, Risk and Scrutiny Committee; and, Internal Audit reports its outputs to Committee in the name of the Chief Internal Auditor.



3.10 There is also a requirement to report any instances where the scope of Internal Audit’s work has been limited. During 2017/18, there have been no such limitations.

**4. FINANCIAL IMPLICATIONS**

4.1 There are no direct financial implications arising from the recommendations of this report.

**5. LEGAL IMPLICATIONS**

5.1 There are no direct legal implications arising from the recommendations of this report.

**6. MANAGEMENT OF RISK**

6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

**7. OUTCOMES**

7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Model.

7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council’s framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

**8. IMPACT ASSESSMENTS**

Assessment	Outcome
<b>Equality &amp; Human Rights Impact Assessment</b>	An assessment is not required because the reason for this report is for Committee to consider Internal Audit’s annual report. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
<b>Privacy Impact Assessment</b>	Not required
<b>Duty of Due Regard / Fairer Scotland Duty</b>	Not applicable

**9. APPENDICES**

- 9.1 Appendix A – 2016/17 Audit Work carried forward into 2017/18.
- 9.2 Appendix B – 2017/18 Audit Work.
- 9.3 Appendix C – Internal Audit Statement relating to Aberdeen City Council's Internal Control System for the year ended 31 March 2018
- 9.4 Appendix D – Internal Audit Performance Measures.

**10. REPORT AUTHOR DETAILS**

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(01467) 537861

**APPENDIX A**

**2016/17 Audit Work carried forward into 2017/18:**

<b>Service</b>	<b>Audit Topic</b>	<b>Position</b>
Cross Service	ALEOs	Complete August 2017
Corporate Governance	Budget Setting Process	Complete May 2017
	Benefits	Complete July 2017
	Disclosure Checks	Complete August 2017

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**APPENDIX B**

**2017/18 Audit Work:**

<b>Service</b>	<b>Audit Topic</b>	<b>Position</b>
Cross Service	Attendance Management	Complete August 2017
	Capital Plan	Complete April 2018
	Travel Costs	Complete October 2017
	Business Continuity Planning	Complete August 2017
	Bond Governance	Complete February 2018
Corporate Governance	PECOS System	Complete March 2018
	Fixed Asset Register	Work in progress – delayed as reported to Committee in May 2018.
	Financial Ledger System	Complete March 2018
	YourHR	Complete February 2018
	Major IT Business Systems	Complete December 2017
	Training for Councillors	Complete January 2018
Education and Children's Services	Out of Authority Placements	Complete April 2018
	Pre-School Commissioned Places	Complete December 2017
	Placing Requests	Complete November 2017
	Health and Safety - SSERC	Complete September 2017
	Community Care – Children and Young People	Complete February 2018

Service	Audit Topic	Position
Communities, Housing and Infrastructure	Housing Support Budget	Complete April 2018
	Building Maintenance Stocks	Complete August 2017
	Craft Workers Payroll	Deferred to 2018/19 as agreed by Committee on 23 November 2017.
	Corporate Landlord Responsibilities	Complete September 2017
	Stores Purchasing	Draft report issued April 2018
	Capital Contracts	Complete February 2018
	Vehicle Maintenance Workshops	Complete October 2017
	Internal Transport Tendering	Work in progress – delayed as reported to Committee in May 2018.
	Vehicle Usage	Complete January 2018
Adult Social Work / IJB	Social Work Payroll	Complete January 2018
	Social Work Financial Assessments	Complete February 2018
	Care Management	Complete April 2018
	Social Work Transport	Complete September 2017

## **Appendix C**

### **Internal Audit Statement relating to Aberdeen City Council's Internal Control System for the year ended 31 March 2018**

As Chief Internal Auditor of Aberdeen City Council, I am pleased to present my annual statement on the adequacy and effectiveness of the internal control system of the Council for the year ended 31 March 2018. The purpose of this statement is to assist the Chief Officer – Finance in forming the required opinion in relation to the Annual Governance Statement to be included in the Annual Accounts.

#### **Opinion**

It is my opinion, based on the following, that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control in the year to 31 March 2018.

However, as in previous years, some significant issues have been identified throughout the year. One recommendation graded as "major" was made in reports concluded in the year (compared with five in 2016/17). This related to procurement issues. The overall number of recommendations made fell from 340 in 2016/17 to 274 in 2017/18 and, although most were agreed by management there have been delays with implementing a significant number of these as reported on a regular basis to the Audit, Risk and Scrutiny Committee and, more recently, the Corporate Management Team.

In addition to the above, areas of good practice, improvement, and procedural compliance have been identified and these have been detailed in individual assignment reports.

#### **Basis of Opinion**

My evaluation of the control environment is informed by a number of sources:

- The audit work completed by Internal Audit during the year to 31 March 2018;
- Progress made by Services with implementing agreed Internal Audit recommendations;
- The assessment of risk completed during the updating of the audit plan;
- Reports issued by the Council's external auditors; and
- Internal Audit's knowledge of the Council's governance, risk management and performance monitoring arrangements.

#### **Respective responsibilities of management and internal auditors in relation to internal control**

It is the responsibility of the Council's senior management to establish an appropriate and sound system of internal control and to monitor the continuing effectiveness of that system. It is the responsibility of the Chief Internal Auditor to

provide an annual overall assessment of the robustness of the internal control system.

### **Sound internal controls**

The main objectives of the Council's internal control systems are to:

- ensure adherence to management policies and directives in order to achieve the organisation's objectives;
- safeguard assets;
- ensure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records; and
- ensure compliance with statutory requirements.

Any system of control can only ever provide reasonable and not absolute assurance that control weaknesses or irregularities do not exist or that there is no risk of material errors, losses, fraud, or breaches of laws or regulations. Accordingly, the Council is continually seeking to improve the effectiveness of its systems of internal control.

### **The Work of Internal Audit**

Internal Audit is an independent appraisal function established by the Council for the review of the internal control system as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

The section undertakes an annual programme of work agreed with Service Directors and the Audit, Risk and Scrutiny Committee. The audit plan is based on a risk assessment process which is revised on an ongoing basis to reflect evolving risks and changes within the Council.

All Internal Audit reports identifying system weaknesses, non-compliance with expected controls, and / or assurance of satisfactory operation are brought to the attention of management and include appropriate recommendations and agreed action plans. It is management's responsibility to ensure that proper consideration is given to Internal Audit reports and that appropriate action is taken on audit recommendations. The Internal Auditor is required to ensure that appropriate arrangements are made to determine whether action has been taken on internal audit recommendations or that management has understood and assumed the risk of not taking action.

**David Hughes, Chief Internal Auditor, Aberdeen City Council**  
**1 May 2018**

Appendix D

INTERNAL AUDIT PERFORMANCE MEASURES

PI	Description	Target	Actual 2017/18	Actual 2016/17
1	Percentage of planned audits commenced where the Service was given advance notice of commencement of field work.	100%	100.00%	100.00%
2	Percentage of current year audits (as adjusted through consideration of subsequent year's plan, see Note (1)) where draft report issued by deadline.	90%	78.57%	72.73%
3	Percentage of current year audits (as adjusted) completed by end of current year.	65%	79.31%	73.08%
4	Percentage of previous year audits (as adjusted) completed by end of current year.	100%	100.00%	100.00%
5	Percentage of current year audits (as adjusted) that were completed in the year within 110% of planned time allocated.	90%	52.17%	73.68%
6	Percentage of previous year audits (as adjusted) that were completed within 110% of planned time allocated.	90%	62.14%	51.24%
7	Percentage of planned time taken for current year audits that were completed in the year.	90 - 110%	108.48%	106.34%
8	Percentage of planned time taken for all previous year audits completed by end of current year.	90 - 110%	111.70%	113.37%



PI	Description	Target	Actual 2017/18	Actual 2016/17
9	Percentage of recommendations accepted by management (See Note (2)).	95%	99.66%	97.18%
10	Where management has not agreed recommendation, percentage who accept risk.	100%	100.00%	100.00%

Notes:

- (1) The adjusted number of audits in the plan for 2016/17 was 26, and for 2017/18 was 29.
- (2) The number of recommendations made by Internal Audit in 2016/17 was 340, and for 2017/18 was 274.

Commentary

Improvements have been made in most areas when comparing 2017/18 performance against that of 2016/17, although more audits exceeded their anticipated budget. Efforts are being made within Internal Audit to improve performance against these measures further.

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Audit, Risk and Scrutiny Committee
<b>DATE</b>	26 June 2018
<b>REPORT TITLE</b>	Internal Audit Planning
<b>REPORT NUMBER</b>	IA/18/012
<b>DIRECTOR</b>	N/A
<b>REPORT AUTHOR</b>	David Hughes
<b>TERMS OF REFERENCE</b>	2.2

### 1. PURPOSE OF REPORT

- 1.1 To discuss the methodology and timing for future Internal Audit Plans.

### 2. RECOMMENDATION

- 2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report.

### 3. BACKGROUND / MAIN ISSUES

- 3.1 During 2017, the Council's external auditor, KPMG, completed a review of the Council's Internal Audit arrangements. The review was commissioned by Council management to satisfy the Public Sector Internal Audit Standards requirement of having an external assessment at least once every five years as well as to make comparisons to best practice for an entity listed on the London Stock Exchange. This replaced the Aberdeen City Council element of a planned review of the Shared Internal Audit Service that was to be completed through arrangements put in place by the Scottish Local Authorities Chief Internal Auditors' Group.

- 3.2 One of the recommendations that came out of the KPMG review was as follows:

#### Recommendation

The CIA should clearly link the presented audit plan to the Council risk register and ensure that the key risk areas are being reviewed throughout a defined period, which we recommend is represented in a three year strategic audit plan. The internal audit planning process should start earlier in the year with a view to the draft internal audit plan being presented to ARSC in November to enable discussion and a final plan being brought to the March meeting for approval.

- 3.3 The above recommendation was reported to the Audit Risk and Scrutiny

Committee on 23 November 2017 with actions as follows:

No.	Management Response	Action by
1	Future Audit Plans will be clearly linked to the Council's risk registers. This information is already held within Internal Audit but will be included in reporting to Committee.	Chief Internal Auditor  February 2018
2	There is a shared ambition to move to a multi-year Audit Plan. Officers believe this would be helpful, but recognise that rolling review of a 3 year Plan will see significant movement over the period as risks are continuously identified and assessed. Given the significant change underway within the Council it is proposed that the Audit Plan for 2019/20 include a draft schedule of reviews for 2020/21 and 2021/22.	Chief Internal Auditor  February 2019
3	Officers agree that the annual audit planning process, building upon a multi-year Plan, should start early in the year and, indeed the Plan and risks must be kept under continuous review. It is believed, however, that the variables which will influence the Plan, including the results of both internal and external audit and inspections conducted in the current year, may militate against submission of a draft Plan as early as November. Planning would, in effect, need to begin in July / August. It is proposed that the Chief Internal Auditor submit a timetable for preparation of the Annual Plan to the Audit, Risk & Scrutiny Committee setting out the benefits and disbenefits, and alternatives, to an early submission of a draft Plan in November.	Chief Internal Auditor  June 2018

3.4 Action number 1 was addressed when the Internal Audit Plan for 2018/19 was discussed and agreed by the Audit, Risk and Scrutiny Committee on 22 February 2018. This report addresses action number 3 and has an impact on action number 2.

3.5 When the Shared Internal Audit Service presented its first Internal Audit plan for Aberdeen City Council, relating to 2015/16, to the Audit, Risk and Scrutiny Committee in February 2015, it was stated that it was planned to have rolling three year plans in future. This objective was also stated when the 2016/17 and 2017/18 plans were approved, although it was noted that this had not yet proved possible. When the 2018/19 plan was approved by the Committee in February 2018, it was stated that it was proposed to develop a draft schedule of reviews for 2020/21 and 2021/22 when the 2019/20 plan is presented to Committee.

3.6 Having considered and reflected on the process of developing the 2018/19 plan in more detail, it is felt, by Internal Audit, that it may still be too soon to develop a three year plan and that starting planning earlier in the year to

allow a draft plan to be considered by the Audit, Risk and Scrutiny Committee as early as November in the year before the first year of any such plan would also be too early.

3.7 The 2018/19 Internal Audit Plan was developed as follows:

Date	Action Taken
October 2017	Review and analysis of current Risk Registers prepared by management to determine areas that had previously been covered and those where there had been no Internal Audit coverage.
October 2017	Request sent to all Chief Officers for input to plan along with invitation to meet with Service Management teams.
October to December 2017	Internal Audit staff met with Service Management Teams.
November 2017	External Audit requested for input to planning process.
November 2017	First draft of plan circulated to all Chief Officers for comment.
December 2017	Updated draft plan submitted to Corporate Management Team for discussion.
January 2018	Meetings between Internal Audit and Co-Leaders, Chair and Vice-Chair of Audit, Risk and Scrutiny Committee.
January 2018	Updated draft plan re-submitted to Corporate Management team for agreement.
February 2018	Plan submitted to Audit, Risk and Scrutiny Committee for discussion and approval.

3.8 During the above process, new issues were identified on a regular basis for inclusion in the final Internal Audit plan which resulted in several versions of the draft plan being produced. Whilst this resulted in a plan that reviews the Council's arrangements in relation to areas of perceived risk, the risk environment, and senior officers' awareness of those risks, is constantly changing and evolving – as evidenced during the process.

3.9 In order to make the process more robust, further work is required by management to establish operational risk registers to complement Service and Corporate Risk Registers which, themselves, are being changed as a result of the Council's new organisational structure. It is inevitable that the risks that the Council faces will change and evolve over time.

3.10 Looking further into the future, in a time when change across the public

sector is the only constant, and attempting to produce detailed three year plans would, in Internal Audit's view, result in more changes being made to plans that had already been agreed. Whilst having a three year plan would provide an idea of the areas that Internal Audit intended to review in the future, it would be inefficient to constantly be changing a larger plan. This may lead to uncertainty about areas to be audited and result in, potentially, wasted effort, both within Internal Audit and for management in providing consideration over the proposed areas.

3.11 The single year plans do, at present, include a statement that audits will be developed in the detailed Internal Audit plan to ensure that periodic assurance is provided over the following areas:

- Various aspects of procurement, payroll, and income collection will be reviewed on an annual basis.
- Various aspects of Budget Setting, Monitoring and Management will be covered across all Services on a rolling basis over a three year period.
- The main financial and business systems of the Council (Financial Ledger, Council Tax System, Business Rates, Receivables, Housing Rents, Payroll, Payables, Housing Benefit, Care First, etc) will each be covered once every four to five years.

Audits will be designed to audit specific key areas across Services or the Council, whilst Service or location oriented audits will also be undertaken to test a range of these areas. In doing so, assurance will be gained as to whether controls in place are operationally effective and efficient, and whether they are being complied with. Whilst undertaking audits, Internal Audit will consider opportunities to improve systems and processes, effect change and achieve value for money.

3.12 However, identifying the most relevant areas to review in order to achieve the above broad objectives too far in advance can be problematic. As mentioned above, the only constant in the public sector at present is change, and the areas that would most benefit from an independent review will also change. So, whilst the above is not specific regarding what will actually be audited in each financial year following the one detailed in the plan, it does give an indication of the areas that will be covered. For example, it might be planned to look at "income collection" as a broad theme in each year, but the area in which this might be best targeted (Trade Waste, School Catering, Planning, etc) would be better determined nearer the time determined by a review of current risk registers. This could be made more explicit by including the detail in a tabular form and indicating the actual year in which the theme will be covered, without detailing the actual area that will be reviewed to achieve the desired level of assurance across all of the Council's governance, risk management and control environment.

3.13 A search was undertaken through the Internet to determine whether other Scottish Local Authorities currently had multi-year plans. Plans relating to 24 other Councils were readily located (although not all were for 2018/19)

and all but one contained a one year plan. Whilst one contained indicative areas to be reviewed over the following two years (similar to the current Aberdeen City Council plan described at paragraph 3.11, above), the one exception split the Internal Audit resource over the Council's audit universe (all auditable areas identified) over a five year period. However, there was no scope or objective detailed other than the title of the area to be reviewed.

3.14 In conclusion, it is Internal Audit's view that:

1. Detailed single year Internal Audit plans should continue to be prepared.
2. The detail of themes to be covered over a three to five year period be made more explicit in the planning documentation without identifying the specific area to be reviewed to achieve the desired assurance outcomes.
3. This be kept under review by Internal Audit and Council management to determine if and when a multi-year plan would be more desirable.
4. The same timetable be used for developing the 2019/20 Audit Plan.

#### **4. FINANCIAL IMPLICATIONS**

4.1 There are no direct financial implications arising from the recommendations of this report.

#### **5. LEGAL IMPLICATIONS**

5.1 There are no direct legal implications arising from the recommendations of this report.

#### **6. MANAGEMENT OF RISK**

6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. The purpose of this report is to address concerns raised by the Audit, Risk and Scrutiny Committee.

#### **7. OUTCOMES**

7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Module.

7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the Internal Audit Planning process. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
<b>Privacy Impact Assessment</b>	Not required
<b>Duty of Due Regard / Fairer Scotland Duty</b>	Not applicable

## 9. BACKGROUND PAPERS

- 9.1 Report to Audit, Risk and Scrutiny Committee on 23 November 2017 – Internal Audit Public Sector Internal Audit Standards (OCE/17/26).

## 10. REPORT AUTHOR DETAILS

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(01467) 537861



## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Audit, Risk & Scrutiny
<b>DATE</b>	26 June 2018
<b>REPORT TITLE</b>	RIPSA - Quarterly Report
<b>REPORT NUMBER</b>	GOV/18/025
<b>DIRECTOR</b>	Chief Executive
<b>CHIEF OFFICER</b>	Fraser Bell - Chief Officer
<b>REPORT AUTHOR</b>	Jess Anderson
<b>TERMS OF REFERENCE</b>	5.2

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### 1. PURPOSE OF REPORT

- 1.1 It is a requirement, under paragraph 3.29 of the Scottish Government's Code of Practice for Covert Surveillance and Property interference, that elected members review the authority's use of covert surveillance on a quarterly basis to ensure that it is being used consistently with the local authority's policy and that that policy remains fit for purpose.

### 2. RECOMMENDATION(S)

That the Committee: -

- 2.1 Note the update within the report.

### BACKGROUND

- 3.1 The Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA), gives the Council powers to conduct two types of covert surveillance:
1. Directed Surveillance; and
  2. the use of a Covert Human Intelligence Source (the use of an undercover officer).
- 3.2 The Council has a policy in place which governs the use and management of covert surveillance. Further, all members of staff wishing to use RIPSA, are required to undertake training prior to being able to make an application under RIPSA.

- 3.3 Various Council services use RIPSAs as an investigatory tool. It is considered the “tool of last resort” in light of its intrusiveness into the privacy of the person(s) being surveyed. Council services such as Trading Standards, Environmental Health and Benefit Fraud are most likely to use RIPSAs.

#### **QUARTER 1- 2018**

- 3.4 In the period from February – May 2018, there has been one authorisation for Directed Surveillance, from Trading Standards. It was cancelled within the statutory three-month period. The surveillance was for Tobacco and Nicotine Vapour Products Test Purchasing. The authorisation was executed in accordance with the Council’s policy on covert surveillance and RIPSAs.
- 3.5 Test purchases for underage sale of tobacco and nicotine products are part of an enforcement initiative promoted by the Scottish Government. One part of that enforcement activity is undertaking test purchases. This can either be a random check or as part of a planned operation after complaints have been made about the shop(s) targeted. A test purchase is the only way in which Trading Standards can ascertain whether the shop is selling age restricted goods or not.
- 3.6 The use of covert surveillance is restricted to certain legal purposes; crime prevention and detection, public health and public safety. The continued ability to use surveillance, in appropriate circumstances, for the investigation of offences such as the selling of age restricted goods is connected to the themes; Prosperous Place, Prosperous People and Prosperous Economy in the Local Outcome Improvement Plan (LOIP). The investigation and enforcement of regulatory laws (such as the sale of age restricted goods) by the Council, ensure that young people are protected, and communities can be assured that the Council is proactively enforcing its powers and making communities safe.
- 3.7 After an application for a covert surveillance operation is authorised by a senior officer, known as an Authorising Officer, it is sent through to the Chief Officer-Governance for logging and auditing. Members of the Governance Team within Legal Services then carry out an audit of the authorisation and raise any matters of good practice, policy or procedure with the Authorising Officer and the applicant. Officers within Legal services do not interfere with the authorisation as that responsibility lies with the Authorising Officer. This approach has been agreed and was supported by the Surveillance Commissioner.
- 3.7 There have been no further applications for covert surveillance made or approved within this quarter.
- 3.8 There have been no changes to the Protocol and it remains fit for purpose. No training has provided during this quarter. There is likely to be full training delivered later in 2018, as some services have indicated training may be required.

#### **FUTURE REPORTING**

3.8 As the Council's use of RIPSA is infrequent, reports will only be tabled to Committee when there has been RIPSA activity in that relevant quarter. Where there has been no RIPSA activity, an update on policy, procedure and compliance will be provided in the Committee Business Planner.

#### 4. FINANCIAL IMPLICATIONS

4.1 There are no financial implications arising from this report.

#### 5. LEGAL IMPLICATIONS

5.1 The Scottish Government Code of Practice on Covert Surveillance sets an expectation that elected members review and monitor the use of RIPSA on a quarterly basis. This is also a matter which is taken into account by the Office of the Surveillance Commissioners when they carry out their inspections.

5.2 A review of the Council's RIPSA activity by elected members provides assurance that the Council's use of RIPSA is being used consistently and that the standards set by its policy remain fit for purpose.

5.3 The management, knowledge and awareness of those involved with RIPSA activity was something which was commended by the Commissioner in his inspection in 2017. The reporting of RIPSA activity to Committee provides another level of scrutiny and assurance on the use of RIPSA.

#### 6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
<b>Financial</b>	there are no financial risks arising from this report.	L	
<b>Legal</b>	Reporting on the use of RIPSA ensures that the Council continues to comply with the Code of Practice and that elected members continue to provide a level of scrutiny on matters of policy.	L	Quarterly reporting on RIPSA activity and the related policy to members, mitigates the risks highlighted in this section.

<b>Employee</b>	There are no employee risks related to this report.	L	
<b>Customer</b>	Failure to report to and update Committee on RIPSA activity means that it would undermine public confidence in the Council and how it operates.	L	
<b>Environment</b>	There are no environmental risks arising from this report.	L	
<b>Technology</b>	There are no technological risks arising from this report	L	
<b>Reputational</b>	Failure to not update Committee on RIPSA activity would mean that the Council would be at risk of negative reputational damage when this is raised by the Surveillance Commissioner in their inspection.	L	External inspections on RIPSA activity operate every 3-4 years. This provides external assurance to the Committee of the Council's compliance with RIPSA. The Inspection Report is shared with Committee and any Action Plan created, endorsed and approved by Committee.

## 7. OUTCOMES

<b>Local Outcome Improvement Plan Themes</b>	
	<b>Impact of Report</b>
<b>Prosperous Economy</b>	<i>This report does not link to this theme directly. The use of RIPSA activity by the Council as an investigatory tool may have an impact on the economy as a result of enforcement action taken by services such as Trading Standard, e.g. such as in enforcing the law around counterfeit goods.</i>

<b>Prosperous Place</b>	<i>Enforcement activity undertaken by the Council by using, where appropriate, its powers under RIPSA, may have an impact on this theme by tackling the selling of counterfeit goods.</i>
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<b>Design Principles of Target Operating Model</b>	
	<b>Impact of Report</b>
<b>Governance</b>	Reporting to this Committee on the Councils use of RIPSA ensures compliance with the Code of Practice and gives Committee assurances that the Council's use of RIPSA is being done according to its policy.

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	The purpose of this report is to update Committee on the Council's use of RIPSA. This report does not propose or endorse any changes to the Councils policy on RIPSA not its procedure and as such, an EHIRA is not required.
<b>Privacy Impact Assessment</b>	The purpose of this report is to update Committee on the Council's use of RIPSA. As such, an Privacy Impact Assessment is not required.
<b>Duty of Due Regard / Fairer Scotland Duty</b>	There is no requirement to consider the Fairer Scotland Duty as this report does not seek approval for any Strategic decisions and is merely providing Committee with an update RIPSA activity.

## 9. BACKGROUND PAPERS

Audit and Risk Committee Meeting – RIPSA Activity Report – 26<sup>th</sup> September 2018

## 10. APPENDICES (if applicable)

**None**

**11. REPORT AUTHOR CONTACT DETAILS**

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Audit Risk and Scrutiny
<b>DATE</b>	26 <sup>th</sup> June 2018
<b>REPORT TITLE</b>	Scottish Public Services Ombudsman Decisions and Inspector of Crematoria Complaint Decisions
<b>REPORT NUMBER</b>	CUS/18/017
<b>DIRECTOR</b>	Andy MacDonald
<b>REPORT AUTHOR</b>	Lucy McKenzie
<b>TERMS OF REFERENCE</b>	6.9

### 1. PURPOSE OF REPORT

- 1.1 This report provides information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Crematoria decisions made in relation to Aberdeen City Council since the last reporting cycle to provide assurance to Committee that complaints and Scottish Welfare Fund applications are being handled appropriately.

### 2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee notes the details of the report.

### 3. BACKGROUND

- 3.1 A report detailing all Scottish Public Services Ombudsman (SPSO) and/or Inspector of Crematoria decisions relating to Aberdeen City Council is submitted to Audit Risk and Scrutiny Committee each reporting cycle. This is to provide assurance that complaints and Scottish Welfare Fund decisions are being handled appropriately. The last report on this matter was submitted to the 8 May 2018 Committee.

#### **Scottish Public Services Ombudsman (SPSO) Complaint Decisions**

- 3.2 The Scottish Complaints Handling Procedure (CHP) followed by Aberdeen City Council is outlined by the SPSO. Details of the CHP can be accessed at [www.aberdeencity.gov.uk/complaints](http://www.aberdeencity.gov.uk/complaints)
- 3.3 There is one SPSO decision relating to Aberdeen City Council complaints to notify the Committee of. The complaint was partially upheld by the SPSO. Please refer to Appendix A for further information.

**Scottish Public Services Ombudsman (SPSO) Scottish Welfare Fund Review Decisions**

- 3.4 The Scottish Welfare Fund is delivered by Local Councils across Scotland and offers 2 types of grants – Crisis Grants and Community Care Grants. Further information is available at <https://www.aberdeencity.gov.uk/services/benefits-and-advice/apply-scottish-welfare-fund>
- 3.5 Since the last reporting period, the SPSO has carried out one Second Tier Review in relation to Aberdeen City Council Scottish Welfare Fund application decisions. The SPSO made the decision to not change the Council’s original decision.

**Inspector of Crematoria Decisions**

- 3.6 The Inspector of Crematoria responds to complaints or queries from the public about cremations. There have been no decisions by the Inspector of Crematoria in relation to Aberdeen City Council cremations to date.

**4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications arising from the recommendations of this report.

**5. LEGAL IMPLICATIONS**

- 5.1 There are no direct legal implications arising from the recommendations of this report.

**6. MANAGEMENT OF RISK**

	Risk	Low (L), Medium (M), High (H)	Mitigation
<b>Financial</b>	Each time a complaint escalates it is more costly to the council than the previous stage due to the effort involved, therefore financially it is in the council’s best interest to resolve complaints early in the process. There is also a risk that the council may be required to undertake additional	L	The complaint handling procedure encourages resolution at first point of contact whenever possible. The financial benefits of early resolution is highlighted to responding officers in training.



	actions as a result of an SPSO decision, including financial compensation.		
<b>Legal</b>	There are no legal risks associated with this report.	N/A	Not applicable
<b>Employee</b>	Staff morale may be lowered as a result of a negative outcome of a SPSO decision.	L	Whilst it is not pleasant to receive a complaint, officers are encouraged to view complaints in a positive light, as a learning point going forwards.
<b>Customer</b>	There is a risk to the council's relationship with customers if a complaint or a Scottish Welfare Fund application is not handled correctly.	L	Support in complaint handling is available to responding officers through a variety of methods. In addition, all Stage 2 responses are also quality assured to ensure that responses are appropriate. Officers responsible for Scottish Welfare Fund applications receive comprehensive training to ensure they have the necessary knowledge to undertake assessments.
<b>Environment</b>	There are no environmental risks associated with this report	N/A	Not applicable
<b>Technology</b>	There are no technological risks associated with this report.	N/A	Not applicable
<b>Reputational</b>	Compliance with the Complaints Handling Procedure is audited by Audit Scotland. Non-compliance carries reputational risk. Customer perception of the council could also be negatively impacted if complaints and Scottish	L	There is a centralised Customer Feedback Team responsible for ensuring that complaints are being handled consistently and appropriately across the council.

	Welfare Fund applications are not handled correctly.		
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## 7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
<b>Prosperous People</b>	The report provides assurances that people are supported appropriately when and if necessary.

Design Principles of Target Operating Model	
	Impact of Report
<b>Customer Service Design</b>	The report supports a focus on the delivery of customer centric services through the scrutiny of service delivery to customers. The organisation should look to solve the core issue which led to the complaint and learn from the outcome so to reduce the potential for more / similar complaints. This leads to an improvement in customer service delivery and a reduction in time spent on handling and investigating repeat complaints, which can be a lengthy process for those involved.
<b>Organisational Design</b>	The report focuses on complaints outcomes which provide rich customer insight for the organisation to act upon to help transform service delivery.
<b>Governance</b>	The report ensures transparency around complaint and Scottish Welfare Fund application handling and provides assurances that informed decisions are being made.
<b>Workforce</b>	The outcomes of SPSO decisions are fed back to the relevant staff. This includes both upheld and not upheld decisions to engage staff and ensure they are fully informed of outcomes. The information is also used to inform changes in working practices and training provision for staff to improve their experience as well as that of the customer.
<b>Process Design</b>	Processes may be redesigned as a result of lessons learnt from a complaint or an SPSO decision to better meet the needs of customers.
<b>Technology</b>	Complaints data can help to inform decisions around the use of technology as it provides insight into the customer experience of accessing services digitally.

## 8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Not required
Privacy Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable.

## 9. BACKGROUND PAPERS

N/A

## 10. APPENDICES (if applicable)

Appendix A – Complaint Details and Subsequent SPSO Recommendations

Appendix B - Scottish Welfare Fund SPSO Review Decisions

## 11. REPORT AUTHOR CONTACT DETAILS

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## Appendix A - Complaint Details and Subsequent Recommendations

Complaint Received Date	SPSO Decision Date	Complaints Investigated by the SPSO	Directorate	SPSO Decision	SPSO Recommendations	Date Implemented
31 Jan 2017	27 Mar 2018	<p>a) The Council unreasonably failed to respond appropriately to concerns about dampness and mould in the property; (upheld)</p> <p>b) The Council unreasonably failed to carry out appropriate repairs to the property to address the damp and mould issues. (not upheld)</p>	Communities, Housing and Infrastructure	Complaint Partially Upheld	The SPSO were satisfied that in a number of areas the council's response was reasonable but clearer information could have been given regarding the initial works. There was also a lack of co-ordinated response by two council teams concerned. The SPSO were satisfied with the steps the council had since taken to address this, by undertaking quality assurance training with the relevant staff. Therefore, no recommendations were made.	Not applicable

**Appendix B – Scottish Welfare Fund SPSO Review Decisions**

<b>Crisis Grant Application Received Date</b>	<b>Application Type</b>	<b>Aberdeen City Council 1<sup>st</sup> Tier Review Decision Date</b>	<b>SPSO 2<sup>nd</sup> Tier Review Decision Date</b>	<b>SPSO Decision</b>	<b>Additional SPSO Feedback</b>	<b>Date Implemented</b>
30 <sup>th</sup> April 2018	Crisis Grant	1 <sup>st</sup> May 2018	2 <sup>nd</sup> May 2018	Aberdeen City Council decision upheld	The SPSO noted that the council decision letters provided a clear explanation as to why an award would not be made and referred to relevant Scottish Welfare Fund guidance. The SPSO also noted that there was an 'internal council recording issue' in the decision notes and award letter. This was an inaccuracy in relation to the number of previous awards but did not affect the overall award decision.	Not applicable

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# Aberdeen City Council

## Local Scrutiny Plan – April 2018 to March 2019

### Introduction

1. This local scrutiny plan sets out any scrutiny risks identified by the local area network ('LAN'), proposed scrutiny responses and expected scrutiny activity for Aberdeen City Council ('the Council') during the financial year 2018-19.
2. The scrutiny risks and responses are based on a shared risk assessment undertaken by a LAN comprising representatives of all the scrutiny bodies who engage with the Council. The shared risk assessment process draws on a range of evidence with the aim of determining any scrutiny risks in the Council and the IJB.
3. Expected scrutiny activity across all councils in Scotland informs the National Scrutiny Plan for 2018-19, which is available on the Audit Scotland website.

### Scrutiny Risks

4. In recognition of the need for financial restraint, the growing demand pressures and changing customer expectations, a new Target Operating Model ('TOM') was approved in August 2017. The TOM is designed to better enable the Council deliver the outcomes within Local Outcome Improvement Plan and improve the involvement of stakeholders including customers and elected members. The TOM is a fundamental redesign of the structure of the Council. Wide ranging governance transformation is being embedded alongside the new model, to enhance the existing arrangements. The drivers for the operating model change have been set out by the Council, although the significance of the transformation to the TOM brings inherent risk.
5. One of the drivers for the TOM was the need to deliver savings of £125 million over the next five years, despite useable reserves of £87 million as at 31 March 2017. On 6 March 2018 the Council approved a detailed balanced budget for 2018-19 and a five year high level budget through to 2022-23. The budget incorporates a reduction in the headcount of the Council, of up to 230 FTE posts, including the disestablishment of 140 vacant posts. Indicative funding for the Integration Joint Board is assumed to reduce over the five year period, with £84.99 million approved for 2018-19.
6. Transformation is being overseen by the Strategic Transformation Committee, supported by control boards and delivery boards. The LAN notes the following matters to be managed and monitored:
  - Effective delivery of savings to achieve balanced budgets over the next five years.
  - Continued service delivery during and after transformation.
  - Elected members need to continue providing robust scrutiny whilst working collaboratively across the political parties, and whilst supporting Council officers with the culture change arising from the transformation.

- 
- Ensuring effective governance through a period of change, including embedding the new governance structure and proposed governance improvements.
7. The Council has a capital plan of circa £1 billion focused around the City Centre masterplan. This plan is designed to support economic growth, financed in part by a £370 million bond listed on the London Stock exchange. This brings scrutiny risks in respect of effective programme delivery within the revised capital governance arrangements, as well as conditions within the Bond Trust Deed regarding maintenance of the Council's credit rating relative to UK Sovereign debt.
  8. As stated in the 2017-18 Local Scrutiny Plan, there continues to be a clear performance risk in relation to educational attainment and achievement. Outcomes for children and young people have been consistently below the national average and the virtual comparator in almost all key measures in Aberdeen since 2013. Scrutiny outcomes have overall shown a weak picture in recent years, particularly in the primary sector. The Council is aware of these challenges and intends to build on some modest progress in supporting quality improvement within education. The Council is currently taking steps to strengthen leadership and improvement capacity. The Chief Executive is keen to work together with Education Scotland to build more capacity for improvement.
  9. Aberdeen City Council is part of the Scottish Attainment Challenge, Schools Challenge programme. It has four primary schools and three secondary schools receiving attainment challenge funding. Pupil Equity Funding plans are in place in Aberdeen City schools and are being progressed. Education Scotland will continue to liaise with establishments as appropriate.
  10. Comparison of performance relative to other social landlords identified risks in relation to satisfaction levels, including: the way the Council keeps tenants informed about services and decisions; complaints dealt with within SPSO timescales; re-let times for voids; and certain aspects of the council's homelessness service. These matters include the use of B&B for temporary accommodation, number of withdrawn applications and increased repeat homelessness assessments.
  11. Other key challenges identified by the LAN are:
    - Recruiting for certain posts, specifically within the social care sector.
    - Delivery of transformational change within the Aberdeen City Integration Joint Board, and the national pressures on GP prescribing costs.



## Scrutiny activity

12. Any expected scrutiny activity between April 2018 and March 2019 is shown in Appendix 1. For some of their scrutiny activity in 2018-19, scrutiny bodies are still to determine their work programmes and which specific council areas they will cover. Where a council is to be involved, the relevant scrutiny body will confirm this with the council and the appropriate LAN lead.
13. In addition to specific work shown in Appendix 1, routine, scheduled audit and inspection work will take place through the annual audit process and the ongoing inspection of school and care establishments by Education Scotland and the Care Inspectorate respectively. The outcomes of this work will help to inform future assessment of scrutiny risk.

## Best Value Audit Report

14. The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. Best Value will be assessed over the five year audit appointment, as part of the annual audit work. In addition a Best Value Assurance Report ('BVAR') for each council will be considered by the Accounts Commission at least once in this five year period. The current proposed BVAR programme includes publication of a report for Aberdeen City Council in 2021.
15. The BVAR programme could change if the risk profile of individual councils changes. If this is the case we will update the Council. In the meantime, Best Value audit work planned in this year will focus on the Council's arrangements for demonstrating Best Value in two areas:
  - Leadership, governance and scrutiny
  - Improvement.
16. The results of this work will be reported in KPMG's Annual Audit Report.

April 2018

## Appendix 1: Scrutiny activity

Scrutiny body	Scrutiny activity	Date
External auditor (KPMG)	<p>Annual audit of Aberdeen City Council's financial statements including BV assessment of the council's arrangements for:</p> <ul style="list-style-type: none"> <li>• Leadership, governance and scrutiny</li> <li>• Improvement.</li> </ul> <p>The governance changes, leadership and scrutiny risks noted within paragraph six will be considered during the annual audit, with specific observations included within the leadership, governance and scrutiny BV assessment.</p> <p>KPMG's audit strategy document also identifies a significant financial statement risk in respect of capital expenditure, reflecting the significance and complexity of the capital plan.</p>	Annual audit report to be completed by end September 2018 and ISA 260 report to be completed by 30 June 2018.
Audit Scotland	<p>Audit Scotland is currently carrying out a performance audit on <i>Children and young people's mental health</i>. Aberdeen City Council is not included as one of the sample councils in this audit.</p> <p>Other performance audit work due to start in 2018-19 which will be of relevance to Aberdeen City Council includes audits examining:</p> <ul style="list-style-type: none"> <li>• Community assets</li> <li>• City Deals</li> <li>• Skills investment and planning</li> <li>• Educational outcomes</li> <li>• Housing (precise area still to be finalised)</li> </ul> <p>The extent of Aberdeen City Council's involvement in these audits has still to be determined.</p> <p>Audit Scotland also expects to publish its review of ALEOs in May 2018.</p>	Report publication date is September 2018

Care Inspectorate	Joint inspection of services for children and young people. Five joint inspections will be conducted, including scrutiny partners from Education Scotland, Healthcare Improvement Scotland and HMICS. Aberdeen City Council is planned to be inspected towards the end of 2018-19.	Quarter 4 of 2018-19
	Thematic review of self-directed support building on previous Audit Scotland report. Inspection of up to six areas across the country, not planned to include Aberdeen City Council.	
Education Scotland	Education Scotland will undertake enhanced monitoring during 2018-19.	Ongoing throughout the year
Scottish Housing Regulator	<p>The Scottish Housing Regulator ('SHR') will monitor the council's progress in addressing the housing and homelessness service weaknesses identified in this LSP. It will review the Council's quarterly performance management reports and meet council officials as necessary.</p> <p>SHR may carry out thematic inquiries during 2018-19 or it may carry out survey or onsite work to follow up on published thematic reports. The SHR will also review the Scottish Social Housing Charter data submitted by landlords and carry out data accuracy visits during the second quarter of 2018-19. Where councils are to be involved in a thematic inquiry, any follow-up work to a published thematic inquiry, or a data accuracy visit, the SHR will confirm this directly with the Council and the LAN lead.</p>	

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## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Audit, Risk and Scrutiny Committee
<b>DATE</b>	26 June 2018
<b>REPORT TITLE</b>	Internal Audit Reports – Follow-up of Agreed Recommendations
<b>REPORT NUMBER</b>	IA/18/009
<b>DIRECTOR</b>	N/A
<b>REPORT AUTHOR</b>	David Hughes
<b>TERMS OF REFERENCE</b>	2.3

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### **1. PURPOSE OF REPORT**

- 1.1 This report advises the Committee of progress made by Services with implementing recommendations that have been agreed in Internal Audit reports.

### **2. RECOMMENDATIONS**

- 2.1 The Committee is requested to review, discuss and comment on the issues raised within this report and the attached appendices.

### **3. BACKGROUND / MAIN ISSUES**

- 3.1 Appendices A and B show progress made by Services with completing agreed Internal Audit recommendations, based on assurances received from officers tasked with their implementation and independent checks where appropriate. Where all recommendations contained in individual reports issued before 1 April 2018 have been completed, these are no longer shown in the appendices.
- 3.2 Where recommendations have not been completed by their original due date, reasons are provided along with the grading applied to the recommendation in the original Internal Audit report. An explanation of the gradings used is shown on the first page of appendix B. Details of overdue recommendations are now also being monitored by the Corporate Management Team.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications arising from the recommendations of this report.

**5. LEGAL IMPLICATIONS**

5.1 There are no direct legal implications arising from the recommendations of this report.

**6. MANAGEMENT OF RISK**

6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

**7. OUTCOMES**

7.1 There are no direct impacts, as a result of this report, in relation to the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place, or Enabling Technology, or on the Design Principles of the Target Operating Model.

7.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council’s framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

**8. IMPACT ASSESSMENTS**

Assessment	Outcome
<b>Equality &amp; Human Rights Impact Assessment</b>	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
<b>Privacy Impact Assessment</b>	Not required
<b>Duty of Due Regard / Fairer Scotland Duty</b>	Not applicable

**9. APPENDICES**

9.1 Appendix A – Position with Agreed Recommendations – Summary.

9.2 Appendix B – Position with Agreed Recommendations – Cross Service.

9.3 Appendix C – Position with Agreed Recommendations – Commissioning.

- 9.4 Appendix D – Position with Agreed Recommendations – Customer.
- 9.5 Appendix E – Position with Agreed Recommendations – Operations.
- 9.6 Appendix F – Position with Agreed Recommendations – Resources.
- 9.7 Appendix G – Position with Agreed Recommendations – Governance.
- 9.8 Appendix H – Position with Agreed Recommendations – Health and Social Care Partnership.

**10. REPORT AUTHOR DETAILS**

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# APPENDIX A – SUMMARY

## POSITION WITH AGREED RECOMMENDATIONS AS AT 14 JUNE 2018

The following table provides a summary of progress being made by Services with completing agreed recommendations.

On 8 May 2018, the Committee was advised that, as at 25 April 2018, there were 45 recommendations which were due to have been completed by 28 February 2018 which were not fully complete. This has reduced to 38.

The total not fully complete, which had an original due date of before 30 April 2018, is 60. Full details relating to progress, on a report by report basis, are shown in appendices B to H.

Recommendations							Grading of Overdue Recommendations		
SERVICE	Agreed in reports shown in Appendices B to H	Due for completion by 28.02.18	Confirmed complete by Service	New in March to April 2018	Confirmed complete by Service	Not fully complete by original due date	Major	Significant	Important
<b>Cross Service</b>	52	52	46	0	0	6	0	3	3
<b>Commissioning</b>	25	24	19	0	0	5	0	5	0
<b>Customer</b>	27	9	9	6	5	1	0	1	0
<b>Operations</b>	174	132	114	16	7	27	1	21	5
<b>Resources</b>	81	18	15	38	27	14	0	12	2
<b>Governance</b>	31	14	11	2	1	4	0	3	1
<b>Health &amp; Social Care</b>	84	41	38	3	3	3	0	3	0
<b>Total</b>	474	290	252	65	43	60	1	48	11



# KEY TO COLOURING USED IN FOLLOWING APPENDICES

## Recommendation Grading:

Grading	Definition
Major	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation. Financial Regulations have been consistently breached.
Significant	Addressing this issue will enhance internal controls. An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on a system's adequacy and effectiveness. Financial Regulations have been breached.
Important	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.

## Length of time overdue

Over 12 months
6 to 12 months
Less than 6 months

# **APPENDIX B**

# **CROSS SERVICE**

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

AC1604	Corporate Policies and Procedures	March 2016	2	2	1	1	1 Important
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Governance	The Council should ensure a timetable is put in place for implementation of a policy framework for all Council policies (2.1.5)	Important March 2017	<p>As reported to Committee since June 2017, the Governance Review Board is monitoring progress of this project through the wider Governance Review Programme and had agreed to extend the collation / housekeeping aspect to the end of August 2017. Since September 2017, the Committee has been advised that the draft Framework has been developed and was ready to be submitted to the Governance Review Board in September 2017 for consideration. This did not happen as the Board was prioritising the Scheme of Governance documentation as per a Council decision.</p> <p>The Committee was advised in February 2018, that the Service had advised was that the Corporate Policy Framework will be referred to the Governance Delivery Board on the 15 February, 2018, with a recommendation that the Governance Function (which will include the remit for Corporate Policies) take ownership of it and ensure that it is in keeping with the design of the new function.</p> <p>As reported to Committee in May 2018, the latest update from the Service is that a register of policies has been established and that work to develop a Policy Framework outlining the process and key principles to be followed for developing, categorising, approving and reviewing policies is aimed for completion by December 2018.</p>

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1623</b>	<b>Compliance with Procurement Legislation</b>	June 2016	28	28	27	1	1 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Integrated Children's and Family Services	The Service should ensure that spend on supplies which are likely to be used by more than one school is forecast so that appropriate Committee approval and tendering can be completed for aggregate spend (2.4.7)	Significant September 2016	<p>As reported previously, the Service was in the process of identifying expenditure across the schools. It was anticipated that this would be completed by March 2017 and that expenditure across other Directorates would have to be considered. The Service then advised that, as there is currently no system to allow identification of collected spend on an item by item basis, it was more appropriate at that time to adopt a common sense approach to tackling the issue of compliance in overall school spend. The Service was therefore targeting the commodities that all schools would have a requirement for, eg transport for school trips. In the case of school trips, there is significant spend not currently covered by contract and the creation of a contract would significantly reduce the time taken by schools when seeking quotes for transport. The update at the September 2017 meeting of the Committee was that the Service anticipates that it will take until March 2018 to address this one issue.</p> <p>The Committee was advised in May 2018 that the latest update from the Service is that this work is now being progressed through the development of the newly introduced procurement work plan. It is anticipated that the work plan will be in place by June 2018.</p>

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1716</b>	<b>Timesheets and Allowances</b>	February 2017	9	9	8	<b>1</b>	<b>1 Significant</b>
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Progress with implementing the four recommendations that are overdue is as detailed below.

Chief Officer	Recommendation	Grading / Due Date	Position
People and Organisation	Where it is agreed that breaks will be paid, a register should be maintained of agreements providing details of the staff groups affected (2.3.5 (2))	<b>Significant</b>	As reported to the September 2017 meeting of Committee, HR advised that, due to the nature of work being undertaken in the area identified, there will be no deduction of unpaid break and risk assessments will be carried out for working over 6 hours with no break. Work is underway to seek approval for an amendment to the collective agreement the Council has with the Trade Unions for this group of staff. It was anticipated that this will take until the end of December 2017 to resolve.  The latest update from the Service, as advised to Committee in February 2018, is that there are some issues to resolve in relation to the content of the document and it is still the Service's aim to try and get agreement from all recognised Trade Unions. However, it is anticipated that this will take until the end of June 2018 to achieve.
		<b>July 2017</b>	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1804</b>	<b>Business Continuity Planning</b>	August 2017	13	13	10	<b>3</b>	1 Significant 2 Important
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Progress with implementing the recommendations that are overdue is as detailed below.

Chief Officer	Recommendation	Grading / Due Date	Position
Head of Commercial & Procurement Services	CPS should update Procurement Guidance Notes to reflect the requirement to obtain a Key Supplier Assessment Questionnaire for Key Suppliers (2.4.2)	Significant	The Committee was advised in February 2018 that The Service had advised that this was being included in a review of procurement guidance notes which would be complete by the end of February 2018.  The Committee was advised in May 2018 that the latest update from the Service is that the manual is anticipated to completed and distributed by June 2018.
		October 2017	
Governance	Service Risk Registers should be put in place for all service areas (2.7.2 a i)	Important	The Committee was advised in February 2018 that the Service had advised that a Risk Management Framework will be reported to AR&S Committee in February 2018 which will require business continuity plans to be considered as a control to reduce the impact of a risk, and that 'functional' risk registers (in the new structure) are to be reviewed at least quarterly by the new function management teams and directors. It was anticipated that the requirements of the Framework would be implemented by June 2018.
		December 2017	
Governance	The Corporate, Directorate and Service Risk Registers should be reviewed to identify emergent risks requiring to be mitigated by Business Continuity Plans (2.7.2 a ii)	Important	The latest update from the Service is that Risk Registers are being developed within each Council Function, with reference to the LOIP outcomes and Business Continuity Plans. Registers will be reported to the Audit, Risk and Scrutiny Committee and to other committees where appropriate. Reporting is scheduled for the period September to December 2018.
		December 2017	

# **APPENDIX C**

# **COMMISSIONING**

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1621</b>	<b>ALEOs</b>	February 2016	10	10	6	<b>4</b>	<b>4 Significant</b>
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Head of Commercial & Procurement Services	Services should ensure that there is an up to date Service Level Agreement with each ALEO (2.2.6 (a))	Significant	As reported to Committee since September 2017, Commercial and Procurement Services have stated that it is anticipated it will take around 12 months to get new agreements in place.  Implementation of these recommendations will, therefore, be delayed until August 2018.
		June 2017	
Head of Commercial & Procurement Services	Services should ensure all ALEO SLAs confirm performance reporting requirements, and state that ongoing funding is subject to evidenced satisfactory performance (2.2.6 (b))	Significant	
		June 2017	
Head of Commercial & Procurement Services	Services should ensure financial clauses in all SLAs accurately reflect the partners' intentions (2.4.9 (i))	Significant	
		June 2017	



Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

*(AC1621 – ALEOs – Continued)*

Chief Officer	Recommendation	Grading / Due Date	Position
Head of Commercial & Procurement Services	Services should ensure all material ALEO SLAs contain a requirement for Internal Audit arrangements, and facilitate reporting of assurance gained through these arrangements to the Council (2.4.11)	Significant	As above.
		June 2017	

<b>AC1722</b>	<b>ALEOs – Management by Services</b>	August 2017	15	14	13	<b>1</b>	<b>1 Significant</b>
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The position with the overdue recommendation is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Head of Commercial & Procurement Services	Education and Children’s Services should review options for performance management within future ALEO agreements (2.4.3)	Significant	This forms part of Education and Children’s Services review of ALEO management arrangements. Two of the Sports ALEOs are being reviewed and a report was to be presented to the Finance, Policy and Resources Committee in December 2017. Following a decision at that Committee, the Service Operating Agreement in place is to be amended and will include revised performance monitoring indicators. It is anticipated that this will be complete by June 2018.
		September 2017	

# **APPENDIX D**

# **CUSTOMER**

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	
<b>AC1810</b>	<b>Major IT Business Systems</b>	December 2017	11	11	11	<b>0</b>	0
<b>AC1822</b>	<b>YourHR</b>	February 2018	8	4	3	<b>1</b>	<b>1 Significant</b>
The position with the overdue recommendation is as follows:							
<b>Chief Officer</b>	<b>Recommendation</b>	<b>Grading / Due Date</b>	<b>Position</b>				
Digital and Technology	The Service should introduce an independent review over the changes made by system administrators (2.5.2)	<b>Significant</b> <b>March 2018</b>	The Service has advised that changes are approved through the change control board before being implemented and that they will endeavour to further independently review changes on an annual basis through an independent technical advisor.  This should be concluded by July 2018.				
<b>AC1825</b>	<b>Housing Support Budget</b>	April 2018	8	0	0	<b>0</b>	0

**APPENDIX E**

**OPERATIONS**

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1602 AW</b>	<b>Craft Workers Terms and Conditions</b>	October 2015	9	9	5	4	1 Major 3 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Operations and Protective Services	The Service should renegotiate the Agreement based on current working practice (2.2.6)	Major June 2016	As reported previously, the Service advised that all recommendations were being progressed through discussion and negotiation, and that it was anticipated they would all be resolved by December 2016. The Service then advised that they were discussing a renewed craft agreement with trade workers and unions. Meetings had taken place and others were due in January leading into February 2017. The Service was hopeful that an agreement could be signed as soon as possible in 2017. The June 2017 meeting of the Committee was advised that the craft agreement had to be agreed at a regional level by the unions. At that stage, until other union matters are resolved, progress had stalled but it was hoped that discussions would resume in the near future.  The update provided to Committee in September 2017 was that this has been delayed further to June 2018.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

Chief Officer	Recommendation	Grading / Due Date	Position
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*(AC1602AW – Craft Workers Terms and Conditions – Continued)*

Operations and Protective Services	The Service should complete the roll out of the hand held system to ensure that periods of stand-by are covered (2.3.13)	Significant	As reported previously, this had been partially implemented and piloted and would be fully implemented with the new craft agreement. The June 2017 meeting of the Committee was advised that the craft agreement had to be agreed at a regional level by the unions. At that stage, until other union matters are resolved, progress had stalled but it was hoped that discussions would resume in the near future.  The update provided to Committee in September 2017 was that this has been delayed further to June 2018.
		June 2016	
Operations and Protective Services	The Service should consider whether such payments remain appropriate (2.3.14)	Significant	As reported previously, this is being reviewed as part of the new craft agreement, as per 2.2.6 above.
		June 2016	
Operations and Protective Services	The Service should consider whether calls that have been cancelled within a short period of having been lodged should be verified to confirm the identity of the caller (2.3.16)	Significant	As reported previously, this was being reviewed as part of the new craft agreement, as per 2.2.6, above, and discussions will take place with housing management. The June 2017 meeting of the Committee was advised that this will be addressed when additional IT is introduced to the call out service.  The update provided to Committee in September 2017 was that this has been delayed further to June 2018.
		June 2016	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1608</b>	<b>Trade Waste</b>	January 2016	14	14	12	<b>2</b>	<b>2 Significant</b>
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Operations and Protective Services	The Service should implement reconciliations between records of work completed, work invoiced, and income received, to ensure that income has been received for the provision of all goods and services (2.1.10)	Significant	The Service has advised, as reported to Committee in February 2018, that these recommendations are dependent on implementation of a new management system. This is due to go live in February 2018 for household waste and April 2018 for Trade Waste.  The latest update from the Service is that development of the new system has encountered problems and, as a result, it will now take until August 2018 to implement these recommendations.
		September 2016	
Operations and Protective Services	The Service should introduce checks to ensure the accuracy and completeness of all invoices raised (2.1.12)	Significant	
		September 2016	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1618</b>	<b>Vehicle and Driver Records</b>	April 2016	22	22	20	<b>2</b>	<b>2 Significant</b>
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Operations and Protective Services	Fleet should work with Services to determine their ongoing fleet requirements, in line with these principles, in advance of any further significant procurement exercises (2.1.2ii)	Significant November 2016	As reported previously, the Service advised that surveys were sent out to all Services in late 2016 requesting information on vehicle and plant usage. The returns indicated that all Services required their vehicles for the maximum time with no spare capacity. The results of the telematics trial detailed below will help inform decisions.



Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

Chief Officer	Recommendation	Grading / Due Date	Position
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*(AC1618 – Vehicle and Driver Records – Continued)*

Operations and Protective Services	Fleet should seek to identify 'excess' vehicles promptly in order to maximise resale value where vehicles are not required (2.1.2iii)	Significant	<p>As reported previously, in January 2017, the Communities, Housing and Infrastructure Committee approved a telematics trial that would take place on 10 vehicles over a 3-6 month period. Should this trial prove successful, Fleet would present the results and seek further approval to implement a telematics system for all fleet vehicles and plant. The results of the trial would demonstrate vehicle performance, driver behaviour and utilisation; the benefits will include increased utilisation and potential fleet reduction saving cost pressures on maintenance, fuel and department budgets. Initial results were anticipated by September 2017. The Committee was advised in November 2017 that information from the above trial was expected by the end of October 2017 whilst a further 2 or 3 systems were about to be trialled. The outcome would be known by the end of December 2017.</p> <p>The latest update from the Service is that a further three additional systems have been on trial (all free) and data from these is expected by the end of May 2018.</p>
		November 2016	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1705</b>	<b>Roads Payroll</b>	August 2016	22	21	20	1	1 Important
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The position with the overdue recommendation is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Operations and Protective Services	The Service should review options to ensure all relevant duties (including supervision, administration and vehicle checks) can be completed within contractual hours (2.2.13)	Important	As reported previously, the Service advised that this will now form part of a wide restructure of the Roads Service which was underway. Once the two senior posts are recruited to, the working patterns will be part of the formal review for the remainder of the Service. It was anticipated that this would take to the end of December 2017 to complete.  The latest update from the Service, as reported to Committee in February 2018, is that recruitment to the two posts has not been successful. Internal Audit will follow-up progress after August 2018.
		February 2017	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1808</b>	<b>Vehicle Maintenance</b>	October 2017	20	13	10	<b>3</b>	<b>2 Significant</b> <b>1 Important</b>
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Operations and Protective Services	The Service should ensure that cash holding limits are agreed and that the limits are strictly adhered to (2.2.2)	<b>Important</b>	The Service has confirmed that cash holding limits have not yet been agreed but they are pursuing a cashless system at the workshops.
		April 2018	
Operations and Protective Services	The Service should ensure it has assurance over compliance with the working hours requirements of the Working Time Regulations (2.8.3b)	<b>Significant</b>	Internal Audit is awaiting confirmation that the necessary report on the open options swipe system has been set up.
		March 2018	
Operations and Protective Services	The Service should ensure that standby rotas are maintained up to date and claims for standby payments are supported by them (2.8.4)	<b>Significant</b>	Internal Audit is awaiting an update on progress.
		April 2018	

<b>AC1817</b>	<b>Vehicle Usage</b>	January 2018	8	2	2	<b>0</b>	0
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Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	
<b>AC1604 AW</b>	<b>Payment Controls in Children's Social Work</b>	February 2016	19	19	18	1	1 Important

Progress with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Head of Commercial & Procurement Services	Relates to C&PS reviewing and rationalising supplier numbers to ensure that there are no duplicates (2.2.15)	Important	As reported previously, implementation of the enhanced reporting tool that would have enabled this recommendation to be completed has been delayed. The Service was working with the provider, C&PS and ICT colleagues to resolve the issues and expected that this would be achieved by the end of November 2016. The Service then advised that this should be complete by the end of February 2017. In June 2017 the Committee was advised that implementation of the reporting tool remained ongoing and it was anticipated that this would be in place by the end of September 2017. In the interim, duplicate suppliers are being identified and dealt with as they come to light as part of normal monitoring.  The latest update from C&PS is that the software has now been updated and monitoring will commence by the end of April 2018.  Internal Audit is awaiting confirmation that this is now implemented.
		June 2016	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1709</b>	<b>Care First System</b>	November 2016	13	13	10	<b>3</b>	<b>2 Significant</b>
							<b>1 Important</b>

Progress with the overdue recommendations is detailed below:

Chief Officer	Recommendation	Grading / Due Date	Position
Integrated Children's and Family Services	The CareFirst Team should ensure that it complies with Standing Orders and procurement regulations in terms of the Service's Case Recording System for Social Care Clients (2.1.4)	<b>Significant</b> <b>April 2017</b>	As reported previously, the Service advised that terms for an extension to the contract for three years to March 2020 have been agreed and Committee approval will be sought for this in September 2017. The Committee was advised in September 2017, that the latest update from the Service was that a report had been drafted and would be discussed at the Education and Children's Services Committee on 16 November 2017.  The latest update from the Service, as reported to Committee in May 2018, is that this will be reported to the Strategic Commissioning Committee in June 2018.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

Chief Officer	Recommendation	Grading / Due Date	Position
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*(AC1709 – Care First System – Continued)*

Integrated Children's and Family Services	The Service should establish a written protocol to demonstrate where amendments and deletions requested in the CareFirst system require authorisation or supporting detail (2.4.11)	Important	<p>As reported previously, the Service advised that this would be complete by the end of September 2017 as the CareFirst team had been prioritised on other tasks. As reported to Committee in September 2017, the Service had advised that the current policy and procedures were still in place, however, the document needs to be updated to reflect the creation of the Education &amp; Children's Services directorate and the Health and Social Care Partnership. A working group had been created to move this forward.</p> <p>The latest update from the Service, as reported to Committee in May 2018, is that the Case Recording Policy is being review to ensure it is compliant with GDPR. This process for reporting amendments will be reviewed as part of the update. This will be completed by the end of May 2018.</p> <p>Internal Audit is awaiting an update on progress.</p>
		April 2017	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

Chief Officer	Recommendation	Grading / Due Date	Position
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*(AC1709 – Care First System – Continued)*

Finance	Finance should review the instances where service users have not been reassessed and charged correctly (2.5.6 (ii))	<p>Significant</p> <p>March 2017</p>	<p>As reported to Committee in June 2017, the Service advised that further investigation of the work required in order to complete this action has identified that there is considerably more involved than was first anticipated. A significant project was now underway involving Housing, Social Care and Finance to address the past issues and streamline the process to ensure that every applicant is charged accordingly under a set of procedures with specific timelines. The first draft of the Project plan was approved at CMT in April 2017 and further work was ongoing. It was likely that this would not be completed before 30 June 2018.</p> <p>The latest update from the Service is that initial plans for the implementation of this project were replaced by a trial of a Digital solution. The trial was not completed due to the lead person leaving. A revised project plan is currently being drawn up and is subject to agreement of chief officers. Given the likely implementation timescales this project may not now be completed before December 2018.</p>
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Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1803</b>	<b>Health and Safety - SSERC</b>	September 2017	17	16	11	<b>5</b>	<b>5 Significant</b>
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Progress with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Integrated Children's and Family Services	The Service should ensure that schools comply with the SSERC Safety in Microbiology Code of Practice (2.6.5).	<b>Significant</b>	<p>The Service has stated that the following plan has been put in place:</p> <ol style="list-style-type: none"> <li>1. Check that each school has appropriately trained staff to prepare and manage the microbiological samples.</li> <li>2. Check that each school has the correct risk assessments in place which cover the items as described by SSERC.</li> <li>3. Check that a process is in place where only the trained staff undertake the tasks in the event of absence for whatever reason of the qualified technician etc</li> <li>4. Meet with and write to the faculty heads and business support managers or persons responsible for the management of the technicians at each school identifying their responsibilities for the management of compliance within each establishment.</li> <li>5. Under take spot checks on the process being used at each school.</li> </ol> <p>Part 1 is almost complete and the Service has researched the availability of training. Whilst recognising that this will be an on-going process to ensure compliance, Internal Audit will treat the recommendation as complete once items 1 to 4 have been completed.</p> <p>The update from the Service, as reported to Committee in February 2018, was that work is continuing with the above plan. This will be complete by August 2018. A further update has been provided to Internal Audit which gives assurance of continuing progress being made.</p>
		<b>September 2017</b>	



Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

Chief Officer	Recommendation	Grading / Due Date	Position
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*(AC1803 – Health and Safety - SSERC – Continued)*

Integrated Children's and Family Services	A standardised chemical stock list including chemical location, quantity, hazards, immersion test results, condition test results, date of last tests, date tests are due, and disposal dates should be maintained centrally (2.6.4 a)	Significant	The Service has confirmed, as reported to Committee in February 2018, that they have been looking at this and identified that some schools have already purchased dedicated software which is only licensed for single site use, and use different networks and servers. Work is continuing to establish the most suitable form for recording this data in a secure and efficient manner. As the staff who will complete this work are currently ensuring that pupils class work and examination practices are dealt with, and dealing with other recommendations from this report, the recommendation will be implemented over the summer break and concluded by August 2018.
		November 2017	
Integrated Children's and Family Services	Academies should be advised of the requirement to review their chemical stock and update the central list (2.6.4 b)	Significant	The Service has advised that this cannot be completed until 2.6.4 a, above, is implemented.
		November 2017	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

Chief Officer	Recommendation	Grading / Due Date	Position
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*(AC1803 – Health and Safety - SSERC – Continued)*

Integrated Children's and Family Services	Training should be provided to school staff required to undertake daily visual checks of fume cupboards and regular airflow measurements to ensure these are undertaken in line with SSERC Routine Fume Cupboard Testing guidance (2.7.3)	Significant	The Service has advised that the CPD Unit is arranging training although SSERC has some capacity issues. It is anticipated that this will be concluded by September 2018.
		March 2018	
Integrated Children's and Family Services	Training should be provided to all staff required to undertake testing or visual inspections of portable electrical appliances (2.8.3 c)	Significant	The Service has advised, as reported to Committee in February 2018, that training is being provided by SSERC and, as the earliest that they can provide it is April 2018, will require an extension until the end of May 2018.  The latest update from the Service, as advised to Committee in May 2018, is that SSERC currently have some capacity issues. The Service anticipates provisional dates for PAT testing by the end of April. This should be concluded by September 2018.
		November 2017	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1809</b>	<b>Care of Children</b>	February 2018	9	9	5	<b>4</b>	<b>4 Significant</b>
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Integrated Children's and Family Services	The Service should ensure there is evidence of advance authorisation at an appropriate level for all care agreements (2.2.7)	Significant	The Service has advised that amendments are still being made and will be complete by the end of May 2018.
		March 2018	
Integrated Children's and Family Services	The Service should review the need for and operation of separate bank accounts with Finance to ensure consistency of practice (2.3.10)	Significant	The Service has advised that work is being undertaken with Finance to issue purchase cards to address this. This will be complete by the end of June 2018.
		March 2018	
Integrated Children's and Family Services	The Service should review manual cash handling processes to improve efficiency and reduce cash holding where possible (2.3.12)	Significant	The Service has advised that this will be addressed in conjunction with recommendation 2.3.10, above.
		March 2018	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

Chief Officer	Recommendation	Grading / Due Date	Position
<i>(AC1809 – Care of Children – Continued)</i>			
Integrated Children’s and Family Services	The Service should review its administrative processes to ensure cash is accounted for as it leaves the premises, and receipts can be followed up timeously (2.3.14)	Significant	The Service has advised that this will be addressed in conjunction with recommendation 2.3.10, above.
		March 2018	

<b>AC1811</b>	<b>Placing Requests</b>	November 2017	9	7	5	2	1 Significant
							1 Important

Progress with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Integrated Children’s and Family Services	The Service should prepare detailed procedures for the placing request process (2.1.3)	Significant	As reported to Committee in May 2018, the Service had advised that in considering the design of the electronic processing of school placing requests, process mapping was undertaken as part of the Digital School Placings project. The Service had not yet finalised the detailed procedures for the full process, however with the work that has been completed so far in the mapping of current processes, together with more defined and prescriptive procedures arising from the recommendations of the audit report and being implemented by the Service, it is anticipated that this action could be completed by 31 July 2018. <i>(Continued over page.)</i>
		January 2018	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

(AC1811 – Placing Requests – Continued)

Chief Officer	Recommendation	Grading / Due Date	Position
	<i>Recommendation 2.1.3 continued</i>		The latest update from the Service is that detailed procedures, including mapping of current process and how these can be incorporated into the electronic system. A fully defined and prescriptive set of procedures arising from the recommendations of the audit report are incorporated into the system, which is almost fully developed and will be ready for testing across a single Associated Schools Group (ASG) from August 2018, with a view to full implementation across all ASGs in January 2019. Full training will be offered to all potential users, as well as other staff who may be required to assist users (parents/carers) in making an application.
Integrated Children's and Family Services	The Service should rationalise application forms used to a single form. The Service will implement a new system which will enable this, but is dependent on prioritisation of IT transformation projects (2.2.1)	Important April 2018	The Service has advised that the application process will be digitised and this will meet the recommendation. It is anticipated that the form and full system being ready for testing from 31 July 2018 with full implementation from January 2019. This timescale will enable implementation of a robust training programme.

<b>AC1815</b>	<b>Pre-School Commissioned Places</b>	December 2017	6	3	3	0	0
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<b>AC1826</b>	<b>Out of Authority Placements</b>	April 2018	6	0	0	0	0
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# **APPENDIX F**

# **RESOURCES**

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1719</b>	<b>Revenue Budget Setting</b>	May 2017	4	4	2	2	1 Significant 1 Important
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Finance	More targeted guidance on the budget process for budget holders and team members should be created (2.1.7)	Important June 2017	<p>As reported to the September 2017 meeting of the Committee, Finance had advised that the budget process had been subject to review during May and June 2017. This made a number of proposed changes to the process and was being taken to CMT for approval on 31 August 2017. Further to that approval, revised detailed guidance would be drawn up by 1 October 2017. The Service advised in November that CMT did not approve the proposed changes and further work was required to agree the process and finalise documentation. This was agreed to be done by the end of December 2017. A revised process was under development through the Transformation Programme.</p> <p>The Committee was advised in February 2018 that the latest update from the Service was that the revised process continues to be under development through the Transformation Programme. The 2018/19 budget is at an advanced stage of progress. The core tasks of preparing salary budgets, forecasting changes due to inflation and other cost drivers and legislative requirements, and interpreting the funding settlement are complete. Options have been developed through the transformation programme. Following the conclusion of the 2018/19 budget process, the approach taken will be documented by May 2018. This will cover all core controls of the process that will remain in place in future.</p> <p>The latest update from the Service is that this will be complete in July 2018.</p>

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

*(AC1719 – Revenue Budget Setting – Continued)*

Chief Officer	Recommendation	Grading / Due Date	Position
Finance	Finance should ensure there is a clear audit trail to show that all budget adjustments agreed through the budget process have been applied, and disclosed, appropriately (2.3.8)	Significant July 2017	<p>As reported to the September 2017 meeting of the Committee, Finance had advised that, as part of the revised process, new documentation was being prepared to record the full documented audit trail and meet the requirements of the audit recommendation. These would be implemented as at 1 September 2017.</p> <p>The Service advised in November that CMT did not approve the proposed changes and further work is required to agree the process and finalise documentation. This was to be done by the end of December 2017.</p> <p>The Committee was advised in February 2018 that the latest update from the Service was that, for the 2018/19 budget process currently underway, the audit trail is being recorded using the existing recording and reporting methods of service cost model, ledger, budget packs, budget report and budget tracker. Once the 2018/19 budget process is complete, then the specific audit trail and disclosure information for budget adjustments will be documented and incorporated into the future budget setting guidance by May 2018.</p> <p>This work is complete and will be incorporated in the guidance referred to in recommendation 2.1.7 by the end of July 2018.</p>



Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1805</b>	<b>Attendance Management</b>	August 2017	9	9	5	4	3 Significant 1 Important
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
People and Organisation	The Service should review, and update where necessary, the Maximising Attendance policy, guidance and training (2.1.3)	Important	As reported to Committee in May 2018, the Service has advised that a revised draft has been compiled but will need to be agreed with Service teams and trade unions before being approved by Committee. This will be complete by the end of September 2018.
		February 2018	
People and Organisation	All Services should be reminded of the Policy requirements in relation to recording absences and the management actions that need to be taken when an employee returns to work (2.2.9)	Significant	As for recommendation 2.1.3, above.
		March 2018	
People and Organisation	Once the training on the Maximising Attendance policy has been reviewed and updated as necessary, HR should promote its completion amongst managers (2.3.4a)	Significant	As for recommendation 2.1.3, above.
		March 2018	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

*(AC1805 – Attendance Management – Continued)*

Chief Officer	Recommendation	Grading / Due Date	Position
People and Organisation	HR should continue to work with Services to ensure that all staff are aware of how to access guidance and support when administering the Maximising Attendance Policy (2.3.4b)	Significant March 2018	As for recommendation 2.1.3, above.

<b>AC1806</b>	<b>Corporate Landlord Responsibilities</b>	September 2017	9	6	2	4	4 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Corporate Landlord	The Service should review whether management of cyclical maintenance could be delegated to one or other Service, or the two Services combined (2.2.4)	Significant March 2018	Internal Audit is awaiting an update from the Service regarding progress.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

*(AC1806 – Corporate Landlord Responsibilities – Continued)*

Chief Officer	Recommendation	Grading / Due Date	Position
Corporate Landlord	Asset Management should work with the Health & Safety Team to align Service and Corporate Policies (2.2.6)	Significant March 2018	Internal Audit is awaiting an update from the Service regarding progress.
Corporate Landlord	The Service should set out a programme and procedures for ensuring EPC compliance, then coordinate and monitor progress with its implementation (2.2.8)	Significant March 2018	Internal Audit is awaiting an update from the Service regarding progress.
Corporate Landlord	The Service should review the process for obtaining assurance that cyclical maintenance services have been delivered as planned for the purposes of verifying payments, contractors' performance, and statutory compliance (2.4.3)	Significant March 2018	Internal Audit is awaiting an update from the Service regarding progress.

<b>AC1812</b>	<b>Financial Ledger System</b>	March 2018	14	8	8	<b>0</b>	0
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Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1814</b>	<b>Travel Costs</b>	November 2017	13	11	8	<b>3</b>	<b>3 Significant</b>
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The position with the overdue recommendations is as follows:

Chief Officer	Recommendation	Grading / Due Date	Position
Finance	Procedures should be put in place to ensure that the most cost effective method of travel is approved in advance with consideration given to restricting claims for journeys outwith the Council's boundaries to the cost equivalent of the cheapest option (2.2.9)	Significant March 2018	The Service has advised that implementation of these recommendations is dependent upon the review of the Travel Policy which has not yet been completed. Timescales for completion of the review have not yet been determined. A further update will be provided once this has been resolved.
Finance	The approval process for foreign travel should be reviewed and complied with (2.6.5)	Significant March 2018	
Finance	Services should be reminded to ensure that travel applications are forwarded to the Travel Team as soon as possible to ensure that cost effective travel arrangements can be made (2.6.6)	Significant March 2018	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	
AC1816	Training for Councillors	January 2018	9	9	9	0	0
AC1818	Capital Plan	April 2018	7	4	4	0	0
AC1819	Capital Contracts	February 2018	8	4	3	1	1 Significant
The position with the overdue recommendations is as follows:							
Chief Officer	Recommendation	Grading / Due Date	Position				
Capital	The Service should ensure an estimated cost is included on Architects Instructions in advance of changes to works being instructed (2.5.4)	Significant April 2018	Internal Audit is awaiting updates from all but one involved in implementing the recommendation.				
AC1820	PECOS	March 2018	8	1	1	0	0

# **APPENDIX G**

# **GOVERNANCE**

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	
<b>AC1714</b>	<b>Land and Buildings</b>	February 2017	9	6	3	<b>3</b>	<b>3 Significant</b>
Progress with the overdue recommendation is detailed below:							
Chief Officer	Recommendation	Grading / Due Date	Position				
Governance	Filing documentation should be updated to ensure there is a full audit trail for all title held (2.9.6)	Significant December 2017	The Service has advised, as reported to Committee in February 2018, that it has been exploring the viability, including resource implications, of updating the current Ordnance Survey Maps, and creating a digital mapping system to facilitate a more streamlined and efficient method of identifying property owned by the Council. The Service is formulating a Business Case for Digitisation of Mapping and Title Deeds that will include the use of a digital mapping system.  The latest update from the Service is that a business case has been presented to the Chief Officer – Governance designed to give effect to the recommendations. The Chief Officer – Governance will review before determining the next course of action.  As reported to Committee previously, the Service has advised that this recommendation was agreed in principle and that it agreed to carry out an appraisal to explore the viability for such cross-referencing to be carried out electronically. As noted above, it was anticipated that a Business Case would be presented during February 2018. The previous deadline was not achieved as a result of a combination of competing priorities and a secondment of the Service Support Manager who was sponsoring the project. The business case is now with the Chief Officer – Governance for a decision.				
Governance	Consideration should be given to digitising the Council's title deeds and linking these to the Council's asset register system (2.9.10)	Significant December 2017					
Governance	The Asset Register and title documents should be cross referred using the Asset Register reference number (2.9.7)	Significant August 2017					

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1824</b>	<b>Bond Governance</b>	February 2018	22	10	9	1	1 Important
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Progress with the overdue recommendation is detailed below:

Chief Officer	Recommendation	Grading / Due Date	Position
Governance	The Insider List reporting requirements for the new Human Capital Management system should be reported to the next HCM Project Board (2.6.4)	Important March 2018	The Service has advised that the CoreHR project is on a very tight schedule and, as a result, the scope of Phase 1 of the project has been locked down. Therefore, the Bond requirements will be revisited at the end of October 2018, which is after Phase 1 is going live. Until then, the Service will continue using the current manual process with the view to discussing the requirements and implications of automating it once Phase 1 is complete.



# **APPENDIX H**

# **HEALTH AND SOCIAL CARE** **PARTNERSHIP**

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1617</b>	<b>Self-Directed Support</b>	October 2016	21	21	20	1	1 Significant
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Progress with the overdue recommendations is detailed below:

Chief Officer	Recommendation	Grading / Due Date	Position
Head of Strategy and Transformation (ACC H&SCP)	The Service should finalise and implement the Contributing to Your Care and Support Policy and guidance (2.4.2)	Significant	As reported to Committee in June 2017, the Service advised that draft guidance has been produced and was being reviewed. The policy and guidance will not be implemented until the end of October 2017.  The Committee was advised in November 2017 that this will now be completed by April 2018 to allow a review of the charging process through the budget process and to consider implications of the Carers Act.  The latest update from the Service is that work is progressing and a working group has been established to take forward the topic of charging for the Partnership. The Partnership is piloting the Equivalency Model as a method of Resource Allocation for self-directed support. The identification of a client's agreed budget allocation via a robust resource allocation system is a pre-requisite to enable the Partnership to move forward with the implementation of the Contributing to Your Care Policy. This will be reported and monitored through the Self Directed Support Board. Full implementation is now planned for September 2018.
		March 2017	

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	
<b>AC1801</b>	<b>Adult Client Transport</b>	September 2017	13	10	9	1	1 Significant
Progress with the overdue recommendation is detailed below:							
Chief Officer	Recommendation	Grading / Due Date	Position				
Head of Operations (ACC H&SCP)	PTU and ACH&SCP should regularly share and reconcile their data on service user transport to ensure arrangements are in place as agreed (2.2.13ii)	Significant January 2018	The Service has advised that Service user transport usage forms are on the Carefirst system and officers will share and reconcile data through running reports off the system. It is proposed that Officers meet to reconcile data in July 2018 and every 6 months after that.				
<b>AC1813</b>	<b>Financial Assessments</b>	February 2018	15	6	6	0	0
<b>AC1828</b>	<b>Care Management</b>	April 2018	13	2	2	0	0

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.18	Confirmed Implemented by Service	Not implemented by original due date	

<b>AC1821</b>	<b>Social Work Payroll</b>	January 2018	22	5	4	1	1 Significant
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Progress with the overdue recommendation is detailed below:

Chief Officer	Recommendation	Grading / Due Date	Position
Chief Finance Officer (ACH&SCP)	HR has made guidance available to ensure consistency of approach to TOIL, additional hours and overtime claims. Service management will review and reiterate practice with senior staff to ensure consistent application (2.3.17)	Significant	The Service has advised that an initial email with the guidance has been made available to senior social work managers. Further work and training is planned for June 2018.
		February 2018	