

Public Document Pack



To: Councillor Macdonald, Convener; Councillor Houghton, Vice-Convener; and Councillors Allard, Bonsell, Bouse, Fairfull, Hutchison, McLellan, Massey, Nicoll, Radley, Stewart and Watson.

Town House,
ABERDEEN 21 September 2022

AUDIT, RISK AND SCRUTINY COMMITTEE

The Members of the **AUDIT, RISK AND SCRUTINY COMMITTEE** are requested to meet in the **Council Chamber - Town House** on **TUESDAY, 27 SEPTEMBER 2022 at 2.00 pm**. This is a hybrid meeting and Members may also attend remotely.

The meeting will be webcast and a live stream can be viewed on the Council's website. <https://aberdeen.public-i.tv/core/portal/home>

VIKKI CUTHBERT
INTERIM CHIEF OFFICER - GOVERNANCE

B U S I N E S S

NOTIFICATION OF URGENT BUSINESS

- 1.1. There are no items of urgent business at this time

DETERMINATION OF EXEMPT BUSINESS

- 2.1. Members are requested to determine that any exempt business be considered with the Press and Public excluded

DECLARATIONS OF INTEREST OR TRANSPARENCY STATEMENTS

- 3.1. Members are requested to intimate any declarations of interest or transparency statements

DEPUTATIONS

- 4.1. There are no requests at this time

MINUTE OF PREVIOUS MEETING

- 5.1. Minute of Previous Meeting of 30 June 2022 (Pages 5 - 10)

COMMITTEE PLANNER

- 6.1. Committee Business Planner (Pages 11 - 14)

NOTICES OF MOTION

- 7.1. There are none at this time

REFERRALS FROM COUNCIL, COMMITTEES AND SUB COMMITTEES

- 8.1. None at this time

COMMITTEE BUSINESS

Risk Management

- 9.1. Information Governance Annual Report - CUS/22/190 (Pages 15 - 30)

Internal Audit

- 9.2. Internal Audit Progress Report - IA/AC/006 (Pages 31 - 48)
- 9.3. JB Performance Management Reporting - AC/2109 (Pages 49 - 60)
- 9.4. Care Management - IA/AC/007 (Pages 61 - 64)
- 9.5. Payroll and HR System Amendments - AC/2114 (Pages 65 - 78)
- 9.6. Staff Resourcing - AC/2215 (Pages 79 - 96)
- 9.7. Debt Recovery - AC/2209 (Pages 97 - 116)

- 9.8. Building Maintenance System - AC/2111 (Pages 117 - 132)

External Audit

- 9.9. External Audit Annual Report - to follow

Annual Reports and Accounts

- 9.10. Audited Annual Accounts 2021-22 - RES/22/210 - to follow

Legal Obligations

- 9.11. Use of Investigatory Powers Quarter 2 Report - COM/22/209 (Pages 133 - 140)

Scrutiny

- 9.12. SPSO Decisions, Inspector of Crematoria Complaint Decisions - CUS/22/208 (Pages 141 - 148)

EXEMPT/CONFIDENTIAL BUSINESS

- 9.13. IT Infrastructure Resilience - AC/2201 (Pages 149 - 168)

EHRIAs related to reports on this agenda can be viewed [here](#)

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Website Address: aberdeencity.gov.uk

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Audit, Risk and Scrutiny Committee

ABERDEEN, 30 June 2022. Minute of Meeting of the AUDIT, RISK AND SCRUTINY COMMITTEE. Present:- Councillor Macdonald, Convener; Councillor Houghton, Vice-Convener; and Councillors Allard, Bonsell, Bouse, Hazel Cameron (as substitute for Councillor McLellan), Fairfull, Henrickson (as substitute for Councillor Radley), Hutchison, Massey, Nicoll, Stewart and Watson.

DECLARATION OF INTEREST OR TRANSPARENCY STATEMENTS

1. At this juncture, in the interests of transparency the following statements were made:

- (1) The Convener advised that she had a connection in relation to agenda item 9.1 (ALEO Assurance Hub) due to her appointment as a Director of Aberdeen Heat and Power, however having applied the objective test she did not consider that she had an interest and would not be withdrawing from the meeting for the item.
- (2) Councillor Henrickson advised that he had a connection in relation to agenda item 9.3 (Unaudited Annual Accounts) due to his appointment on the Board of the Aberdeen Science Centre, however having applied the objective test he did not consider that he had an interest and would not be withdrawing from the meeting for the item.

MINUTE OF PREVIOUS MEETING OF 22 FEBRUARY 2022

2. The Committee had before it the minute of its previous meeting of 22 February 2022.

The Committee resolved:-

- (i) to approve the minute as a correct record;
- (ii) in relation to item 15 (Review of items recorded as 'missing' from Art Gallery & Museums Collections) to note that the Service Update was being prepared and would be circulated in due course.

COMMITTEE BUSINESS PLANNER

3. The Committee had before it the Committee business Planner, prepared by the Chief Officer – Governance.

The Committee resolved:-

- (i) to note that items 4 (Internal Audit Progress Report) and 5 (Internal Audit Follow up on Recommendations), had been included in the Internal Audit Annual Report;
- (ii) to note that item 7 (Use of Investigatory Powers Quarterly Report) had been removed due to no requests or authorisations being made in the last quarter and would remain on the business planner for all future meetings;
- (iii) to note that item 9 (SPSO Decisions, Inspector of Crematoria Complaint Decisions) had been removed due to no decisions being published since the last report to Committee and would remain on the business planner for all future meetings;

AUDIT, RISK AND SCRUTINY COMMITTEE

30 June 2022

- (iv) to note that items 11 (Payroll and HR System Amendments), 12 (Internal Movement of Staff, relief staff and agency workers), 13 (Care Management Recording and Transactions), 14 (IT Infrastructure Systems), 16 (Recovery Arrangements for Sundry Debt), 19 (Consilium System - HRA Building Maintenance System), 20 (Consilium), and 23 (Attendance Management) had been delayed until September 2022;
- (v) to add two Service Updates to the business planner, those being: Reconciliation of Granite, Union Terrace Gardens and Review of Items Recorded as 'Missing' From Art Gallery & Museums Collections; and
- (vi) to otherwise note the content of the business planner.

ALEO ASSURANCE HUB - COM/22/119

4. The Committee had before it a report by the Director of Commissioning 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 that Assurance Hub officers and ALEO Service Leads would discuss any outstanding issues identified in the appendices and identified at the Audit, Risk and Scrutiny Committee with ALEO representatives, with a view to further improving the assessment ratings at the next Hub meeting; and
- (c) note that the Council agreed to form a Joint Venture with bp to develop a hydrogen hub in the city, agree that the ALEO Assurance Hub provide oversight of bp Aberdeen Hydrogen Energy Limited, and note that the Assurance Hub Terms of Reference would be amended accordingly.

In response to a question relating to who would have oversight of how ALEOs were achieving Council outcomes and complying with the terms of their service level agreements if the Strategic Commissioning Committee did not exist, the Chief Officer – Governance advised that if there were changes to the Committee structure, that all business would be re-aligned to another Committee or to Council.

In response to a question relating to the joint venture with bp and how the risk would be valued, the Chief Officer – Governance advised that risk management would be monitored via the ALEO Assurance Hub as well as scrutiny over the financial aspects at the City Growth and Resources Committee.

The Committee resolved:-

to approve the recommendations contained in the report.

AUDIT, RISK AND SCRUTINY COMMITTEE

30 June 2022

EXTERNAL AUDIT - AUDIT STATUS UPDATE

5. The Committee had before it a report by the External Auditor which provided an update on the current status of the external audit and highlighted draft conclusions and matters arising to date.

The Committee resolved:-

- (i) to note that the Chief Officer – Finance would include the inflation figures in the treasury management report which was presented to Council on a six monthly basis; and
- (ii) to otherwise note the content of the report.

UNAUDITED ANNUAL ACCOUNTS 2021/22

6. The Committee had before it a report by the Director of Resources which provided an overview of the Council's 2021/22 unaudited Annual Accounts, the unaudited Accounts for registered Charities where the Council were the sole Trustee and sought approval for the Annual Governance Statement.

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 2021/22;
- (b) note the Council's unaudited Annual Accounts 2021/22;
- (c) note the unaudited Annual Accounts 2021/22 of the Council's registered Charities;
- (d) note that following the meeting the Council's and the registered charities unaudited Annual Accounts would be finalised, signed and submitted to the Council's external auditors, KPMG, and Audit Scotland;
- (e) note that the Audit, Risk and Scrutiny Committee on 27 September 2022 would receive the Council's audited Annual Accounts for consideration and approval prior to their signature by the Chief Officer - Finance, Chief Executive and a Council co-Leader;
- (f) note that the Audit, Risk and Scrutiny Committee of 27 September 2022 will also receive the external auditor's report on the annual accounts for debate and consideration and that this report would set out the auditor's findings and conclusions, highlight the significant issues arising from the audit of the annual accounts and inform Elected Members of the proposed audit opinion in advance of the accounts being certified;
- (g) note that the Audit, Risk and Scrutiny Committee on 27 September 2022 would also 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; and
- (h) note that the guarantee for £127k to Aberdeen Science Centre detailed in contingent liabilities in the Council's Annual Accounts would be removed as at 30

AUDIT, RISK AND SCRUTINY COMMITTEE

30 June 2022

September 2022, as the organisation had advised that it is no longer required, but would welcome support in future if there was a need.

In response to a question relating to Charitable Trusts and whether there were plans to merge the Trusts due to their reducing value, the Chief Officer – Finance advised that there had been some consolidation with the Trusts previously and that the Governance Team continued to monitor the situation.

In response to a question relating to the CIPFA Governance Mark of Excellence and how the Council compared to other Local Authorities, the Chief Officer – Governance advised that the Council first received the Mark of Excellence in 2020 and has since been re-accredited. He explained that Aberdeen were the only Local Authority in Scotland to receive the accreditation.

The Committee resolved:-

- (i) in relation to Bus Lane Enforcement monies, to note that the Chief Officer – Finance would check the figures and amend accordingly;
- (ii) in relation to questions from a member relating to the accounts, to note that the Chief Officer – Finance would meet with the member separately to discuss the issues raised;
- (iii) to note the thanks given to all officers involved with the preparation of the annual governance statement and the accounts; and
- (iv) to otherwise approve the recommendations contained in the report.

INTERNAL AUDIT ANNUAL REPORT - IA/22/005

7. The Committee had before it a report by the Chief Internal Auditor which provided the Committee with the Internal Audit Annual Report for 2021-22.

The report recommended:-

That the Committee -

- (i) note the Annual Report for 2021-22;
- (ii) note that the Chief Internal Auditor confirmed the organisational independence of Internal Audit;
- (iii) note that there has been no limitation to the scope of Internal Audit work during 2021-22;
- (iv) note the outcome of Internal Audit's self-assessment against the requirements of the Public Sector Internal Audit Standards; and
- (v) note the content of Internal Audit's Quality Assurance and Improvement Plan.

The Committee resolved:-

- (i) to note that the Clerk would liaise with the Chief Internal Auditor to ensure the business planner items matched those from the Internal Audit Plan; and
- (ii) to otherwise approve the recommendations contained in the report.

AUDIT, RISK AND SCRUTINY COMMITTEE

30 June 2022

SCHOOL ESTATE AND PUPIL SECURITY - AC2108

8. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to School Estate and Pupil Security which was undertaken to provide assurance that the Council had adequate security arrangements in respect of the Council's school estate and its school pupils.

The report recommended:

That the Committee review, discuss and comment on the issues raised within the report and the attached appendix.

In response to a question relating to new build Schools and the guidance available, the Chief Officer – Corporate Landlord advised that following every new build a post occupancy report was completed and lessons learnt were captured to prevent similar issues happening in future developments.

The Committee resolved:-

- (i) to note that the Chief Internal Auditor would provide clarity in relation to the completion date for recommendation 12.1.10 in the audit follow up report to be presented in September; and
- (ii) to otherwise endorse the recommendations for improvements as agreed by the relevant Function.

CAPITAL PROJECT MANAGEMENT - AC2118

9. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Capital Project Management which was undertaken to provide assurance that the management and reporting of ongoing Capital Projects was adequate and that appropriate post completion reviews were completed so that lessons learned could be recorded and acted upon.

The report recommended:-

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

The Committee resolved:-

to endorse the recommendations for improvement as agreed by the relevant Function.

BUDGET MONITORING - AC2208

10. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Revenue Budget Monitoring which was undertaken to ensure that robust procedures were in place for monitoring the revenue budget.

AUDIT, RISK AND SCRUTINY COMMITTEE

30 June 2022

The report recommended:-

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

The Committee resolved:-

to endorse the recommendations for improvement as agreed by the relevant Cluster.

LEARNING DISABILITIES - AC2210

11. The Committee had before it a report by the Chief Internal Auditor which presented an audit in relation to Learning Disabilities which was undertaken to ensure that there was adequate control exercised over income and expenditure.

The report recommended:-

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

The Committee resolved:-

to endorse the recommendations for improvement as agreed by the relevant Cluster.

- **COUNCILLOR SANDRA MACDONALD, Convener**

	A	B	C	D	E	F	G	H	I
1	AUDIT, RISK & SCRUTINY COMMITTEE BUSINESS PLANNER 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	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
3	27 September 2022								
4	Internal Audit Progress Report	To provide an update on progress for the 2020/21 and 2021/22 audits		Jamie Dale	Governance	Commissioning	2.2	R	One report will be presented from Chief Internal Auditor to provide current position and an update in relation to agreed recommendations. This will be presented each cycle therefore the planner will be updated.
5	Internal Audit Follow Up on Recommendations	To provide an update on where Services are with implementing agreed recommendations		Jamie Dale	Governance	Commissioning	2.3	R	as above
6	Internal Audit Update Report	To provide an update on progress of the Internal Audit Plan, Audit Recommendations Follow Up and other relevant information for the Committee.	A report is on the agenda. Item 9.2	Jamie Dale	Governance	Commissioning	2.2		
7	Transformational Programme (IJB Risk Audit & Performance Committee)	To provide assurance that the IJB is continuing to make progress with delivery of its transformation agenda.		Jamie Dale	Governance	Commissioning	2.2	D	Original Date for IJB Risk, Audit and Scrutiny Cttee - February 2022. Review being finalised with management. Will be presented to the December Committee, subject to presenting to the RAPC first.
8	IJB Performance Management Reporting	To provide assurance that robust data is reported accurately and timeously to the IJB in order to provide an appropriate level of assurance regarding service performance and delivery of the IJB Strategic Plan.	A report is on the agenda. Item 9.3	Jamie Dale	Governance	Commissioning	2.2		
9	Payroll and HR System Amendments	To obtain assurance over the accuracy and completeness of the payroll as a result of changes to the workforce	A report is on the agenda. Item 9.5	Jamie Dale	Governance	Commissioning	2.2		
10	Staff Resourcing	To obtain assurance over adherence to procedures for internal movement of staff, use of relief pool staff and agency worker engagement procedures.	A report is on the agenda. Item 9.6	Jamie Dale	Governance	Commissioning	2.2		

	A	B	C	D	E	F	G	H	I
11	Care Management	To obtain assurance over coordination, recording and payment for care services.	A report is on the agenda. Item 9.4	Jamie Dale	Governance	Commissioning	2.2		
12	IT Infrastructure Resilience	To obtain assurance over the procurement and adequacy of the Council's IT Infrastructure Systems	A report is on the agenda. Exempt Item 9.13	Jamie Dale	Governance	Commissioning	2.2		
13	Debt Recovery	To ensure that procedures for recovering debts are adequate, efficient and consistently applied	A report is on the agenda. Item 9.7	Jamie Dale	Governance	Commissioning	2.2		
14	Building Maintenance System	to provide assurance over the system controls - to include access controls, system security and backups. Interfaces, business continuity and contingency plans.	A report is on the agenda. Item 9.8	Jamie Dale	Governance	Commissioning	2.2		
15	Commissioning	Review of plans and progress with implementation of the Council's Strategic Commissioning Approach set out in the Council Delivery Plan		Jamie Dale	Governance	Commissioning	2.2	D	Original Date - September 2021 Review being finalised with management. Will be presented to the December Committee.
16	Attendance Management	To obtain assurance over compliance with corporate policy and determine whether the Council's absence improvement plan is having a positive impact on attendance.		Jamie Dale	Governance	Commissioning	2.2	D	Original Date - December 2021 Review being finalised with management. Will be presented to the December Committee.
17	Children's Social Care - Children with Disabilities	To obtain assurance that care is being arranged and paid for in accordance with procedure to secure best value outcomes.		Jamie Dale	Governance	Commissioning	2.2	D	Original Date - September 2021 Review being finalised with management. Will be presented to the December Committee.
18	Information Governance Annual Report	to present the annual report for the Council's Information Governance	A report is on the agenda. Item 9.1	Caroline Anderson	Data Insights	Customer	1.3		
19	Annual Accounts 2021/22	to present the auditee annual accounts for 2021/22.	Report is expected	Lesley Fullerton	Finance	Resources	4.1		
20	External Audit Annual Report	to present the external audit annual report	Report is expected	Michael Wilkie	Governance	Commissioning	3.1		
21	Use of Investigatory Powers Quarterly Report	to present the quarterly use of investigatory powers report	A report is on the agenda. Item 9.11	Jess Anderson	Governance	Commissioning	5.2		

	A	B	C	D	E	F	G	H	I
22	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.	A report is on the agenda. Item 9.12	Lucy McKenzie	Customer Experience	Customer	6.4		
23	13 December 2022								
24	Internal Audit Progress Report	To provide an update on progress for the 2020/21 and 2021/22 audits		Jamie Dale	Governance	Commissioning	2.2	R	as per item 4
25	Internal Audit Follow Up on Recommendations	To provide an update on where Services are with implementing agreed recommendations		Jamie Dale	Governance	Commissioning	2.3	R	as per item 4
26	Internal Audit Update Report	To provide an update on progress of the Internal Audit Plan, Audit Recommendations Follow Up and other relevant information for the Committee.		Jamie Dale	Governance	Commissioning	2.2		
27	Internal Audit Reports	Reports which have been finalised will be presented to the Committee.		Jamie Dale	Governance	Commissioning	2.2		
28	Use of Investigatory Powers Quarterly Report	to present the quarterly use of investigatory powers report		Jess Anderson	Governance	Commissioning	5.2		
29	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 McKenzie	Customer Experience	Customer	6.4		
30	Service Updates								
31	Reconciliation of Granite - Union Terrace Gardens	ARSC 30 June 2022 - Item 3 (v) to add two Service Updates to the business planner, those being: Reconciliation of Granite, Union Terrace Gardens and Review of Items Recorded as 'Missing' From Art Gallery & Museums Collections		John Wilson	Capital	Resources			

	A	B	C	D	E	F	G	H	I
32	Review of Items Recorded as 'Missing' from Art Gallery and Museums Collections	ARSC 30 June 2022 - Item 3 (v) to add two Service Updates to the business planner, those being: Reconciliation of Granite, Union Terrace Gardens and Review of Items Recorded as 'Missing' From Art Gallery & Museums Collections	This has been issued	Helen Fothergill	City Growth	Commissioning			

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny
DATE	27 September 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Information Governance Management Annual Statement 2021-2022
REPORT NUMBER	CUS/22/190
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Martin Murchie
REPORT AUTHOR	Caroline Anderson
TERMS OF REFERENCE	1.3

1. PURPOSE OF REPORT

- 1.1 To provide Committee with an annual report on the Council's Information Governance Performance, including information about the changes implemented through the Council's information assurance improvement plan.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee:

Note the information provided about the Council's information governance performance at sections 3.1 – 3.5 and in the Information Governance Report at Appendix 1.

3. CURRENT SITUATION

- 3.1 The Council's Audit, Risk and Scrutiny Committee agreed the Council's revised and updated Information Governance Management & Reporting Framework in September 2016; as part of this the Committee agreed to receive an annual report in relation to the Council's information governance performance.
- 3.2 Ensuring the proper use and governance of the Council's information and data is an ongoing activity. New and changing legislation, systems, staff, and ways of doing business, as well as new and emerging cyber threats all shape and change the environment within which the Council operates in relation to effective use and governance of its information and data.
- 3.3 Keeping up means a careful balancing between the requirement to monitor and be adaptable to our changing environment, and the requirement to agree and implement assurance improvements over the medium term.

- 3.4 To this end, actions to improve assurance in the medium term are identified, actioned and monitored through the Information Governance and Cyber Security risks on the Corporate Risk Register; regular updates on which are reported separately to the Council's Audit, Risk & Scrutiny Committee.
- 3.5 Please refer to Appendix 1 for the consolidated Annual Report on the Council's Information Governance Performance from April 2021-April 2022.

4. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report. There are potential indirect financial implications related to penalties for non-compliance, as outlined at section 5.3, below.

5. LEGAL IMPLICATIONS

- 5.1 The Council's use and governance of its information is subject to a variety of legislation including: The UK General Data Protection Regulation, the Data Protection Act 2018, the Public Records (Scotland) Act 2011, the Freedom of Information (Scotland) Act 2002, the Environmental Information (Scotland) Regulations 2004, and the Re-use of Public Sector Information Regulations 2015.
- 5.2 The Annual Information Governance Performance Report at Appendix 1 forms part of the Council's wider Information Governance Management and Reporting Framework and is a key component of ensuring that the Council is undertaking adequate monitoring of its compliance with the above legislation.
- 5.3 The General Data Protection Regulation and the Data Protection Act 2018 came into force on 25 May 2018 and brought significantly increased penalties for non-compliance with data protection law than was previously the case. The maximum penalty for non-compliance is now 4% of turnover, or €20 million, whichever is higher.
- 5.4 The approach taken to date has been focussed on ensuring that the Council has a robust framework in place to enable compliance with Data Protection legislation, to reduce the risk that the Council would be subject to enforcement action and financial penalty.
- 5.5 The UK has now left the EU, and so applicable Data Protection legislation in the UK is now the UK GDPR, and the Data Protection Act 2018. The UK has now received an 'Adequacy Decision' from the EU in respect of its data protection arrangements, which simplifies the arrangements in relation to data flows between the UK and the EU, now that the transition period has ended.

6. ENVIRONMENTAL IMPLICATIONS

There are no environmental implications arising from this report.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) <i>*taking into account controls/control actions</i>	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Strategic Risk	There are no risks arising directly from the presentation of this report. This report is part of the Council's wider Information Assurance framework which mitigates against information related risk as presented in the Corporate Risk Register	See controls column	Yes
Compliance	Compliance	As above	As above	Not applicable
Operational	Operational	As above	As above	Not applicable
Financial	Financial	As above	As above	Not applicable
Reputational	Reputational	As above	As above	Not applicable
Environment / Climate	Environment/Climate	As above	As above	Not applicable

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
Impact of Report	
<p>Aberdeen City Council Policy Statement</p> <p><u>Working in Partnership for Aberdeen</u></p>	<p>The Council's Information Governance arrangements are a vital part of enabling the Council to realise its aims across its policy statement.</p>
<u>Aberdeen City Local Outcome Improvement Plan</u>	
<p>Prosperous Economy Stretch Outcomes</p>	<p>Information and data are key assets of the Council and recognised in the Aberdeen City Local Outcome Improvement Plan 2016-26 and the Aberdeen City Council Strategic Business Plan as critical enablers of the Council achieving its priorities for people, place and economy. The activities outlined in Appendix 1 of this report framework are focussed on ensuring that the Council's information is good quality, accurate, and up to date to inform decision-making, that it is used and governed in a way which is effective and lawful, that the Council has the right arrangements in place to enable data to be shared appropriately and safely with partners, where this is necessary, and to ensure that our information can effectively evidence our decisions and actions so the Council can demonstrate accountability.</p>
<p>Prosperous People Stretch Outcomes</p>	<p>As above</p>
<p>Prosperous Place Stretch Outcomes</p>	<p>As above</p>
<p>Regional and City Strategies</p>	<p>The Council's Information Governance arrangements are vital to the implementation of regional and city strategies.</p>

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

None

11. APPENDICES

Appendix 1: Annual Information Governance Annual Statement 2021-2022

12. REPORT AUTHOR CONTACT DETAILS

Name	Dr Caroline Anderson
Title	Information and Data Manager
Email Address	canderson@aberdeencity.gov.uk

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Information Governance Management

Annual Report 2022

Senior Information Risk Owner



April 2021 -
March 2022

1 Introduction

1.1 The Council's Audit, Risk and Scrutiny Committee agreed the Council's revised and updated Information Governance Management & Reporting Framework in September 2016; as part of this the Committee agreed to receive an annual report in relation to the Council's information governance assurance.

1.2 This report collates, analyses and monitors the Council's performance in relation to freedom of information, data protection and information security, to give assurance that trends, issues, incidents, and breaches are dealt with appropriately as they arise.

1.3 Ensuring the proper use and governance of the Council's information and data is an ongoing activity. New and changing legislation, systems, staff, and ways of doing business, as well as new and emerging cyber threats, all shape and change the environment within which the Council operates in relation to effective use and governance of its information and data.

1.4 Keeping up means a careful balancing between the requirement to monitor and be adaptable to our changing environment, and the requirement to agree and implement assurance improvements over the medium term.

1.5 To this end, actions to improve assurance in the medium term are identified, actioned and monitored through the Information Governance and Cyber Security risks on the Corporate Risk Register; regular updates on which are reported separately to the Council's Audit, Risk & Scrutiny Committee.

1.6 The Council's Information Governance arrangements were subject to Internal Audit, reported in February 2020. The objective of the audit was to provide assurance that the Council has adequate controls in place to mitigate the risks identified in the Corporate Risk Register and that these controls are operating as expected. The audit found that comprehensive and clear policies, procedures and mandatory training are in place and that corporate risk and related controls are being monitored by the Information Governance Group, chaired by the Council's Senior Information Risk Owner, with exception reporting to Corporate Management Team. Information Governance controls were found to be comprehensive and control assessments well-supported.

1.7 The National Records of Scotland, Public Records (Scotland) Act (PRSA) 2011 Assessment Team, assessed the Council's annual update of its arrangements under the Act in May 2020. The Assessment Team found that the Council continues to take its statutory obligations seriously and maintains the required records management arrangements in full compliance with the Act.

2. Information Governance Performance Information April 2021 - March 2022

2.1 Data Protection Rights Requests

Fig 1: Annual number of requests received

Type of Request	2020/21	2021/22
Subject Access	234	258
Third Party	439	327
Other Rights Request	18	17

Fig 2: Requests received in the 12 month to end March 2022

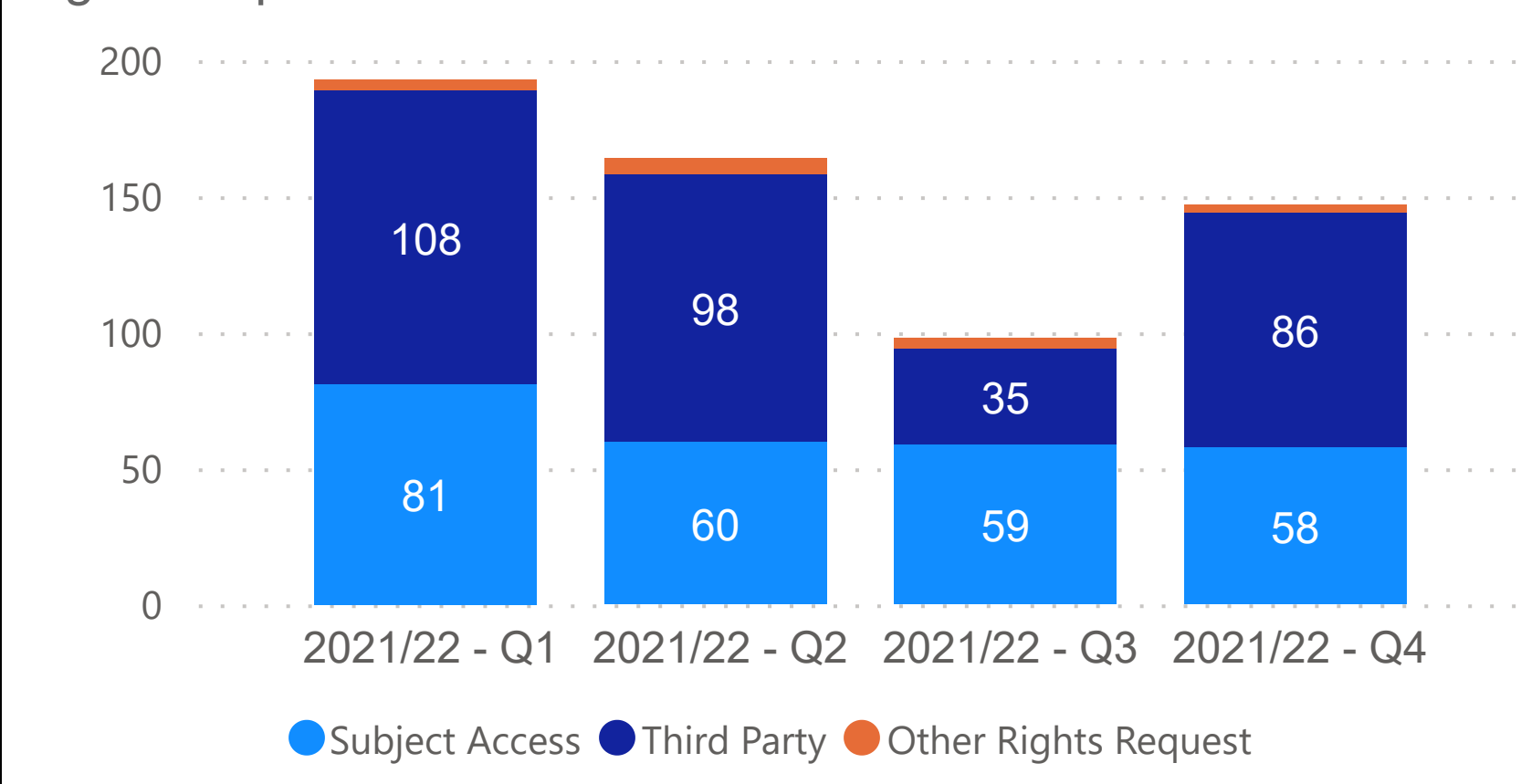


Fig 3: Corporate compliance with timescales for requests

Type of Request	2020/21	2021/22
Subject Access	76%	77%
Third Party	92%	84%
Other Rights Request	94%	88%

Data Protection Rights Requests

Data protection law gives people certain rights about their data, including the right to access their data.

Third Party Requests

Other organisations (for example, Police Scotland, or the Care Inspectorate) can also request a customer's personal data under certain circumstances.

Other Rights Requests

In certain circumstances individuals have other rights around their data: including the right to object, to erasure, to restrict processing and to data portability.

Timescales for responding

The statutory timescale for responding to data protection requests is between 30 and 90 days, depending on the complexity of the information being requested.

There is no statutory timescale for responding to third party requests for personal data.

Commentary

In the last year, improvement has been noted in the handling of SARs within some service areas as a result of targeted training and changes to internal processes. This has resulted in an overall increase in compliance, which is positive, but performance remains below target. Requests relating to care experienced files continues to be an area where it is challenging to meet response deadlines. This is due to the specialism required to deal with such requests. A review of the associated procedures and roles/responsibilities across the teams involved is being undertaken in the coming weeks and a plan identified to seek improvement and ensure a better experience for our customers. There has been a decrease in Third Party requests and analysis into the reason for this has been undertaken but there are no evident trends.

2.2 Data Protection Breaches

Fig 4: Annual number of reported data breaches

Year	Data Protection Breaches	Near Misses	Reports to the ICO
2020/21	170	31	4
2021/22	199	20	4

Data Protection Breaches

All information security incidents should be reported. The action taken will depend on the nature of the incident or breach. Incidents will either be classified as:

- A data protection breach
- Not a data protection breach
- Not a data protection breach but a near miss

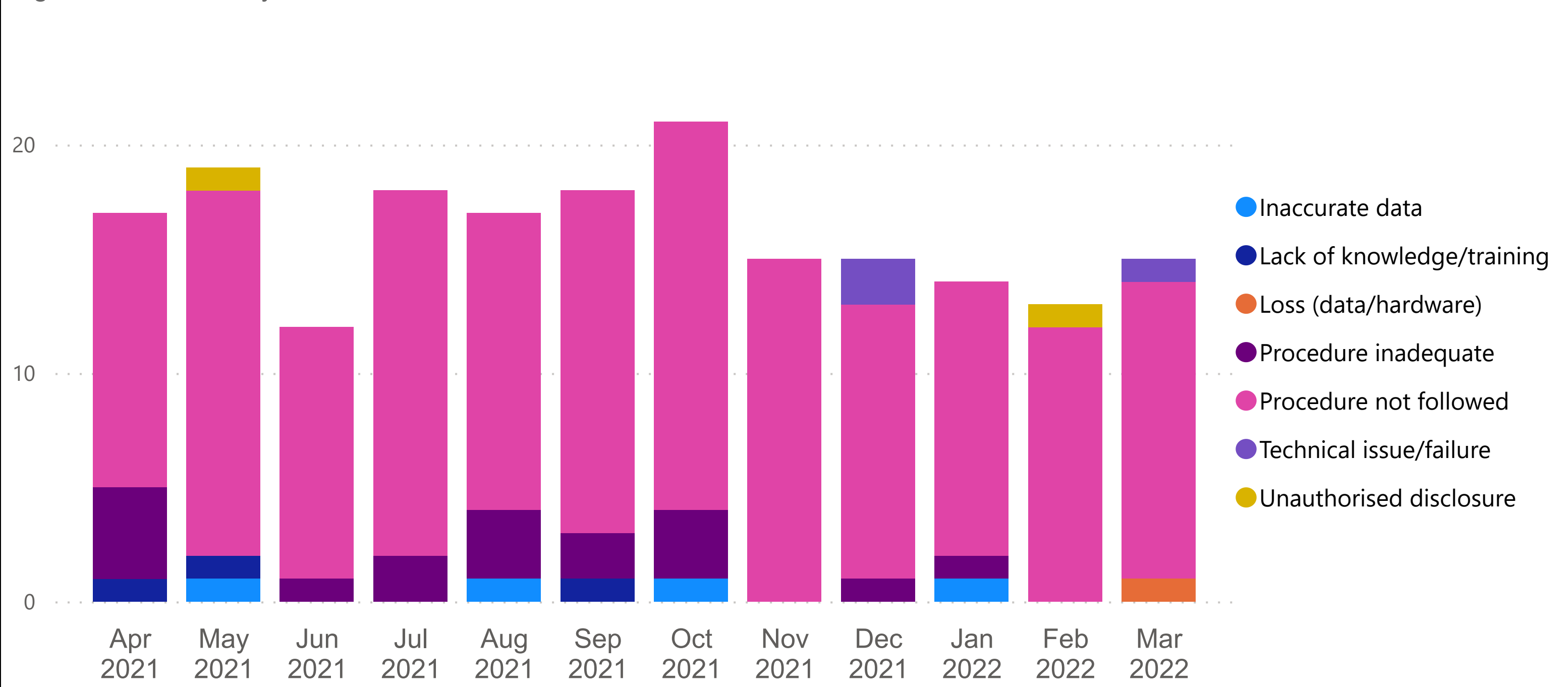
Where a breach is likely to pose a risk to the rights and freedoms of affected individuals then the Council must also notify the Information Commissioner's Office (ICO).

Commentary on number and type of breaches

There has been an increase in reported data protection breaches this year. The figures indicate that there is a strong organisational awareness of what constitutes a breach and how to report one. The number of reported breaches remains consistent with comparable organisations based on what we know about data protection breach trends across the UK and in particular, across local government. The strong trend is that reported numbers of data protection breaches has risen year on year since GDPR came into force in May 2018, and therefore the trend of increased reported data protection breaches at the Council is consistent with that.

Not following existing procedures continues to be the main root cause of incidents. As part of incident handling, we always look at any underlying factors which may have contributed to staff not following procedures and recommend actions to reduce the likelihood of recurrence. The Council has a baseline of controls in place which include mandatory training for all staff, regular communications in the form of the Data Protection blog and targeted support where necessary.

Figure 5: Breaches by root cause in 12 months to end of March 2022

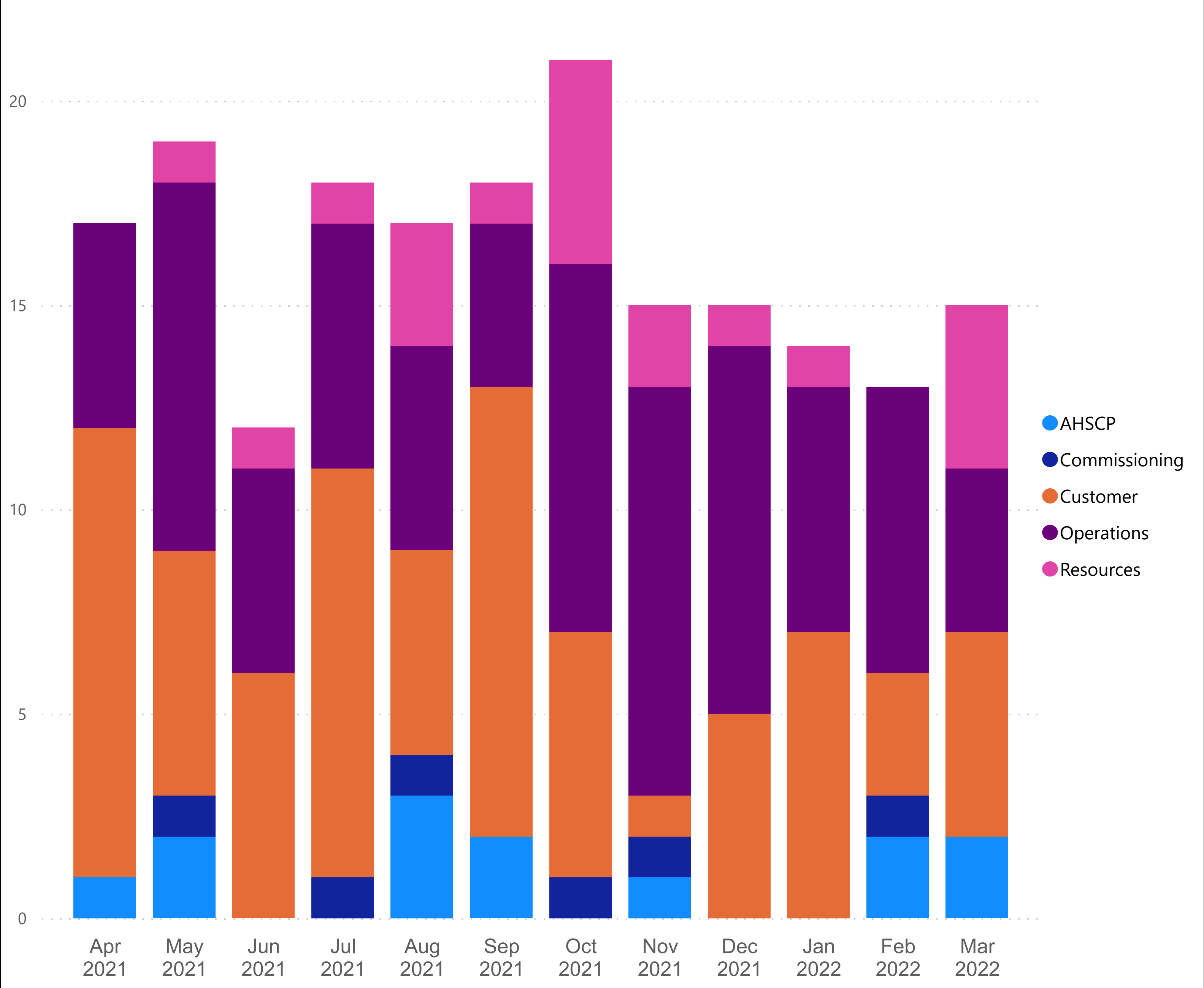


ICO Reported Breaches

The number of data breaches reported to the ICO has remained consistent, in each case the Council has been able to evidence organisational controls sufficient to ensure that the ICO have closed all with no further action being taken.

2.2 Data Protection Breaches (cont'd)

Figure 6: Breaches by Function in 12 months to end March 2022



Lessons Learned

The Council's handling framework means that lessons learned are identified for each incident with Service Managers, who take forward any actions identified to strengthen controls and help prevent a re-occurrence. Data protection breach data is regularly considered by Chief Officers through the Council's network of Data Forums. Lessons learned data has been made available via a real-time dashboard within the Managers Portal so it can be used across the organisation for wider learning and improvement.

2.3 FOISA and EIR Information Requests

FOISA and the EIRs in brief

The Freedom of Information (Scotland) Act 2002 (FOISA) and the Environmental Information (Scotland) Regulations 2004 (EIR) give anyone the right to request information held by the Council, subject to certain exceptions.

Timescales for responding

The Council must respond to any request we receive within 20 working days.

Fig 7: Annual number of requests received in the period

Number of requests received	2020/21	2021/22
Number of FOISA Requests	903	915
Number of EIR Requests	278	350

Commentary on requests received

The number of requests has increased during 2021/22 and particularly in relation to EIRS. Analysis has highlighted trends in request such as bus gates, electric vehicles, energy transition, renewable energy and fuel usage by taxis.

Fig 8: Request numbers in 12 months to end March 2022

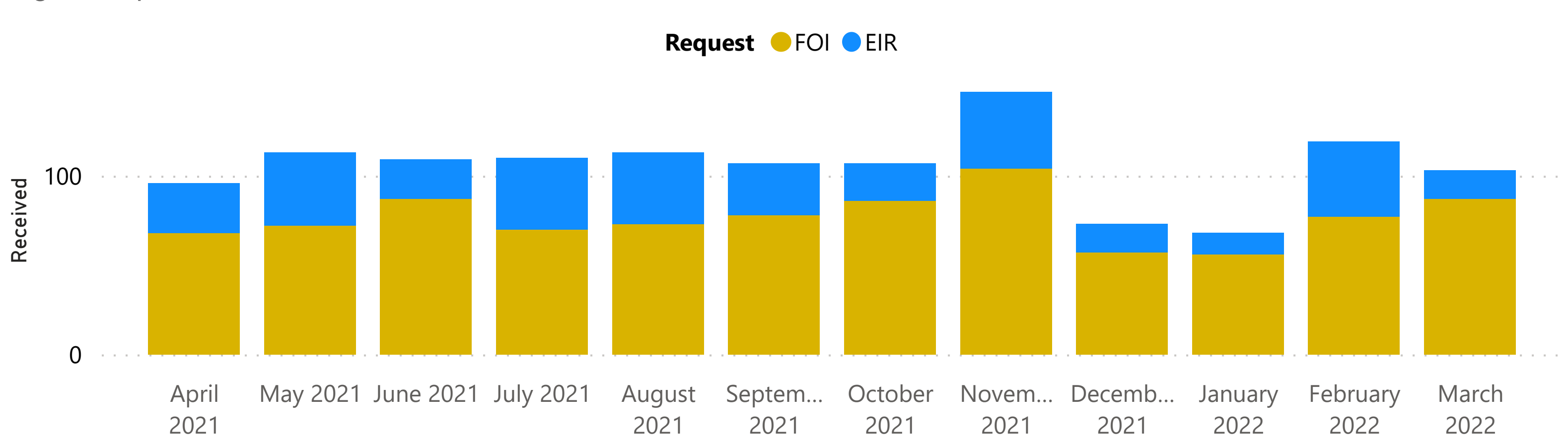


Fig 9: Compliance with timescales in the period

Report_Type	2020/21	2021/22
FOISA	69%	89%
EIR Requests	67%	91%

Commentary on compliance

Compliance is above target and a significant improvement from the previous year due to improvements implemented, such as increased monitoring and updates to internal procedures to encourage more timely responses. There is still scope for further improvement and an action plan is in place, including targeted training, more robust management reporting and increased focus on the quality control of responses by the Access to Information Officers to ensure that responses are as helpful and clear as possible.

2.4 FOISA and EIR Request Internal Reviews

Fig 10: Internal Reviews received by type in the period

Type of review received	2020/21	2021/22
No response received	8	8
Unhappy with response	19	20

Internal Reviews in Brief

If the Council does not provide a response to a FOISA or EIR request within 20 working days, or if the requester is unhappy with the response we have given, they can ask the Council to review it.

Where a requester is unhappy with our response, an internal review panel will decide whether or not to uphold the original response or overturn it.

Fig 11: Internal Review Panel outcomes in the period

Type of review outcome	2020/21	2021/22
Response Upheld	15	12
Response overturned or amended	12	16

Commentary on Internal Reviews

All reviews were answered on time over the period and the number of reviews based on lateness has decreased. Where decisions were overturned due to further information being held by the Service, further guidance has been given around undertaking sufficient searches.

2.5 FOISA and EIR Request Appeals

Fig 12: FOISA and EIR Appeals received and closed in the period

Type	2020/21	2021/22
Received	2	7
Closed	1	3

Right to Appeal

Where a requester remains unhappy with a response to a FOISA or EIR request after an internal review, they have the right to appeal to the Scottish Information Commissioner for a decision.

Commentary on Appeals

The high level of outstanding Appeals is related to the amount of time it is taking for the Office of the Scottish Information Commissioner (OSIC) to assign Investigating Officers to cases at present. They are experiencing a large volume of appeals. In relation to the Appeal outcomes in the last 12 months, the majority have been in our favour, of the one that wasn't in our favour (Covid Business Grants), we proactively chose to release the information at appeal stage following an OSIC decision on a similar case at a different local authority.

2.6 Cyber Incidents

Fig 13: Annual number of internal cyber incidents

Incident Type	2020/21	2021/22
Internal Cyber Incident Attempts Prevented	1	0
Internal Cyber Incidents	0	0

Internal Cyber Incidents

These are risks or threats to the Council's information software, infrastructure or computer network that originate from within the premises or organisation.

External Cyber Incidents

These are risks or threats to the Council's information software, infrastructure or computer network that originate from outside the premises or from the public (e.g. hackers).

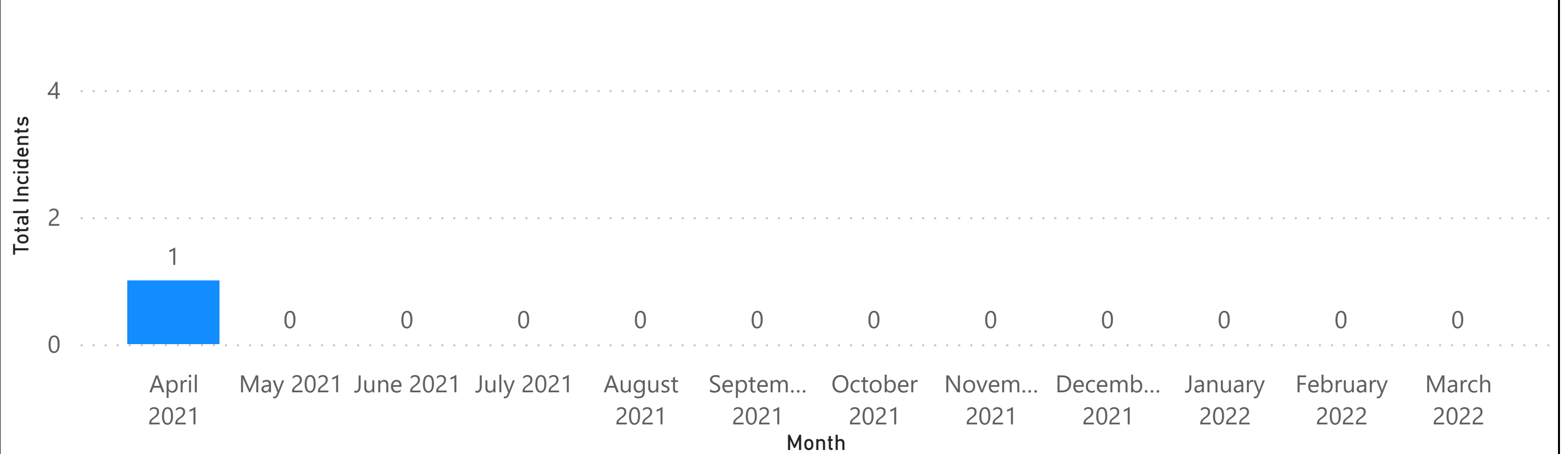
Commentary on External Cyber Incidents

Due to failed sign in attempts from high risk countries (Russia, Korea, etc) we have developed GEO blocking. Travel to these countries will need staff to notify ICT

Fig 14: Annual number of external cyber incidents

Incident Type	2020/21	2021/22
External Cyber Incidents Prevented	15,346,510	6,306,239
External Cyber Incidents	6	1

Fig 15: External Cyber Incidents in the period



2.7 Lost ID Badges

Fig 16: Annual number of lost ID Badges in the period

Incident Type	2020/21	2021/22
No. lost ID badges	63	108

Lost ID Badges

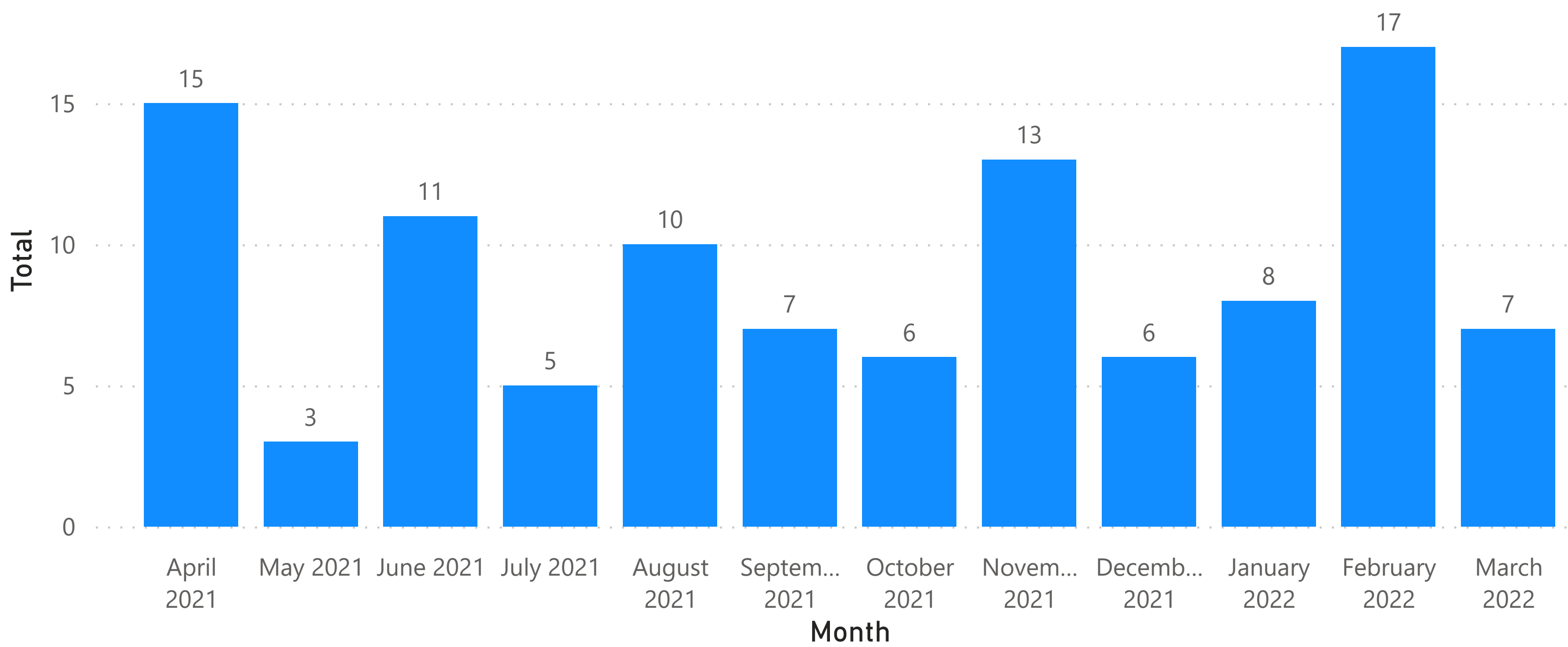
These are tangible and material risks or threats to the Council's information assets that originate from within the premises or organisation.

Commentary on Lost ID Badges

There has been an increase in the number of lost ID badges in the last 12 months. This increase coincides with more staff returning to office based working and figures comparable with pre COVID.

Fig 17: Lost ID Badges in the period

Incident Type ● No. lost ID badges



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ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	27 September 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Update Report
REPORT NUMBER	IA/22/006
DIRECTOR	N/A
REPORT AUTHOR	Jamie Dale
TERMS OF REFERENCE	2.3

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide the Committee with an update on Internal Audit's work since the last update. Details are provided of the progress against the approved Internal Audit plans, audit recommendations follow up, and other relevant matters for the Committee to be aware of.

2. RECOMMENDATIONS

It is recommended that the Committee:

- 2.1 Note the progress of the Internal Audit Plan;
- 2.2 Note the progress that management has made with implementing recommendations agreed in Internal Audit reports;
- 2.3 Note the approach to be taken for the 2023-26 audit planning process; and
- 2.4 Note the current staffing levels within Internal Audit.

3. BACKGROUND / MAIN ISSUES

- 3.1 Internal Audit's primary role is to provide independent and objective assurance on the Council's risk management, control and governance processes. This requires a continuous rolling review and appraisal of the internal controls of the Council involving the

examination and evaluation of the adequacy of systems of risk management, control and governance, making recommendations for improvement where appropriate. Reports are produced relating to each audit assignment and summaries of these are provided to the Audit Committee.

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 Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.

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
Impact Assessment	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.
Data Protection Impact Assessment	Not required

9. APPENDICES

9.1 Appendix A – Internal Audit Update Report

10. REPORT AUTHOR DETAILS

Jamie Dale, Chief Internal Auditor
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(01467) 530 988

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Internal Audit

Audit, Risk and Scrutiny Committee Internal Audit Update Report September 2022

Contents

1	Executive Summary	3
1.1	Introduction and background.....	3
1.2	Highlights.....	3
1.3	Action requested of the ARS Committee.....	3
2	Internal Audit Progress	4
2.1	2020-21 Audits.....	4
2.2	2021-22 Audits.....	4
2.3	2022-23 Audits.....	4
2.4	Audit reports presented to this Committee.....	5
2.5	Follow up of audit recommendations.....	6
2.6	2023-26 Audit Planning Process.....	7
2.7	Staffing.....	7
3	Appendix 1 – Grading of Recommendations	9
4	Appendix 2 – Audit Recommendations Follow Up – Outstanding Actions	10
5	Appendix 3 – 2023-2026 Internal Audit Planning Process	13

1 Executive Summary

1.1 Introduction and background

Internal Audit's primary role is to provide independent and objective assurance on the Council's risk management, control, and governance processes. This requires a continuous rolling review and appraisal of the internal controls of the Council involving the examination and evaluation of the adequacy of systems of risk management, control, and governance, making recommendations for improvement where appropriate. Reports are produced relating to each audit assignment and these are provided to the Audit, Risk and Scrutiny (ARS) Committee. Along with other evidence, these reports are used in forming an annual opinion on the adequacy of risk management, control, and governance processes.

This report advises the ARS Committee of Internal Audit's work since the last update. Details are provided of the progress against the approved 2021-22 and 2022-23 Internal Audit plans, audit recommendations follow up, and other relevant matters for the Committee to be aware of.

1.2 Highlights

Full details are provided in the body of this report however Internal Audit would like to bring to the Committee's attention that since the last update:

- Seven reports have been finalised.
- Nine audits are currently in progress.
- 30 audit recommendations have been closed, with only nine currently outstanding.
- Over the coming months Internal Audit will begin the process of developing the 2023-26 Assurance Plan.
- At present Internal Audit is operating with a 11.6 FTE, 1.4 FTE under budget.

1.3 Action requested of the ARS Committee

The Committee is requested to note the contents of this report and the work of Internal Audit since the last update.

2 Internal Audit Progress

2.1 2020-21 Audits

Council Area	Audit Area	Position
Operations	Building Maintenance System	Final audit report issued
IJB	IJB Performance Management Reporting	Final audit report issued

2.2 2021-22 Audits

Council Area	Audit Area	Position
Cross Service	Commissioning	Review in progress
Cross Service	Payroll and HR system amendments	Final audit report issued
Cross Service	Staff Resourcing	Final audit report issued
Cross Service	Attendance Management	Review in progress
Customer	Debt Recovery	Final audit report issued
Customer	IT Infrastructure Resilience	Final audit report issued
Health and Social Care Partnership	Care Management	Final audit report issued
IJB	Transformational Programme	Review in progress
Operations	Children's Social Care	Review in progress

2.3 2022-23 Audits

Service	Audit Area	Position
Commissioning	Contract management	Not started – Review scheduled for Q3
Commissioning	Corporate Health and Safety	Review in progress
Commissioning	ALEOs - Performance and Payments	Not started – Review scheduled for Q4
Customer	Benefits	Not started – Review scheduled for Q3
Customer	Recruitment	Not started – Review scheduled for Q3
HSCP	Adults with Incapacity (Management of funds)	Not started – Review scheduled for Q4
Integration Joint Board	IJB Data Sharing	Review in progress
Operations	Out of Authority Child Placements	Review in progress
Operations	Heritage and Historical Assets	Review in progress
Operations	Following the Public Pound	Review in progress
Operations	Client transport	Not started – Review scheduled for Q3
Operations	Vehicle Maintenance Management	Not started – Review scheduled for Q4
Operations	Scottish Milk and Healthy Snack Scheme	Not started – Review scheduled for Q4
Pensions	Pension Fund Governance Arrangements Including Risk Management	Not started – Review scheduled for Q4

Service	Audit Area	Position
Resources	Corporate Asset Management	Not started – Review scheduled for Q3
Resources	Lease Financing	Not started – Review scheduled for Q3
Resources	PVG & Disclosure Checks	Not started – Review scheduled for Q4
Resources	Creditors System	Not started – Review scheduled for Q4

2.4 Audit reports presented to this Committee

Report Title	Assurance Year	Conclusion
AC2109 – IJB Performance Management Reporting	2020-21	Whilst data is generally accurate, available and being consolidated into reports and dashboards, which have been used to inform the IJB at regular intervals regarding the Partnership's response to the COVID-19 pandemic, this primary operational focus has meant there has been less oversight over other aspects of Strategic Plan delivery than planned.
AC2111 – Building Maintenance System	2020-21	In general there is assurance over system access and training, and there are business continuity and contingency plans in place. Risks have been highlighted in respect of application of best practice and Council policy in system access, use and security arrangements, which the Service will explore with the supplier as part of a planned upgrade project.
AC2201 – IT Infrastructure Resilience	2021-22	As part of our review, we identified issues and areas of enhancement across the IT Infrastructure Resilience control framework. Management has responded positively to our audit and agreed to a timebound action plan to further strengthen the controls in this area. This report is considered exempt under Schedule 7a(14) of the Local Government (Scotland) act 1973 (prevention of crime). The full conclusion of our work is detailed in the individual report.
N/A – Care Management	2021-22	Assurance has been obtained from Digital and Technology over the project implementation plans for the new Care Management System. There is a formal governance and programme management process in place, with regular reporting scheduled to provide updated on progress with delivery of the new system, and any exceptions being escalated to the appropriate level. The system is scheduled to go live in September 2022. System functionality has been clearly mapped out, building on existing practice. There are clear plans and practical steps in place for migrating data from the old system onto the new one and verifying its accuracy. This includes mapping of data from the old system to the new system, and validation of data format and content, to ensure it matches the appropriate rules built into the system which govern processing of transactions. An iterative testing programme is in progress, with exceptions being identified, addressed, and reduced with each test run. Complex cases and any errors are passed back to the HSCP for review prior to

Report Title	Assurance Year	Conclusion
		corrections being applied. A read-only version of the old system will remain in place until March 2023 so data will not be lost and can be reviewed if any issues are identified at a later stage. Assurance over the new arrangements in practice will be obtained through a planned Internal Audit of the new Care Management System during 2023-24.
AC2214 – Payroll and HR System Amendments	2021-22	In general the payroll is being updated correctly following changes to the workforce. A small number of overpayments were identified, and these have been corrected. Recommendations for improvements to controls to reduce potential fraud risk, reputational risks, and to enhance efficiency and effectiveness have been made.
AC2215 – Staff Resourcing	2021-22	In general procedures are effective and are being adhered to. An end to end recruitment process review is being undertaken by the Service to further automate the process, which it is anticipated will address areas where improvements to controls and efficiency have been recommended as part of the audit.
AC2209 – Debt Recovery	2021-22	Whilst it is acknowledged that COVID-19 has had an impact on debt recovery solutions available to the Council, possible recovery action, including issuing of reminders to customers and referral of overdue debts to the Council's Sheriff Officers, was not being undertaken in line with procedure, based on a review of 30 overdue invoices. This is an area that would benefit from review to ensure the proper control framework is in place and in operation to ensure the appropriate recovery of debts. Reminders were not being issued at all for one (4%) out of 26 invoices not in dispute and were late at least for one of the reminders for 18 (69%) of these 26 invoices and there was no referral to the Sheriff Officers in 19 (73%) out of 26 invoices not in dispute that were reviewed. In addition, the four invoices in dispute reviewed had no record of dispute resolution and escalation as required by Council policy. Also, it was noted there is no central oversight to ensure non-statutory non-essential services are ceased for customers with overdue debts. Furthermore, a system of debt recovery performance reporting, which is target based is not being reported to relevant team leaders, service managers and Chief Officers as required, increasing the risk debt recovery actions will not take place where required

2.5 Follow up of audit recommendations

Public Sector Internal Audit Standards require that Internal Audit report the results of its activities to the Committee and establishes a follow-up process to monitor and ensure that management actions have been effectively implemented.

Recognising the implementation of audit recommendations as something that Internal Audit could support the Council with, over the past months Internal Audit has led an exercise aimed at supporting management on the closure of agreed actions. This did not move the tolerances but through engagement beyond the routine follow up

exercise, we worked with management to close out as many actions as possible and leave only those actions that were rightly ongoing for management to focus on.

As at 30 June 2022 (the baseline for our exercise), 39 audit recommendations were due and outstanding:

- 24 rated as Significant within Audited Area
- 15 rated as Important within Audited Area

As part of the audit recommendations follow up exercise, 30 audit recommendations were closed:

- 18 rated as Significant within Audited Area
- 12 rated as Important within Audit Area

The outstanding position going forward is that of nine audit recommendations¹:

- Six rated as Significant within Audited Area
- Three rated as Important within Audited Area

Of the nine outstanding recommendations:

- Six actions were discussed with management, updates provided and new implementation dates agreed.
- For the remaining three actions Internal Audit received no response from management with regards to the status of the recommendations.

Appendix 1 – Grading of Recommendations provides the definitions of each of the ratings used.

Appendix 2 – Audit Recommendations Follow Up – Outstanding Actions provides a detailed breakdown of the nine outstanding audit recommendations that will be taken forward and followed up as part of the next cycle.

2.6 2023-26 Audit Planning Process

Over the coming months Internal Audit will begin the process of developing the 2023-26 Assurance Plan. Appendix 3 – 2023-2026 Internal Audit Planning Process details the process that will be followed.

2.7 Staffing

Throughout the year Internal Audit has had several changes to staffing and resources, including the recruitment of a new Chief Internal Auditor.

At present Internal Audit is operating with a 11.6 FTE, 1.4 FTE under budget:

- 1 FTE because of recent staff attrition; recruitment is underway to fill this post.

¹ This is the position with regards to recommendations that were due as at 30 June 2022. Recommendations falling due past this date and those made as part of subsequent Internal Audit Reports will be followed up as part of the standard follow up cycle and reported to Committee session on session.

-
- 0.4 FTE because of flexible working arrangements adopted by staff.

3 Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	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, to the Council.
Major at a Service Level / within audited area	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	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.

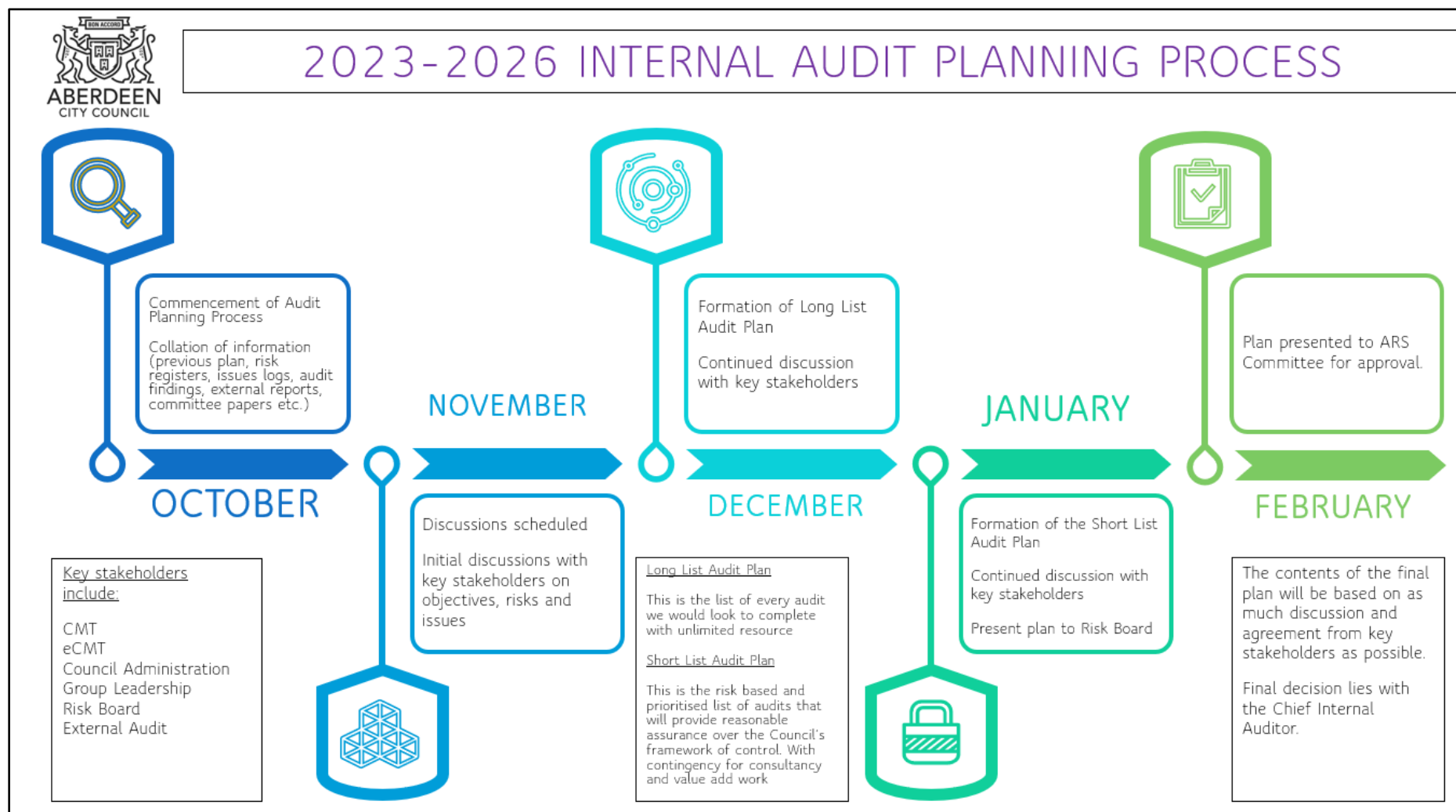
4 Appendix 2 – Audit Recommendations Follow Up – Outstanding Actions

Area	Report	Recommendation	Original Due Date	Current Due Date	Committee Update	Status
Operations – Integrated Children’s and Family Services	AC2028 – Fostering, Adoption & Kinship	2.1.6: The Service should review whether all payments can be controlled via the CareFirstsystem. (Significant within audited area)	August 2021	September 2022	While the Service had considered this option the current Carefirst / Carepay system is limited and cannot be adapted at present. A new system is being devised, to which the service will contribute to ensure that the payments system is streamlined. It was expected the new system would be available by now however further delays have been incurred and the new system is now not likely to be available until September 2022.	In progress
Resources – Corporate Landlord	AC2017 – Industrial & Commercial Properties	2.2.2: The Service should update the Property Estates Strategy. (Significant within audited area)	April 2021	February 2023	The Property Estates Strategy is still being developed and will be replaced by several individual reports by asset type will be brought forward over the next six months. The Learning Estate Plan will be brought to committee in September 2022, with the programme for other categories being developed following this.	In progress
Resources – Finance	AC2009 – Travel Policy	2.4.4b: Ensuring value for money with the Travel Partnering arrangements and other significant supplies will be incorporated into the procurement compliance review (Significant within audited area)	December 2020	December 2021	There are now more extensive checks and quotations in place through the updated process and with the commissioning intentions annual cycle this will be addressed as part of business as usual. The travel partnering review has been deferred due to Covid. It was considered that we should see what the travel footprint looked like post-Covid more closely before re-procuring travel arrangements. This will be completed by December 2021.	No update provided as part of current follow up. Previous update included
Resources – Finance	AC2009 – Travel Policy	2.4.6: The Council should ensure that action	December 2020	March 2022	There are now more extensive checks and quotations in place through the updated	No update provided

Area	Report	Recommendation	Original Due Date	Current Due Date	Committee Update	Status
		is taken to comply with its Procurement Regulations in respect of travel related expenditure (Significant within audited area)			process and with the commissioning intentions annual cycle this will be addressed as part of business as usual. The procurement compliance review has been deferred due to Covid. A revised date of July 2021 was proposed. After ongoing resource prioritisation to other activities and lower levels of travel the recommendation remains outstanding. Looking forward the Chief Officer confirms that the date for addressing this recommendation should be March 2022. The team has engaged with the Commercial & Procurement Service to ensure that the appropriate actions are taken to achieve this.	as part of current follow up. Previous update included
Resources – Finance	AC2104 – Financial Sustainability	2.2.24: The Service should ensure that progress with implementing Financial Sustainability risk control actions, and the extent to which each action contributes to reducing risk scores, is clearly supported. (Significant within audited area)	September 2021	March 2022	Service have progressed the process but ongoing budget setting priorities mean it will not be concluded before March 22.	No update provided as part of current follow up. Previous update included
Resources – Corporate Landlord	AC2017 – Industrial & Commercial Properties	2.2.14: The Service should consider whether different approaches to property management could be applied across parts of the Investment Portfolio which might increase Portfolio income and deliver Portfolio objectives more	April 2021	December 2022	An initial review has been conducted around the management of the commercial property income and several different approaches have been adopted including external agency support and valuation support, external property management of some assets and a contract management approach to others. Reports have also been taken to committee to sell some non-performing assets. This is being supported by a resources	In progress

Area	Report	Recommendation	Original Due Date	Current Due Date	Committee Update	Status
		efficiently and effectively. (Important within audited area)			business case within corporate landlord to fill positions to support delivery. This will continue to be reviewed when several vacant key posts within the team have been filled.	
Resources – Corporate Landlord	AC2017 – Industrial & Commercial Properties	2.3.11: The Service should review the efficiency of the leasing administration process. (Important within audited area)	December 2021	October 2022	Chief Officer has advised the recommendation requires input from both the Corporate Landlord, estates team and the Legal Property team, where there are currently have several vacancies within each team. Efforts will be made to combine the current Leasing Process Forms and establish one electronic form/ system which is available to all who are involved in the leasing process. This review is being delayed until key posts are filled.	In progress
Health and Social Care Partnership	AC2112 – Mental Health and Substance Abuse	2.1.2: The Service should review policies and procedures to ensure they are up to date. (Service to link with roll out of new D365 system) (Important within audited area)	June 2022	September 2022	The roll out of the new system has yet to be completed, therefore procedures have not yet been fully updated.	In progress
Operations and Protective Services	AC2108 – School Estate / Pupil Safety	2.3.8: The Service should include additional questions in the school suitability survey process which enable a more direct comparison of Schools' security which highlights both assurance and weakness in controls. (Significant within audited area)	June 2022	December 2022	Additional questions for the suitability survey have been drafted and will be shared with head teachers following their return after the school summer break. Suitability surveys (including the new security questions) for all schools are due to be completed by the end of December 2022.	In progress

5 Appendix 3 – 2023-2026 Internal Audit Planning Process



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ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	27 September 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2109 – IJB Performance Management Reporting
REPORT NUMBER	IA/AC2109
DIRECTOR	N/A
REPORT AUTHOR	Jamie Dale
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on IJB Performance Management Reporting

2. RECOMMENDATION

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

3. BACKGROUND / MAIN ISSUES

- 3.1 Internal Audit has completed the attached report which relates to an audit of IJB Performance Management Reporting

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 as detailed in the attached appendix.

7. OUTCOMES

- 7.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.
- 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
Impact Assessment	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.
Privacy Impact Assessment	Not required

9. APPENDICES

- 9.1 Internal Audit Report AC2109 – IJB Performance Management Reporting

10. REPORT AUTHOR DETAILS

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Aberdeen City Health & Social Care Partnership
A caring partnership



Internal Audit Report

Aberdeen City Health & Social Care Partnership

IJB Performance Management Reporting

Issued to:

Sandra MacLeod, Chief Officer
Alex Stephen, Chief Officer Finance / Deputy Chief Officer
Alison MacLeod, Lead Strategy & Performance Manager
External Auditor, KPMG

EXECUTIVE SUMMARY

Background

The Aberdeen City Health and Social Care Partnership (the Partnership) went live on 1 April 2016 under the governance of the Aberdeen City Integration Joint Board (IJB). In accordance with the Public Bodies (Joint Working) (Scotland) Act 2014 the IJB prepared and published its initial three-year Strategic Plan which identified the objectives and aims which direct its operational plans.

The 2019-2022 Strategic Plan that followed, sets out the IJB's ambitions for transforming health and social care in Aberdeen, particularly in terms of services in the community, self-management and prevention. The IJB's vision for Aberdeen City Health & Social Care Partnership is of being "...a caring partnership working in and with our communities to enable people to achieve fulfilling, healthier lives."

At the time audit fieldwork was concluded, the Partnership's next Strategic Plan was in draft for consultation and due to be presented to the IJB in March 2022. The most recent draft of the 2022 – 2025 Plan expressed the same IJB vision as its predecessor, but the operational plans involved in delivering this vision and the Performance Framework intended to measure progress have moved on. Throughout the duration of the outgoing Strategic Plan, the COVID-19 pandemic necessitated a shift in Partnership strategy towards managing demands that were not envisaged when the commitments and priorities in the Strategic Plan were approved by the IJB in March 2019.

Successful delivery of the Strategic Plan ensures that the Partnership fulfils its statutory and regulatory duties. Regular assurance is therefore required in respect of service performance and delivery of the Strategic Plan.

Objective

The objective of this audit was to provide assurance that robust data is reported accurately and timeously to the IJB in order to provide an appropriate level of assurance regarding service performance and delivery of the IJB Strategic Plan.

Assurance

Whilst data is generally accurate, available and being consolidated into reports and dashboards, which have been used to inform the IJB at regular intervals regarding the Partnership's response to the COVID-19 pandemic, this primary operational focus has meant there has been less oversight over other aspects of Strategic Plan delivery than planned.

Findings and Recommendations

The availability of performance information has been reviewed by the Partnership, as data for key indicators was not always available or up to date. A more high-level approach to performance management is planned for alignment with the 2022-2025 Strategic Plan.

The focus of data and reporting has shifted over the last two years towards managing COVID-19 related risks and pressures. This has meant that except for statutory annual reporting, there has been less detailed information provided to the IJB on performance against the Partnership's other strategic objectives. A recommendation graded Significant within audited area was made to ensure the IJB has sufficiently detailed and regular information to inform its oversight of Strategic Plan delivery. Data is collected by various systems for the purpose of supporting operational service delivery. Those responsible for the veracity of data span multiple organisations, and

where data comes from, the checks and other processes it goes through, and how it is used thereafter, is not currently mapped out. Recommendations graded Significant within audited area have been made to map the flow of data, clarify roles and responsibilities, and ensure feedback loops are in place, to clarify and promote ownership of the various data streams and reports.

Management Response

The Partnership plans to return to regular reporting from 2022/23 onwards. Our Performance Framework is being developed during 2022/23 to sit alongside the Strategic Plan, and as part of that development each of the audit findings and recommendations will be taken into account.

11. INTRODUCTION

- 11.1 The Aberdeen City Health and Social Care Partnership (the Partnership) went live on 1 April 2016 under the governance of the Aberdeen City Integration Joint Board (IJB). In accordance with the Public Bodies (Joint Working) (Scotland) Act 2014 the IJB prepared and published its initial three-year Strategic Plan which identified the objectives and aims which direct its operational plans.
- 11.2 The 2019-2022 Strategic Plan that followed, sets out the IJB's ambitions for transforming health and social care in Aberdeen, particularly in terms of services in the community, self-management and prevention. The IJB's vision for Aberdeen City Health & Social Care Partnership is of being "*...a caring partnership working in and with our communities to enable people to achieve fulfilling, healthier lives.*"
- 11.3 At the time audit fieldwork was concluded, the Partnership's next Strategic Plan was in draft for consultation and due to be presented to the IJB in March 2022. The most recent draft of the 2022 – 2025 Plan expressed the same IJB vision as its predecessor, but the operational plans involved in delivering this vision and the Performance Framework intended to measure progress have moved on. Throughout the duration of the outgoing Strategic Plan, the COVID-19 pandemic necessitated a shift in Partnership strategy towards managing demands that were not envisaged when the commitments and priorities in the Strategic Plan were approved by the IJB in March 2019.
- 11.4 Successful delivery of the Strategic Plan ensures that the Partnership fulfils its statutory and regulatory duties. Regular assurance is therefore required in respect of service performance and delivery of the Strategic Plan.
- 11.5 The objective of this review was to provide assurance that robust data is reported accurately and timeously to the IJB in order to provide an appropriate level of assurance regarding service performance and delivery of the IJB Strategic Plan.
- 11.6 The IJB obtains assurance over its performance from various sources, however the scope of this audit is the assurance obtained from performance management reporting via the Tableau System.
- 11.7 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with the Partnership's Chief Officer Finance / Deputy Chief Officer, Alex Stephen, and the Lead Strategy & Performance Manager, Alison MacLeod.

12. FINDINGS AND RECOMMENDATION

12.1 Performance Framework

- 12.1.1 The outgoing Strategic Plan included a Performance Framework with indicators intended to enable Partnership management and Board Members to track service performance in terms of the delivery of the IJB's aims and objectives.
- 12.1.2 The set of 77 indicators in the 2019 – 2022 Plan are linked to the nine National Health and Wellbeing Outcomes, and to the Ministerial Steering Group (MSG) and National Performance Indicators which are reported under the National Performance Framework. Public services are aligned to this framework which sets out a vision of national wellbeing across a range of economic, health, social and environmental factors.
- 12.1.3 The current suite of 77 IJB performance indicators are grouped according to the Partnership's five Strategic Aims:
- Prevention
 - Resilience
 - Personalisation
 - Connections
 - Communities
- 12.1.4 The indicators were drawn from key strategies and action plans to show whether the thirteen Commitments made under the five Strategic Aims are being achieved through delivering on the 48 Priorities identified in the Plan. The Partnership's indicators were intended to monitor progress and demonstrate success in delivering person-centred, high-quality, integrated services, and the ongoing fulfilment of the ambitions and priorities set out in the Strategic Plan through its Delivery Plans. Delivery Plan measures are monitored at operational level and some data is collected and reported for plans such as the Local Outcome Improvement Plan.
- 12.1.5 The indicators were intended to provide an efficient monitoring method, but the availability of regular and consistent data was limited for some, impacting on their value. The Partnership reviewed the indicators, to establish where weaknesses lay in the Performance Framework. This gave an opportunity to consider potential sources of information and the practicality of obtaining data to plug information gaps.
- 12.1.6 The number of indicators monitored has varied during the 2019 – 2022 Strategic Plan. Some were deemed unnecessary with hindsight, and the importance of some changed as the Partnership's priorities changed, particularly with the onset of the COVID-19 pandemic.
- 12.1.7 Whilst the Service anticipates some delays in returning data as it is produced, obtained and verified, for some indicators in the Strategic Plan Dashboard, 2018/19 was the time period for which the latest data was available. The Service highlighted that due to the focus on the Covid pandemic, updating the Dashboard had not been a focus since early 2020, and the availability of data had also been limited due to reallocation of health intelligence resources.
- 12.1.8 The following table illustrates the extent to which monitoring of the original suite of performance indicators was impacted by the ability to source information. The RAG approach was used by the Partnership where 'Red' signified indicators for which no robust information source was available to allow ongoing monitoring, and 'Amber' identified where information sources were only partially effective in providing regular consistent up to date information. Thirty-one indicators were deemed to fall into the Red and Amber

categories with some strategic aims being impacted more than others as detailed in the table below:

Strategic Aim	Red	Amber
Prevention (23 Indicators)	2	2
Resilience (17 Indicators)	-	7
Personalisation (13 Indicators)	3	4
Connections (7 Indicators)	1	5
Communities (16 Indicators)	2	5

- 12.1.9 The remaining 46 indicators were deemed by the Partnership to have a source of regular, consistent data providing adequate assurance over these areas and were therefore marked Green.
- 12.1.10 If data cannot be easily obtained, maintained up to date, and explained, there will be an impact on the ability of the Partnership to use it effectively in assessing service performance, and managing delivery of the strategic plan and associated outcomes.
- 12.1.11 A more high-level approach to performance management is planned for the 2022 – 2025 IJB Strategic Plan, because detailed data is not always available, and elements may vary in importance as management adapts strategy to meet changing health and social care priorities. The proposed Performance Framework uses the National and MSG statutory indicators the Partnership reports to demonstrate service performance and delivery of the Strategic Plan for the IJB. According to the Service, data sources have been identified for those indicators which are set by Scottish Government, although it is widely recognised by Health and Social Care Partnerships nationally that these indicators are not necessarily the most appropriate and that reportable data is difficult to establish for some. The work of a national group that was set up to review these was paused during the pandemic but is on the point of being recommenced.

Recommendation

The Service should ensure that it can obtain the information required for each performance indicator and identifies its data sources clearly, baselines, and the frequency with which revised data should be available.

Service Response / Action

Agreed. This work will be undertaken as part of the development of our Performance Framework that will sit alongside the Strategic Plan.

Implementation Date

September 2022

Responsible Officer

Strategy and Transformation Lead

Grading

Important within audited area

- 12.1.12 High-level monitoring at strategic level increases the importance of monitoring at operational level. The Delivery Plans and Enabling Plans which underpin the Strategic Plan go beyond the scope of this audit, however a similar review of the relevance of their performance measures and the availability of robust information for these should be considered.

Recommendation

The Service should review the relevance of Delivery and Enabling Plan performance measures and ensure that robust information is available for each of these.

Service Response / Action

Agreed. This work will be undertaken as part of future development of the Performance Framework.

Implementation Date

March 2023

Responsible Officer

Strategy and Transformation Lead

Grading

Important within audited area

12.1.13 The Strategic Plan Dashboard within Tableau (see section 2.2 below) is the main tool that the Partnership uses to provide Management with assurance over service performance and delivery of the Strategic Plan. However, throughout the COVID-19 pandemic, the priority of the performance indicators detailed in the Strategic Plan and displayed in Tableau dashboards has lessened as Partnership Management’s focus shifted towards managing Covid related risks and pressures. A Surge and Flow Dashboard was created specifically to keep management abreast of pressures resulting from the pandemic. Partnership Management have used it to make decisions on how best to manage areas of health and social care which were at risk due to pandemic-related pressures.

12.1.14 The Tableau system dashboard is used for discussion by the Chief Officer, and the Chief Executives of the partner organisations, Aberdeen City Council and NHS Grampian. During the COVID-19 pandemic response, the IJB and its Committees (Risk, Audit and Performance Systems and Clinical and Care Governance) did not receive and review the dashboard information on a regular basis. During this time, assurance was provided by the Chief Officer through the Chief Officer's report to each IJB Meeting and through other reports presented to the Board. Ultimately assurance is provided in the Annual Performance Report. More regular and consistent reporting of numerical and contextual performance information would provide the IJB with assurance that resource and demand are aligned, and that progress is being made with delivery of the Strategic Plan.

Recommendation

The Service should ensure the IJB has sufficiently detailed and regular information to inform its oversight of Strategic Plan delivery.

Service Response / Action

Agreed. It is planned to return to regular reporting for 2022/23 onwards.

Implementation Date

December 2022

Responsible Officer

Strategy and Transformation Lead

Grading

Significant within audited area

12.2 Tableau System and Dashboards

12.2.1 Tableau illuminate (Tableau) is a data analytics tool that is one of the assurance sources the Partnership has to monitor service performance and delivery of the Strategic Plan. It is a relatively new resource prior to which the IJB was provided with assurance through manually prepared management information reports and spreadsheets. Tableau enables users to monitor performance more efficiently both through reports they can run themselves, and through pre-set dashboards which can be viewed.

12.2.2 Tableau interrogates health and social care data which it obtains through a live link to the NHS patient management system, and from extracts of data from Aberdeen City Council’s care management system and other data sources (e.g. Public Health Scotland) which are

periodically obtained and updated. Some local data is collated by third parties before it is returned. Some indicators therefore show real time data while updates for others may be monthly, quarterly or annually, or as and when revised data becomes available.

- 12.2.3 The Tableau system is administered by the NHS Grampian Health Intelligence Team which is responsible for ensuring the necessary data is up to date and available and can be viewed in Tableau by Partnership users who have access to the system.
- 12.2.4 With integration and transformation, in the course of delivering the 2019 – 2022 Strategic Plan, and in light of the Covid pandemic, roles and responsibilities of staff involved in providing data, administering and developing reporting have changed; as is the case for those who receive reports.
- 12.2.5 Those responsible for the veracity of data span multiple organisations and there is no clear overview of where data comes from, what checks and other processes it goes through, and how it is used in Tableau. It is essential that responsibilities for accuracy and timely availability of data are clear so that Tableau reports and dashboards can be relied on as effective performance measurement tools.

<u>Recommendation</u>		
The Service should ensure that roles and responsibilities for the governance of data sources, accuracy, and reporting, are clearly identified.		
<u>Service Response / Action</u>		
Agreed. This work will be undertaken as part of future development of the Performance Framework.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
March 2023	Strategy and Transformation Lead	Significant within audited area

- 12.2.6 Internal Audit compare a sample of data used and reported by the system back to source data from originating systems, to confirm that it was complete and accurate. This was generally satisfactory, however as noted in the foregoing and subsequent paragraphs, greater clarity over data sources and processing would enhance assurance over the veracity of reported data.
- 12.2.7 Most of the data collected by originating systems is for the purpose of supporting operational service delivery. Whilst system owners have processes in place to confirm their own data for internal use, once released either through direct interface to Tableau or through specific data updates, it is outside of their control. There is currently no mechanism for the originators to verify data after it has been processed through Tableau to confirm that the data has been used and interpreted appropriately. This can be identified if the recipients challenge the results, but there is a risk that this may not be identified and addressed in advance of the data being used to inform decision making.

<u>Recommendation</u>		
The Service should ensure that data owners have sufficient opportunity to provide feedback on use and presentation of their data, in advance of it being published.		
<u>Service Response / Action</u>		
Agreed. The processes through which data is verified will be confirmed as part of the mapping exercise agreed at 2.2.8 below.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
March 2023		

Strategy and Transformation Lead	Significant within audited area
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12.2.8 It is not clear which performance indicators would be affected in the event of a data source system becoming unavailable for a prolonged period. This makes it difficult for management to determine where reported performance information could be incomplete where this occurs. Similarly, the extent to which Tableau dashboards and reports are relied upon, and by whom / which bodies (including within the IJB and Health and Social Care Partnership), is not clearly mapped out. Should a critical data source or report be affected, it may be more difficult to prioritise a response, and to ensure use of the data / provision of alternatives, is adequately managed.

Recommendation

The Service should map the flow of data critical to each performance indicator, and the extent to which Tableau data is relied upon.

Service Response / Action

Agreed. The flow of partnership data will be reviewed and mapped as part of the agreed review of governance and performance.

Implementation Date

March 2023

Responsible Officer

Strategy and
Transformation Lead

Grading

Important within audited
area

12.2.9 The Council's care management system is in the process of being replaced. Data and reports will need to be obtained from the new system to update Tableau and associated performance data. The Partnership is represented on the D365 development group and has been assured by the project team that the new system will provide at least the same reporting requirements as are currently available. Statutory and operational reports are being prioritised.

AUDITORS:

J Dale
C Harvey
P Smith

Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	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, to the Council.
Major at a Service Level	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	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.

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	30 June 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report – Care Management
REPORT NUMBER	IA/22/007
DIRECTOR	N/A
REPORT AUTHOR	Jamie Dale
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on Care Management.

2. RECOMMENDATION

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

3. BACKGROUND / MAIN ISSUES

- 3.1 Internal Audit has completed the attached report which relates to an audit of Care Management.

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 as detailed in the attached appendix.

7. OUTCOMES

- 7.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.
- 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
Impact Assessment	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.
Privacy Impact Assessment	Not required

9. APPENDICES

- 9.1 Internal Audit Report – Care Management

10. REPORT AUTHOR DETAILS

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Internal Audit Update

Health and Social Care

**Care Management
Recording and Transactions**

Issued to:

Sandra Macleod, Chief Officer – Health and Social Care Partnership
Andy MacDonald, Director of Customer
Steve Roud, Chief Officer – Digital and Technology
Alex Stephen, Chief Finance Officer – Health and Social Care Partnership
Fraser Bell, Chief Officer – Governance
Jonathan Belford, Chief Officer – Finance
External Audit

SUMMARY

Background

Aberdeen City Health and Social Care Partnership (HSCP) provides or commissions care and support to a variety of individuals who are identified as requiring it following assessment of their social care needs.

Data relating to individuals, their assessments, and follow-up care management reviews are held on the Care Management System. The system is also used to record planned care and support, and the associated costs, to match against invoices and requests for payment for services delivered.

Objective

The original objective of this audit was to obtain assurance over coordination, recording and payment for care services.

Due to reprioritisation of resources by the HSCP to support an external inspection and to develop and implement a new Care Management System during 2021 and 2022, it has not been possible to carry out a full in-depth review of care management recording and payments. Instead, a review has been undertaken of the plans and progress with implementation of the new system to obtain assurance that these adequately cover risks in respect of care management recording and payments.

Assurance

Assurance has been obtained from Digital and Technology over the project implementation plans for the new Care Management System.

There is a formal governance and programme management process in place, with regular reporting scheduled to provide updated on progress with delivery of the new system, and any exceptions being escalated to the appropriate level. The system is scheduled to go live in September 2022.

System functionality has been clearly mapped out, building on existing practice. There are clear plans and practical steps in place for migrating data from the old system onto the new one and verifying its accuracy. This includes mapping of data from the old system to the new system, and validation of data format and content, to ensure it matches the appropriate rules built into the system which govern processing of transactions.

An iterative testing programme is in progress, with exceptions being identified, addressed, and reduced with each test run. Complex cases and any errors are passed back to the HSCP for review prior to corrections being applied. A read-only version of the old system will remain in place until March 2023 so data will not be lost and can be reviewed if any issues are identified at a later stage.

Assurance over the new arrangements in practice will be obtained through a planned Internal Audit of the new Care Management System during 2023-24.

Management Response

The finance elements of new system development have been a key area of focus. Adoption of the dedicated finance module will enable additional rigour to be applied to Care Management recording and transactions. The iterative data load and validation cycles for finance have allowed a robust approach to the assurance around the new processes under the direct control of the Chief Officer Finance.

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	27 September 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2214 - Payroll and HR System Amendments
REPORT NUMBER	IA/AC2214
DIRECTOR	N/A
REPORT AUTHOR	Jamie Dale
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

1.1 The purpose of this report is to present the planned Internal Audit report on Payroll and HR System Amendments

2. RECOMMENDATION

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

3. BACKGROUND / MAIN ISSUES

3.1 Internal Audit has completed the attached report which relates to an audit of Payroll and HR System Amendments.

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 as detailed in the attached appendix.

7. OUTCOMES

- 7.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.
- 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
Impact Assessment	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.
Privacy Impact Assessment	Not required

9. APPENDICES

- 9.1 Internal Audit Report AC2214 - Payroll and HR System Amendments

10. REPORT AUTHOR DETAILS

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Internal Audit Report

Cross Service

Payroll and HR system amendments

Issued to:

Steven Whyte, Director of Resources
Andy Macdonald, Director of Customer
Jacqui McKenzie, Chief Officer, Customer Experience
Isla Newcombe, Chief Officer, People and Organisational Development
Jonathan Belford, Chief Officer – Finance
Vikki Cuthbert, Interim Chief Officer – Governance
Neil Yacamini, HR & Payroll Service Centre Manager

EXECUTIVE SUMMARY

Background

Aberdeen City Council employs over 5,000 full time equivalent employees, excluding teaching staff (reviewed separately in Internal Audit report AC2115, June 2021). In the financial year 2021/22, over £234 million was paid in gross salary and wages payments excluding employer's national insurance and superannuation contributions.

Payroll payments are administered by the Payroll Team in the Human Resources and Payroll Service Centre (HR&PSC), which is part of the Customer Function, using the corporate payroll and employee management system. The HR&PSC also manages issuing contracts and administration of the personal data held within the Council's payroll and employee management system; support and management of the contract process, including advertising vacancies, facilitating the recruitment process; and managing changes of grades, roles, and hours for existing staff. The HR&PSC enters new starts, makes changes to staff employment and leavers on the system.

Objective

The objective of this review was to obtain assurance over the accuracy and completeness of the payroll as a result of changes to the workforce. This included review of processes and a sample of cases relating to new starts, changes of circumstance, and leavers.

Assurance

In general the payroll is being updated correctly following changes to the workforce. A small number of overpayments were identified, and these have been corrected.

Recommendations for improvements to controls to reduce potential fraud risk, reputational risks, and to enhance efficiency and effectiveness have been made.

Findings and Recommendations

Internal Audit identified two overpayments in a sample of 30 payroll changes (7%). The potential for error is more prevalent where part-year (typically school-term) workers changes are involved, as the process is reliant on various sources of data and calculations completed outside of the payroll system. A recommendation graded Significant within audited area was made to implement periodic sample checks on changes applied to the payroll.

Filing of supporting documentation for changes to pay varied and was not always sufficiently comprehensive to clearly demonstrate appropriate payments had been made for more complex cases. In two cases, changes had been applied, increased and backdated without evidence on file of Chief Officer approvals on the relevant forms. A recommendation graded Significant within audited area was made to ensure that payments are only made or changed following official documented authorisation.

In each case where a signature was required from a Chief Officer to document approval under delegated authority, a scanned signature was included in the form. Whilst printing and signing forms is likely to be inefficient, it provides a permanent record that the signature and authorisation have come from the relevant Officer and that the details pertaining to that authorisation have not changed since. Electronic documents with scanned signatures do not show a clear link between the owner of the signature and content of the document. A recommendation graded Significant within audited area was

made to ensure that documented approvals are retained and clearly evidence timing, content and ownership.

Whilst the Service encourages employees to use self-service options for amending their details on the employee management system, system records indicate that around 50% of bank detail changes are processed by the HR&PSC on their behalf. In a sample of 30 of these, only 50% had documentation in personnel files supporting the change. Although HR&PSC staff are required to confirm specific details with the employee, and confirm the changes by email, there is no guarantee that this will always take place. Payroll mandate fraud is a significant risk in the public sector. A recommendation graded Significant within audited area has been made to implement secondary checks of bank detail changes.

For 2021/22 the annual pay award for local government employees was not agreed until late 2021 and was backdated to January 2021. This was calculated and automatically paid to employees in post in January 2022 for all hours worked and salary earned during the 2021 calendar year. Employees who had left the Council during 2021 have not been automatically paid their arrears of salary earned at the 2021/22 rate but paid at 2020/21 rates. Those affected have to request that the Council pays it to them retrospectively, although this is not made clear in policies, procedures or as part of leavers' documentation. A recommendation graded Significant within audited area was made to ensure this is clarified.

Further recommendations graded as Important within audited area have been made to standardise change and leavers' data to promote consistency and accuracy, and to improve reports sent to budget holders to improve efficiency of management review of payroll changes.

Management Response

The Service is satisfied that the controls that are in place provide the assurance over the accuracy and completeness of payroll and welcomes the improvements identified.

The Service is satisfied that all payments have been made correctly based on the instructions received from Clusters. In light of potential errors identified in those instructions, a quarterly sample checking process will be introduced. A sample checking process will also be implemented to provide additional assurance over bank detail changes.

In addition, updates to the authorisation process and leavers procedure will be undertaken and leavers holiday entitlement and other documentation will be retained.

Whilst we appreciate Internal Audit's identification of the use of electronic signatures and proposed improvements to monthly staffing reports, the services are satisfied that the level of risk is sufficiently low and therefore do not consider that there is a need to change existing working practices.

11. INTRODUCTION

- 11.1 Aberdeen City Council employs over 5,000 full time equivalent employees, excluding teaching staff (reviewed separately in Internal Audit report AC2115, June 2021).
- 11.2 In the financial year 2021/22, over £234 million was paid in gross salary and wages payments excluding employer's national insurance and superannuation contributions.
- 11.3 Payroll payments are administered by the Payroll Team in the Human Resources and Payroll Service Centre (HR&PSC), which is part of the Customer Function, using the corporate payroll and employee management system. The HR&PSC also manages issuing contracts and administration of the personal data held within the Council's payroll and employee management system; support and management of the contract process, including advertising vacancies, facilitating the recruitment process; and managing changes of grades, roles, and hours for existing staff. The HR&PSC enters new starts, makes changes to staff employment and leavers on the system.
- 11.4 The objective of this audit was to obtain assurance over the accuracy and completeness of the payroll as a result of changes to the workforce. This included review of processes and a sample of cases relating to new starts, changes of circumstance, and leavers
- 11.5 The factual accuracy of this report and action to be taken have been agreed with Jacqui McKenzie, Chief Officer - Customer Experience; Isla Newcombe, Chief Officer - People & Organisational Development; Neil Yacamini, HR & Payroll Service Centre Manager; and Andrea Garden, Team Leader - Payroll.

12. FINDINGS AND RECOMMENDATIONS

12.1 Written Procedures

- 12.1.1 Comprehensive written procedures that are easily accessible by all members of staff within the Human Resources and Payroll Service Centre (HR&PSC) can reduce the risk of errors and inconsistency. They are beneficial for the training of current and new employees and provide management with assurance of correct and consistent practices being followed, particularly in the event of an experienced employee being absent or leaving. Guidance should be available to all and should reflect current systems and adhere to any regulatory requirements.
- 12.1.2 Procedures are available on the Council's intranet for managers relevant to recruitment and management of staff, and on People Anytime. HR&PSC has written procedures and training videos in place for its staff contained within separate SharePoint sites to differentiate payroll and HR procedures. These sites are then split into task sub folders.

12.2 New Starts

- 12.2.1 All potential new recruits enter the Council via applying for a job through the recruitment portal (TalentLink or through the RECRUIT scheme), with processes supported by P&OD and the HR&PSC. If successful at interview, a letter is sent to the candidate to advise that they are the preferred candidate subject to verification checks. HR&PSC set up a file for the recruit and follow a list of tasks on a new recruit checklist. Once pre-employment checks are complete, managers are sent a new start memo which provides key information to the HR&PSC including job grade, hours and start date. Key documents are collected, such as the HMRC starter bank details are collected, and the person's identity is checked to ensure the recruit has a right to work in the UK.
- 12.2.2 Once a start date is agreed, the HR&PSC take the new start on the employee management system and record the details on a spreadsheet, which is updated and checked daily for new recruits. HR&PSC then can amend the corporate payroll and employee management system to process the recruit. A contract of employment is generated, reviewed and sent to the individual for agreement. Calculations may be required for part year worker (PYW) roles to proportionally adjust the first month's salary. In these cases a test payslip is created and calculations checked outside of the system.
- 12.2.3 A sample of ten new starts was reviewed and, in all cases, a new start memo was completed, the salary grading was recorded correctly, and HMRC starter checklist information was on file. Bank mandates had been correctly input and details in the Payroll System matched those recorded in the employee's contract. All new starts were paid promptly.
- 12.2.4 In one of ten cases reviewed (10%) an error was identified in the calculation of the new employee's first salary payment. This arose due to the employing Function inadvertently including an additional day within the part-year worker's data provided to HR&PSC, which had not been identified prior to processing. Internal Audit requested clarification of the calculation, as a result of which the HR&PSC identified an overpayment of £59.40 had resulted, which has been recovered. The Service has highlighted that the payroll section is reliant on the quality of information passed from the HR&PSC; the payment had been correctly processed in line with this information, which was subsequently found to be incorrect.
- 12.2.5 Part-year worker calculations are required for term-time workers (e.g. School cleaners, Pupil Support Assistants) and are based on the number of weeks in the year for which staff are contracted to work, plus a standard allowance for annual leave. The number of

working days may vary each year based on the school calendar. Two spreadsheets, one for the number of days and one for the pay element are used to arrive at the required payment, based on the data provided by the employing Function. As this takes place outside of the payroll system, there is an increased risk of human error, as in the case noted above. The opportunity for error is reduced through utilisation of a standard form and application of standard calculations within it, however key dates and the number of working days and annual leave entitlement are manually entered and may vary each year and with each case.

- 12.2.6 Internal Audit identified two overpayments in a sample of 30 payroll changes (7%) (see 2.2.4 and 2.3.2. More regular review of processing, on a sample basis, by the Payroll Team would help avoid further payment errors and could identify any areas in which further training or support may be necessary.

<u>Recommendation</u>		
The Service should undertake periodic reviews of a sample of payroll changes to ensure changes made are accurate and adequately supported.		
<u>Service Response / Action</u>		
Agreed. A quarterly check will be undertaken of a sample of part-year worker changes passed to payroll.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
December 2022	HR&PSC Manager	Significant within audited area

- 12.2.7 The Council's salary grading scheme sets out grades for local government employees from G4 to G17, based on the skills and experience required for each job. Each grade has up to four scale points. Employees' salaries are incremented from one scale point to the next for each completed year of service, until they reach the top point on that grade. When an employee joins, a new start memo provided by HR&PSC to the recruiting manager details their hourly rate, grading and scale point. All contracts reviewed recorded the correct salary.

12.3 Changes

- 12.3.1 Permanent changes to grade are requested via P&OD and are authorised by Finance to confirm budget availability, and Chief Officers under delegated powers before HR&PSC is advised and the information is put onto a spreadsheet of changes. Staff are sent a variation of contract letter and management can review monthly staffing reports to review the accuracy of changes made. Temporary changes to grade are managed via authorisation of higher graded duties forms, which are different but processed in a similar manner. Changes are picked up and applied on the corporate payroll and employee management system by the HR&PSC.
- 12.3.2 Payments made were timely and accurate in as far as the HR&PSC was given information to action. In one case out of ten reviewed (10%) where an adjustment required to a part-year worker's salary, changing to a full-time position, resulted in an overpayment of £364.10. However, in contrast to the process for leavers (which includes a dedicated leavers' form), there is no control document for changes to document that all steps and data have been processed to apply the change from one role to another. There were no calculations on file to demonstrate how the amounts paid had been calculated. Internal Audit requested clarification of the calculation, as a result of which the HR&PSC identified the overpayment, which has been recovered through the payroll. The recommendation at 2.2.6 above refers.

- 12.3.3 In another case multiple changes were applied to a part year worker's pay to reflect their acting up into higher grade duties, and a change of hours, but were applied retrospectively three months after the change took place. The HR&PSC stated that delays in processing and correcting payments were due to delays and errors by the employing Function completing the appropriate paperwork to amend the hours, but this was ultimately paid correctly. However, the hours change processed via Forms and notified to payroll via spreadsheet, was applied but there was no record of the request and approval in the personnel file. Where a grade change is required, guidance on People Anytime states completion of a form entitled 'Request for Decision Under Delegated Powers Grade Change Only' is required, which is then forwarded to the Finance contact and P&OD Advisor for processing.
- 12.3.4 In one case where a grade increase was paid, the advice to HR&PSC was via a note on file rather than on the official form. Whilst a form was on file, including the Chief Officer's signature, variations to increase the starting scale point and move forward the start date were agreed separately between the P&OD Advisor and Service Manager with no documented reference back to the Chief Officer to amend the authorisation held on file. This indicates that authorisation controls are not being strictly applied, which could result in unauthorised changes to the payroll.

<u>Recommendation</u>		
Changes and payments should not be processed without appropriate authorisation in the correct format. All changes should be supported with detail in the personnel file.		
<u>Service Response / Action</u>		
Agreed. Where there is a change that affects an approved Grade Change Form this will be revisited with the Chief Officer, and they will be asked to provide approval of this change which will be kept on file. In practice this will mean an updated and signed off Grade Change Form will be re-approved.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
Implemented	Organisation Change & Design Manager	Significant within audited area

- 12.3.5 In each case where a signature was required from a Chief Officer to document approval under delegated authority, a scanned signature was included in the form. Whilst printing and signing forms is likely to be inefficient, it provides a permanent record that the signature and authorisation have come from the relevant Officer and that the details pertaining to that authorisation have not changed since. Electronic documents with scanned signatures do not show a clear link between the owner of the signature and content of the document. In the absence of another technical solution, email approval direct from the Officer's own mailbox would better demonstrate the timing, content and ownership of authorisations.

<u>Recommendation</u>
Required authorisations, or supporting email records, should be retained and clearly evidence timing, content and ownership.
<u>Service Response / Action</u>
Not agreed. We note the recommendation and are satisfied that the delegated business case process provides sufficient assurance. The Chief Officer is invariably the lead or most certainly clearly sighted on a delegated business case. There is ongoing engagement with the Chief Officer throughout. In addition, there is engagement with Trade Unions, People & Organisational Development, Legal and Finance, prior to final approval from the Chief Officer P&OD, Chief Officer Finance and the cluster Chief Officer. The risk is considered to be very low and therefore the existing working practices will

remain.

Internal Audit Comment

Authorisation controls are critical in ensuring due process has been followed. The Service response and mitigations are noted.

Grading

Significant within audited area

12.3.6 Where employees are required to perform higher graded duties, guidance on the Council's People Anytime portal mandates completion of a form entitled 'Authorisation for Higher Graded Duties Payments' and forwarding to the Talent team within P&OD. As with permanent changes of grade, these forms must be authorised by a Chief Officer, and the recommendation at 2.3.6 also applies.

12.3.7 In one case, where higher grade duties were performed longer than six months, a member of staff's salary was correctly reduced after six months as the authorisation of higher graded duties form was not renewed as procedures require. However, a backdated payment for higher graded duties was later paid as those duties had continued. There is no automated notification to management (as there is for fixed term contract expiry for example) to highlight the imminent expiry of higher duty allowance presenting a risk that payments for duties carried out in good faith may be delayed pending an extension being processed. Reminders could enhance the efficiency and accuracy of the process and reduce the potential reputational risk.

Recommendation

The Service should review whether automated reminders of allowance end dates could be generated.

Service Response / Action

Agreed. The Service has reviewed the proposed option. Given that the effort and resource required to implement this outweigh the benefit and more significantly that Higher Graded Duties are consistently and accurately processed in line with the policy, it has been determined that the current working practice will remain.

Implementation Date

Implemented

Responsible Officer

HR&PSC Manager

Grading

Important within audited area

12.3.8 In the same instance, payments relating to a post grade change were back-dated by HR&PSC on the basis of a manager's email request: not on the basis of an appropriate form and dates specifically approved by the Talent team and the Chief Officer. The recommendation at 2.3.4 applies.

12.3.9 Employees are encouraged to use the self-service option to update their own bank details directly on the corporate payroll and employee management system where necessary. Verification and security are applied by the system. There remains an option for employees unable to access the system to contact the HR&PSC to request that changes are made on their behalf. Confirmation of various details is requested to confirm the employee's identity before making changes on the system. There are no secondary checks e.g. by another member of the Payroll team. Changes are confirmed to the employee by email from the HR&PSC team member processing the change on their behalf. Manual changes to bank details without segregation of duties or review present a serious fraud risk.

12.3.10 The system maintains audit trails of all user activity, including bank detail changes, but this is not routinely interrogated to ensure that requests are only processed following

receipt of a valid instruction from an employee. An extract from the payroll system for the period 1 April 2021 to 28 February 2022 detailed changes to 189 bank account numbers and 153 sort codes. The extract identified 101 and 77 respectively of the changes had been undertaken through the self service portal, leaving 88 (47%) account and 76 (50%) sort code changes processed by HR&PSC. A sample of 30 changes was reviewed, and in 15 cases (50%) there was no further information in the personnel file to show that the changes had been requested and processed correctly. Should bank details be changed incorrectly or inappropriately, this may not be identified until after a payment has been made and is missed by the intended recipient.

<u>Recommendation</u>		
Manual changes to bank details should be fully documented and subject to a review process.		
<u>Service Response / Action</u>		
Agreed. A sample check will be undertaken on a monthly basis for manual changes requested by employees.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
October 2022	HR&PSC Manager	Significant within audited area

12.4 Leavers

12.4.1 In cases where an employee signals their intention to leave their post, an official leavers' form is available to ensure relevant information is compiled prior to terminating contracts and calculating final pay. However, the HR&PSC are regularly notified directly by the employee or their manager by email, written letter, or through the employee management system. Further information therefore has to be sought if it has not been provided. The accuracy of final salary payments is reliant on information supplied to HR&PSC, therefore use of the form should be encouraged.

<u>Recommendation</u>		
The control process for leavers should be reviewed, to ensure all documents are collated and final adjustments are correctly accounted for in the audit trail.		
<u>Service Response / Action</u>		
Agreed. The process for leavers has been reviewed and Managers and Employees can now resign through CoreHR in addition to resigning by email to AskHR.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
Implemented	HR&PSC Manager	Important within audited area

12.4.2 Managers provide final verification, usually via email, to the HR&PSC of any holiday adjustments (leave due and not taken or leave taken in excess of the year to date allowance) that are needed. Whilst a yes / no is recorded by HR&PSC on the leavers' checklist to note that this was confirmed with management, records are not always held on file, for recording leave due and taken which the HR&PSC could use to confirm accuracy before processing.

<u>Recommendation</u>
Supporting records of leavers' holiday entitlement compared with that taken should be checked and retained.

Service Response / Action

Agreed – The email confirmation from the manager will be retained and filed in the employee’s personal file.

Implementation Date

December 2022

Responsible Officer

HR&PSC Manager

Grading

Important within audited area

12.4.3 For 2021/22 the annual pay award for local government employees was not agreed until late 2021 and was backdated to January 2021. This was calculated and automatically paid to employees in post in January 2022 for all hours worked and salary earned during the 2021 calendar year.

12.4.4 Employees who had left the Council during 2021 have not been automatically paid their arrears of salary earned at the 2021/22 rate but paid at 2020/21 rates. Those affected have to request that the Council pays it to them retrospectively, although this is not made clear in policies, procedures or as part of leavers’ documentation. One such request (10%) was identified in the sample of ten leavers reviewed by Internal Audit.

Recommendation

The Service should ensure that there is clear communication for leavers in respect of their right to claim back-dated pay.

Service Response / Action

Agreed. Relevant wording will be added to the Leavers Procedure on the People Anytime Portal indicating that leavers can write to the Payroll Team to request payment of arrears they may be due in relation to a salary award.

Implementation Date

Implemented

Responsible Officer

Employee Relations and Wellbeing Manager

Grading

Significant within audited area

12.5 Monitoring

12.5.1 In addition to Finance budget reports, Services are provided with payroll monitoring reports monthly that show by cost centre and staff name, the amount paid to that member of staff and the hours they have worked that month. Whilst the payroll data is useful information, it relies on managers having their own records against which to compare the period’s results. A month to month or year to date comparison would aid in identifying patterns and potential variations which might warrant management attention. Alternatively, segregating data for employees affected by changes would help management prioritise information for review.

Recommendation

The Service should review the design of payroll monitoring reports in conjunction with users.

Service Response / Action

Not agreed. We note the recommendation and are satisfied that the information provided at this time within the monthly staffing reports, provides sufficient information for managers. A significant point to note is that these reports aren't considered in isolation, they form part of a much wider suite of management information available (e.g. managers portal, financial reports etc.). This holistic reporting provides managers with the information and insight to meet their requirements and identify if additional information is required.

Internal Audit Comment

Service response noted. More comprehensive data could enhance the efficiency and effectiveness of management review. It is acknowledged that the Service has considered and balanced the potential benefits against the resource required to develop and implement these.

Grading

Important within audited area

AUDITORS: J Dale
C Harvey
H Beecroft

Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	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, to the Council.
Major at a Service Level	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	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.

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	27 September 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2215 – Staff Resourcing
REPORT NUMBER	IA/AC2215
DIRECTOR	N/A
REPORT AUTHOR	Jamie Dale
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on Staff Resourcing.

2. RECOMMENDATION

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

3. BACKGROUND / MAIN ISSUES

- 3.1 Internal Audit has completed the attached report which relates to an audit of Staff Resourcing.

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 as detailed in the attached appendix.

7. OUTCOMES

- 7.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.
- 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
Impact Assessment	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.
Privacy Impact Assessment	Not required

9. APPENDICES

- 9.1 Internal Audit Report AC2215 – Staff Resourcing

10. REPORT AUTHOR DETAILS

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Internal Audit Report

People & Organisational Development

Staff Resourcing

Issued to:

Steven Whyte, Director – Resources
Andy MacDonald, Director - Customer
Isla Newcombe, Chief Officer – People & Organisational Development
Jacqui McKenzie, Chief Officer – Customer Experience
Vikki Cuthbert, Interim Chief Officer – Governance
Jonathan Belford, Chief Officer – Finance
Craig Innes, Chief Officer - Commercial & Procurement
Lesley Strachan, Talent Manager
External Audit

EXECUTIVE SUMMARY

Background

The Staff Governance Committee approved the Council's Workforce Plan in June 2019, which sought to build on the 'Building a Council of the Future' report approved by Council in 2017. The 2017 report set out the proposal to review the Council's operating structure through a new system of management and delivery known as the Target Operating Model (TOM). It identified the future organisational, transformational and governance needs including the need for a more agile, flexible, and capable workforce that would meet changing demands and needs.

The Chief Officer – People & Organisational Development is responsible for delivering the Workforce Plan, which was established on Guiding Principles approved by Staff Governance Committee in March 2019. The Principles focus on the organisational culture, and the workforce plan seeks to build the workforce capacity and capability needed to support the Target Operating Model. The delivery of the workforce plan was reported to committee earlier this year, in lieu of a new Workforce Strategy being presented to Staff Governance Committee later in 2022.

Objective

The objective of this review was to examine adherence to procedures for three staff resourcing solutions, namely: internal recruitment and movement of staff, use of relief pool workers, and agency worker engagement. These are the main alternative resourcing solutions, outwith external recruitment and additional hours for existing staff – which are covered under specific recruitment and timesheet audits.

Assurance

In general procedures are effective and are being adhered to. An end to end recruitment process review is being undertaken by the Service to further automate the process, which it is anticipated will address areas where improvements to controls and efficiency have been recommended as part of the audit.

Findings and Recommendations

The current process for internal recruitment (re.cr.uit) is adequately controlled, however evidence of the application of controls and process is mixed. For example authorisations are registered on a spreadsheet, and in Microsoft Teams Chat sessions. These reduce the quality of the audit trail, and overall assurance that each stage of the process has been completed by the correct officers. A recommendation graded Significant within audited area has been made to ensure appropriate means of recording transaction and change authorisations is used. Further recommendations graded at the lower Important within audited area level have been made to strengthen assurance over application and compliance with procedural requirements including confirmation that criteria have been met prior to advertising vacancies, and that applications are processed in order of priority. Whilst the Service has been able to report success in respect of the scheme, enhanced and more accessible performance data could aid in demonstrating the application as well as outcomes of the scheme.

Management of pools of relief staff varies across the Council, as practice within individual Clusters has evolved. Under the Future of Work Programme it is intended to develop a corporate process and guidance, and a central coordination role. A recommendation graded Significant within audited area has been made to ensure implementation plans are set and the benefits realised.

Agency workers can cost more than staff due to the additional costs incurred paying agencies for their services on top of wage costs. Approximately £3.7 million was recorded as agency spend in 2021/22. An Agency Steering Group and associated

Working Group are in place to transform the processes in place for Agency Worker use and monitoring, and reductions in spend have been realised since 2019.

A series of procurement framework agreements have been adopted by the Council, to ensure a compliant process is in place for contracting the supply of agency workers. Although the majority of spend (£3 million) is through compliant contracts, off-contract spend remains a problem and presents a risk to best value and compliance with local and national procurement regulations. Implementing compliant options can be a lengthy process. £0.5 million of spend relating to teaching staff cover is currently being tendered for but has not been covered by a compliant contract since 2018. The Commercial and Procurement Shared Service anticipates that there will be suitable procurement frameworks available to officers for all required service areas by September 2022, to provide a route to market for all agency arrangements in line with established procedure and governance.

Purchase orders are generally raised in advance; however instances were identified where this did not happen – resulting in breaches of the Council’s Financial Regulations and no purchase order – no payment policy. Due to variations in when and how often agency workers are required by Clusters there are differences in how and by which team orders are raised and agency requirements administered. Exceptions and variations are not currently covered by written procedures.

A recommendation graded Significant within audited area has been made to ensure adequate monitoring mechanisms are in place to ensure compliance with Procurement and Financial Regulations, provide good oversight of agency worker use at a corporate level, and so that corrective action can be taken where this is required.

Management Response

The re.cr.uit process is being further developed following a cycle of learning, and as part of the end-to-end recruitment process review being undertaken and reported regularly to CMT. Whilst the audit findings and assurance provided over the existing process are welcome, the majority of actions are already in progress as part of moves to better utilise the Talentlink system. The additional learning points highlighted by Internal Audit will be included within the programme.

Plans are being developed to improve coordination and administration of relief and agency worker requirements, and through the Agency Steering Group further expansion and promotion of compliant procurement options will be delivered.

11. INTRODUCTION

- 11.1 The Staff Governance Committee approved the Council's Workforce Plan in June 2019, which sought to build on the 'Building a Council of the Future' report approved by Council in 2017. The 2017 report set out the proposal to review the Council's operating structure through a new system of management and delivery known as the Target Operating Model (TOM). It identified the future organisational, transformational and governance needs including the need for a more agile, flexible, and capable workforce that would meet changing demands and needs.
- 11.2 The Chief Officer – People & Organisational Development is responsible for delivering the Workforce Plan, which was established on Guiding Principles approved by Staff Governance Committee in March 2019. The Principles focus on the organisational culture, and the workforce plan builds workforce capacity and capability needed to support the Target Operating Model. The delivery of the workforce plan was reported to committee earlier this year, in lieu of a new Workforce Strategy being presented to Staff Governance Committee later in 2022.
- 11.3** The objective of this review was to examine adherence to procedures for three staff resourcing solutions, namely: internal recruitment and movement of staff, use of relief pool workers, and agency worker engagement. These are the main alternative resourcing solutions, outwith external recruitment and additional hours for existing staff – which are covered under specific recruitment and timesheet audits.
- 11.4 The Future of Work programme workstream includes a range of projects relating to improving workforce capacity, in order to track progress and this is regularly reported to CMT. These include a review of the internal recruitment and movement 're.cr.uit' scheme, development of a corporate relief pool as well as a working group which is in place to enhance control over and reduce dependency on the use of agency workers as a resourcing solution.
- 11.5 As a result, some processes and procedures are in transition as these improvement projects are underway. Accordingly, consideration of compliance with procedure was complemented with a more strategic review of the relationship between the three staff resourcing areas. The potential impact that current procedures and controls and the intended transformation will have on workforce development was considered to determine whether these would deliver an efficiently resourced workforce which maximises the benefits of existing knowledge, skills and experience, ultimately to deliver the Target Operating Model.
- 11.6 The factual accuracy of this report and action to be taken regarding the recommendations made have been agreed with Isla Newcombe, Chief Officer – People and Organisational Development; Lesley Strachan, Talent Manager; Jacqui McKenzie, Chief Officer – Customer Experience; and Craig Innes, Chief Officer - Commercial & Procurement.

12. FINDINGS AND RECOMMENDATIONS

12.1 Internal Recruitment

- 12.1.1 Written Procedures are beneficial for all Council activities as they ensure that due process is clear so that responsibilities can be consistently fulfilled. Suitable guidance is available on the intranet for the Council's internal recruitment scheme (re.cr.uit - Retaining Employees, Changing Roles, Using Internal Talent). The re.cr.uit scheme allows employees' existing skills to be aligned to the requirements of job opportunities that arise in the Council, opening the way for career development. The Talent Team within People & Organisational Development notify staff registered for the scheme of job opportunities where their skills and working preferences provide a reasonable match with the job profile. It aims to ensure recruiting managers see internal recruitment as the first 'port of call' when a vacancy needs to be filled.
- 12.1.2 The written guidance on the re.cr.uit scheme is being revised as part of a planned re.cr.uit scheme refresh and End to End Recruitment Redesign project included in the Future of Work programme's Workforce Capacity workstream. This will involve the development of new systems, processes, templates and forms, and authorisation methods. Extended use of the existing Talentlink recruitment system, in place of a bespoke re.cr.uit system, is planned to improve processes and practice, and new procedures will be developed as part of these projects.
- 12.1.3 The re.cr.uit digital tool was used from January 2021 for internal vacancy advertising, applications and administration: recruiting Managers could advertise a post with the job profile, and the digital tool determined the degree of alignment between employees seeking opportunities and vacancy requirements. Employees would undertake a psychometric or working preferences assessment known as OPQ32 at the point of signing up to the scheme and could maintain detail of their skills, training and experience on the digital tool for this purpose.
- 12.1.4 Following a cycle of learning and feedback from employees and recruiting managers, including identification of potentially inefficient elements of the process, it was determined that in addition to being digitally aligned to vacancies, internal job opportunities should also be advertised on the Opportunities Hub, with applications available to all employees, whether a member of the re.cr.uit scheme or not.
- 12.1.5 The internal recruitment process currently starts with the vacancy approval process which is undertaken using a Microsoft Form for managers to complete that provides and collates relevant vacancy data, including:
- Identifying the Recruiting Service & Manager.
 - Identifying the Vacant Post's grade, hours, term, location, and financial coding.
 - Identifying the nature, required skills and working preferences, qualifications, PVG Checks, and other demands of the post.
- 12.1.6 The Request to recruit / fill a vacancy form requires a recruiting manager to provide assurance that specific criteria have been met, including that the role is critical relating to the COVID-19 response or public health and protection, that it does not conflict with organisational redesign plans, and that all internal options to resource the role have been explored. These requirements are reinforced on the 'managing vacancies' page of the recruitment guidance available on People Anytime.

- 12.1.7 Since the budget meeting earlier this year, the delegations to officers were agreed and are considered to have overtaken the previous UBC decision. There is therefore no longer a requirement to make the justification relating to covid-19, but this has not yet been reflected in the form and guidance. The other criteria remain in place.
- 12.1.8 At present, statements recorded as part of the recruitment process in respect of these criteria (including post criticality, service design alignment, and exhaustion of alternative options) vary in their depth and extent. It is not explicitly recorded that managers have ensured all criteria are met prior to requesting recruitment. Should the criteria not be met in full, there is a greater risk that budget saving opportunities may be overlooked, achieving the aims of the re.cr.uit scheme may be limited, and establishing the workforce required to deliver the Target Operating Model could be hindered.

Recommendation

The Service should update guidance and forms to reflect current requirements, then ensure that recruiting managers give clear declarations on the request to recruit form, in terms of whether a vacancy meets the key criteria for it to be progressed to the advertising stage. Checks should be implemented that ensure forms which do not provide the appropriate assurance are not processed.

Service Response / Action

Agreed. The forms and guidance will be updated.

A series of checks are already in place. Completion of the Request to recruit form is just stage 1 of the vacancy approval process. The vacancy is then passed to the Cluster Chief Officer to confirm that they are satisfied that the vacancy is required to be filled. In addition, the vacancy is considered by the Finance team to confirm it is budgeted, by the Organisational Change & Design Team to confirm that it is not impacted by service / organisational redesign, and then final consideration and approval to progress is given by the Chief Officers Finance and People & Organisational Development .

This element of the process will be superseded as part of the end-to-end recruitment process review. One of the agreed actions is to transfer the vacancy approval process into Talentlink, which will provide an automated vacancy approval process involving each of the parties above and contained within the system. This will ensure all requirements are met before recruitment progresses to the next stage. Development work within Talentlink is complete, testing is underway and it is anticipated that this will be implemented by 31 August 2022.

Implementation Date

December 2022

Responsible Officer

Talent Manager

Grading

Important within audited area

- 12.1.9 The Talent Team maintains recruitment data on a spreadsheet and checks that the criteria have been met. Support and guidance is provided to help managers explore other internal staff resourcing options before advertising a vacancy externally.
- 12.1.10 The recruitment spreadsheet indicates when and by whom the necessary approvals to progress a vacancy to recruitment have been given. In authorising, the Chief Officer of the recruiting Service justifies the need, Finance and the Chief Officer Finance confirms the availability of funding and the Organisational Change and Design Team confirms that it is not at odds with any organisational redesign plans.
- 12.1.11 Currently authorisations are provided by Manager / Chief Officer notifications in Teams Chats. Whilst these are clearly attributable to the relevant Officer, can be reviewed, and are retained in line with the Council's set retention policy, Teams Chat content does not

provide a suitable audit trail for verification after the event. Changes in Teams members risks access to historic data being lost, and in the absence of a standardised method of recording it will be difficult to identify the approvals for specific cases. Dependency on Teams Chat for notification of authorisation was also noted in the approval of a key change to Agency Worker procedure (parity from day one – see 2.3.4). This may not be an appropriate way to record authorisations since it may be more difficult to evidence the approval and any discussion at a later date.

Recommendation

The Service should ensure that appropriate means of transaction and procedure change authorisations are used.

Service Response / Action

Agreed.

The record of Chief Officer approvals by Microsoft Teams Chat functionality is only one step within the vacancy approval process. In addition, the vacancy is considered by the Finance team to confirm it is budgeted, by the Organisational Change & Design Team to confirm it is not impacted by service / organisational redesign, and then final consideration and approval to progress is given by the Chief Officers Finance and People & Organisational Development. There is therefore substantial scrutiny throughout the process, reducing the risk of recruitment progressing prior to all approvals being in place.

Teams is the desired method of electronic internal communication for the organisation, where appropriate. It is acknowledged, however, that there is a limit to the retention policy for Microsoft Teams Chat and that if a record of approval is required to be retained for longer than the outlined retention policy then an alternative method for capturing approvals is more desirable. In this case approvals have already moved into a dedicated Teams Channel, with the appropriate retention policy in place to support a more robust audit trail.

In Addition, as discussed with the audit team, please note that this element of the process is already planned to be superseded as part of the end-to-end recruitment process review. One of the agreed actions in the Project Plan is to transfer the vacancy approval process into Talentlink, which will provide an automated vacancy approval process involving each of the parties above and contained within the system. Development work within Talentlink is complete, testing is underway and target implementation is 30 September 2022.

Implementation Date

December 2022

Responsible Officer

Talent Manager

Grading

Significant within audited area

- 12.1.12 Following ongoing review of processes as part of the Future of Work programme, and as confirmed in a briefing titled Recruitment Process Changes and Improvements, shared with the Extended Corporate Management Team in June 2022, the Service intends to replace this interim spreadsheet measure within Talentlink, which managers use for external recruitment and are therefore familiar. There is a detailed plan in place for this and the Service anticipates a go live date of September 2022. It is intended that the switch to Talentlink should provide greater assurance over authorisations through a more robust audit trail which Talentlink already provides for external recruitment.
- 12.1.13 Following the cycle of learning, the re.cr.uit scheme introduced an Internal Job Application form using Microsoft Word for internal staff, which is submitted directly to the recruiting manager. Although this requires the title of the post being applied for, it does not require

a unique reference number which differentiates between posts applied for. Where the audit trail is evident throughout a process it is easier to trace and understand any anomalies and confirm that due process has been followed.

- 12.1.14 Talentlink generates a unique reference number for every vacancy, and although no specific errors were identified within a sample reviewed for the audit, quoting this in the application form would reduce the potential for error where similar roles are being applied for. This could be done in the intended refresh of the application form, which is detailed in the Talentlink project plan.

<u>Recommendation</u>		
The Service should ensure that revisions to internal recruitment process templates and the introduction of Talentlink provide a clear audit trail through every stage of the internal recruitment process - for example through use of a unique reference number throughout the process.		
<u>Service Response / Action</u>		
Agreed.		
The Service is unaware of evidence of any errors with the current internal recruitment system not having a unique reference number for each vacancy and this has not been identified as part of the audit. These are fully documented within the existing spreadsheet.		
As above, please note that as discussed with the audit team this element of the process is already planned to be superseded as part of the end-to-end recruitment process review. One of the agreed actions in the Project Plan is to transfer the entire internal recruitment process into Talentlink. When a vacancy is created, Talentlink will generate a unique reference number. Development work within Talentlink is complete, testing is underway and target implementation is 30 September 2022.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
December 2022	Talent Manager	Important within audited area

- 12.1.15 The application form focuses on key matters i.e. work history, relevant qualifications and applicants' own assessment of their suitability for the post detailed in the Job Profile. Applicants must categorise themselves under a 'Priority Status' on the application form. These are intended to provide the greatest opportunity to employees who need to access a role which they may have to 'grow into'. Provided training and skills gaps can be resolved within an acceptable time period Managers must consider those on redeployment as the highest priority (1), followed by those who are at risk of displacement through a service redesign or nearing the end of a modern apprenticeship (2). After this recruiting managers should consider other current permanent and fixed term Aberdeen City Council employees (3), before any relief, casual, currently engaged agency workers, or employees of eligible ALEO's and Partner Organisations (4).

- 12.1.16 The Council's Recruitment and Selection procedure is followed, and managers must consider applications and interview internal candidates according to their Priority Status. Priority Status is self-selected by applicants, (although, managers have an opportunity to confirm this status with People & Organisational Development if considered necessary). Following selection, normal hr/payroll processes are followed to update employee records to reflect the new post. It may be appropriate as part of the revised process, to develop a means of evidencing overall that priority status order has been observed in the selection process for each internal recruitment exercise.

Recommendation

The Service should determine the most appropriate mechanism for providing assurance over application of the selection process and priority status.

Service Response / Action

Agreed.

There is a field on the internal application form for employees to confirm their priority status and recruiting managers take this into account in their shortlisting decisions.

In addition, there are robust mechanisms in place to support Priority 1(P1) employees. Each P1 employee has a dedicated P&OD Adviser who is assigned to them throughout their period on redeployment to help source and support them into suitable alternative employment. They will liaise with recruiting managers for any vacancy that a P1 employee has indicated interest.

There is comprehensive guidance on the re.cr.uit scheme and the redeployment procedure, defining Priority Status and how these should be considered on the intranet. As with all People Management policies and procedures, it is expected that as part of their management role, that individual managers follow this approach and guidance.

As above, please note that as discussed with the audit team this element of the process is already planned to be superseded as part of the end-to-end recruitment process review. One of the agreed actions in the Project Plan is to transfer the entire internal recruitment process into Talentlink. The internal application form on Talentlink will have a field for employees to record their priority status and this will be clear to recruiting managers to take this into consideration as part of their shortlisting process.

Options for obtaining assurance that this is being applied consistently will be explored.

Implementation Date

December 2022

Responsible Officer

Talent Manager

Grading

Important within audited area

- 12.1.17 Although on a sample basis the scheme appears to be working effectively, current mechanisms for recording data are not sufficiently integrated to provide the Service with easily accessible performance management information. For example: the number of sign-ups to re.cr.uit; the proportion of recruitment still required to be advertised externally; changes in the level of vacancies filled through internal and external appointments; employees remaining in post after introduction / trial periods; or to confirm that priority levels have been applied and resulted in retention of appropriately skilled and alternatively capable staff. The Service has reported management information to the Staff Governance Committee, but this was derived through manual interrogation of various data sources. A more automated process would improve opportunities for management oversight and assurance.

Recommendation

The Service should ensure it can efficiently obtain performance management data to demonstrate the application and benefits of the re.cr.uit scheme.

Service Response / Action

Agreed.

Whilst the existing system is manual, it has been possible to gather and report detailed management reporting on internal recruitment and this has been reported to Staff Governance Committee on a number of occasions since the new re.cr.uit scheme has been introduced.

As above, please note that this element of the process is already planned to be superseded as part of the end-to-end recruitment process review. One of the agreed actions in the Project Plan is to transfer the entire internal recruitment process into Talentlink.

As explained during the audit, once the internal recruitment process is hosted within Talentlink, it will be possible to utilise the comprehensive reporting functionality on all aspects of the recruitment process. This is set out within the Project Plan with an anticipated implementation date of 30 November 2022.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
December 2022	Talent Manager	Important within audited area

12.2 Relief Pools

- 12.2.1 There are at least six different Relief Pools within the Council. As there is no corporate Relief Pool Procedure, local practice has developed, with guidance and support from the Talent Team within People & Organisational Development to ensure legislative compliance and best practice. Due to the roles involved and the spread and volume of relief cover required, methods vary in their complexity and scale.
- 12.2.2 For illustration, the Pupil Support Assistant and Supply Teacher Relief Pools contain details of many relief workers and the DSM Co-ordinator (Children's & Family Services) receives a high volume of relief cover requests. The relief workers and relief cover requests are co-ordinated on behalf of multiple schools across Aberdeen City on behalf of Head Teachers. Details of these relief workers, their availability, and skills, are recorded in spreadsheets for each Pool. Separate records are maintained to show those who are currently active and available, and for other relief workers who have indicated that they do not currently wish to be considered for relief work e.g. due to being on maternity leave. The Service makes regular checks and issues a request each term to update staff availability. Because of the devolved management of school budgets, staffing including the use of relief has to be closely monitored, by the DSM Co-ordinator and Finance.
- 12.2.3 The lack of a corporate procedure presents a risk of inconsistent practice – although similar processes have evolved, with guidance from the Talent Team, across the Council which works for the circumstances in which the relief pool operates. The degree of segregation of duties, and control over relief workers is devolved more for some relief pools than others.
- 12.2.4 Consideration needs to be given to qualifications and experience, and familiarity with the location, people and work involved to ensure best fit for the job requirement. This reduces the risk of breaches of regulations, health and safety incidents and helps maintain appropriate standards of service delivery (e.g. continuity of support for school children). However, specification and selection needs to be balanced with equity of availability of opportunities – otherwise there is a risk of over-reliance on a smaller pool of workers, and a potential reduction in available options.
- 12.2.5 Procedure and necessary considerations need to be explicit so that relief cover is only used where necessary, and where required the process is efficient both for Services to administer and for relief workers to take part in. Clear corporate guidance could help

ensure key requirements are met including record keeping, needs assessment, authorisation of relief cover, involvement of the Talent Team, budgetary requirements, staff contact methods, staff selection methods and timesheet payments .

- 12.2.6 Relief Workers record hours worked on timesheets which must be signed by the manager and submitted to Payroll for payment. This process has been tested as part of recent payroll and timesheet internal audits.
- 12.2.7 While written procedures can help standardise practice, compliance in matters such as driver licence checks and equalities monitoring becomes more difficult the further devolved relief pool administration is and the more widely workers are spread. Senior Management need confidence that risks to health and safety, child protection, budgetary control and of fraud have adequate controls to mitigate these risks.
- 12.2.8 The 2022/23 revenue budget includes a saving in the agency staff costs line which the Council, in addition to reducing agency spend, intends to deliver through Relief Pool centralisation, in accordance with the Future of Work Programme. A working group led by the Talent Manager is in place: IT solutions are being explored, and a business case and job profile for a central Relief Pool Co-ordinator role is being completed. A detailed plan / timetable to centralise all pools is still to be established, and the Service has indicated that corporate guidance will be developed thereafter.
- 12.2.9 The placing and remit of the proposed corporate Relief Pool Co-ordinator role has yet to be determined. If it could be used to monitor needs, identify control weaknesses, address inequity and inconsistent practice, and confirm procedural compliance; in addition to ensuring relief workers have a clear point of contact and support, which ensures that training, wellbeing and IT needs are met, it could have a significant impact on how effective these resourcing solutions are in delivering the workforce the Council aspires to.
- 12.2.10 A well-coordinated relief pool function, appropriate agency worker usage and effective internal recruitment are key staff resourcing solutions which dovetail with each other and are key enablers for developing the workforce required to deliver the Target Operating Model.

Recommendation

The Service should prepare a detailed implementation plan and timetable to ensure intentions to administer relief pools from a corporate level are realised.

The Service should ensure a corporate relief pool procedure is established that accommodates necessary variances in practice and ensures Services' relief staff needs are met in an appropriate manner.

The Service should give due consideration to the placing and remit of the intended Co-ordinator role so that it maximises benefits for the Council's staff resourcing solutions and requirements.

Service Response / Action

Agreed.

Development of a corporate relief pool resource has been agreed as part of the budget setting process and is a project set out in the Future of Work Programme and each of the actions within this recommendation already form part of that project.

Implementation Date

March 2023

Responsible Officer

Talent Manager

Grading

Significant within audited

12.3 Agency Workers

- 12.3.1 In addition to relief workers, an alternative resourcing solution to meet unexpected or unmet staff requirements is to engage agency workers. The Council's Agency Workers Procedure shows the process to be followed and the responsibilities of directors / chief officers, hiring managers, the Transactions Team and the Talent Team, who all play a role in engaging agency workers. Adherence to the procedure provides assurance that the Council is complying with Procurement and Financial Regulations, and that transactions are administered and authorised appropriately.
- 12.3.2 A series of framework agreements have been adopted or tendered by the Council, to ensure a compliant process is in place for contracting the supply of agency staff. Selection between potential suppliers within these frameworks is either on a ranked priority basis or via further competition depending on the role being filled. Costs, and terms and conditions vary widely outside of these contracts, therefore the Agency Workers Procedure requires framework contract suppliers to be used, with exceptions to be considered on a case by case basis by Commercial and Procurement.
- 12.3.3 Agency workers can cost more than permanent or relief staff, due to the additional costs incurred paying agencies for their services on top of basic wage costs. The cost may also increase after 12 weeks, following which period agency workers are legally entitled to parity of wages and certain other entitlements which would have been available to them if they were directly employed by the Council. Monitoring this is complex, as workers doing the same or similar roles over this period would need to be tracked, potentially over multiple Council services. To aid in monitoring and, where possible find alternative lower cost resourcing solutions, although purchase orders can be raised for up to 12 weeks of agency cover, the Procedure requires the recruiting Manager to contact the Transactions Team at the eight week stage if an extension is required. There are however no automated controls to ensure this always takes place.
- 12.3.4 The Commercial and Procurement Shared Service advised that approval has been sought to apply parity from day one of an agency placement in order to improve efficiency and reduce the risk of error, as well as ensuring that the Council can provide a more competitive rate of pay for frontline workers in an increasingly challenging market. This may lead to increased costs from the outset of an agency engagement but reduces the cost and risks of administering it retrospectively.
- 12.3.5 An Agency Steering Group and associated Working Group are in place to transform the processes in place for Agency Worker use and monitoring. One action is to update the current procedure so that there is more emphasis on exploring alternative resourcing options. The Working Group also intends to implement a regular review of the written procedure to ensure it is up to date and promotes good practice, whilst reducing dependency on agencies and the associated costs.
- 12.3.6 The more widespread the use of and administration of agency workers is, the greater the risk of inconsistent practice or non-compliance with Financial and Procurement Regulations. Key evidence such as Authority to Use Agency Worker forms and authorisation to use off-framework suppliers is not all held centrally. As a result, the Council's assurance over the adequacy and consistency of authorisation and control of agency spend and adherence to appropriate practice is reduced. Accordingly, the Working Group aims to fully centralise agency worker ordering and administration in the Transactions Team.

- 12.3.7 The Transactions Team holds a central record of agency staff, but at the time of the audit review this did not include details from Services still to be centralised, i.e. Commissioning, Adult Social Care and Education. Some services have more freedom than others to engage agency workers without contacting the Transactions Team or checking for alternative solutions the Talent Team may be able to offer instead of agency workers. This is particularly common where workers are engaged under 'bulk' purchase orders which are raised monthly by the Transactions Team. This arrangement is in place to better accommodate services which experience unexpected staff cover requirements more frequently than others; and where there is demand outside of office hours. Although timesheets and invoices come via the Transactions Team and are checked to the purchase order, this is after the work has been carried out and a legal obligation to pay has arisen.
- 12.3.8 These exceptions are not documented in the Agency Worker Procedure, and as a result there is a higher risk of non-compliance with procurement regulations, and additional costs being incurred. Whilst centralising administration may aid in ensuring compliance, there is a risk of delays in the event that demand exceeds administrative capacity at particular times, and a continued requirement for exceptions for out of hours requests. This will need to be factored in to avoid continued non-compliance to meet the exigencies of service delivery.
- 12.3.9 The total value of invoices charged to budgets as 'Agency staff' in 2021-22 was £3.7 million. £1.2 million of this was not paid to suppliers included on the shortlist of agencies included alongside the Agency Workers procedure.
- 12.3.10 Further analysis identified over £300,000 had been incorrectly coded and related to other non-agency activities. A further £250,000 had been spent with an agency on an adopted framework but not included in the shortlist. This left approximately £600,000 of spend with suppliers not currently on agency frameworks. Commercial and Procurement has provided assurance that £500,000 of this related to teaching staff cover for which a compliant solution was not previously available. Since 2018 interim options have been applied instead to ensure adequate teaching cover was in place. A compliant framework is currently being tendered, and it is anticipated that there will be suitable procurement frameworks available to officers for all required services areas by September 2022. This shall allow for a route to market for all agency arrangements in line with established procedure and governance.
- 12.3.11 As noted at 2.3.8 above, there may be exceptions to normal practice, and in such cases a clear process is required, including authorisation at an appropriate level. Such approval is currently provided by Commercial and Procurement on an ad-hoc basis; however there is no consistent process in place for recording and retaining evidence of these approvals being sought and obtained, the extent and circumstances to which they apply, and for following up to ensure the issues are addressed through revisions to practice or further procurement activity. This could affect compliance with the Council's procurement regulations. Ownership and monitoring at a corporate level would aid the Council in developing workforce solutions which reduce off framework spend and overall dependency on agency workers.
- 12.3.12 Clearer ownership with effective monitoring and oversight of overall Agency spend would assist in identifying mis-coding and off-contract spend at an early stage. Overall checks of Agency spend in the ledger could also identify where Financial Regulations may have been breached. Purchase orders were not raised for 37 of the 2956 transactions (£127,000) which went through agency codes in 2021/22. Whilst this is a small proportion of the number (1%) and total value (3%) of payments, each instance represents a breach of the Council's Financial Regulations and no purchase order – no payment policy.

Recommendation

The Service should ensure that adequate monitoring mechanisms are in place to ensure compliance with Procurement and Financial Regulations, provide good oversight of agency worker use at a corporate level, and so that corrective action can be taken where this is required.

Service Response / Action

Agreed. Monitoring mechanisms are in place at present in the form of 1) Record of Agency Workers, 2) the Agency Worker Procedure (which provides adherence to the Procurement Regulations) and 3) the People Performance Dashboard which provides detailed management information on agency spend and use.

The Services shall develop a process around the above three mechanisms and meet twice annually to review any corrective action that requires to be taken.

Implementation Date

January 2023

Responsible Officer

Talent Manager;
Strategic Commercial
Manager / Category
Manager; Finance
Controls Manager

Grading

Significant within audited
area

- 12.3.13 Coordination of Services' agency administration needs to be accompanied by improved mechanisms for record keeping, and monitoring and reporting, for the reasons discussed above, including ordering, financial coding, and management of exceptions. This will also help hiring managers, the Transactions Team, CPSS and the Talent Team develop staff resourcing solutions and increase good practice. The working group intends to expand the existing management information on Agency Worker spend and use within the People Development Dashboard for monitoring and reporting purposes, which should improve oversight of staff resourcing. Improved access to and sharing of quality management information could help identify where internal resources and procurement solutions can be developed to make solutions for meeting unexpected staffing needs more effective.
- 12.3.14 The current spreadsheet is administered by the Transactions Team but has content in some columns which does not match the headings. Data validation control is limited which increases the risk of incomplete or erroneous information. In its present format, the benefits which could be gained from making comparisons between unexpected demand met from Agency Workers, Relief Pools or by other means are limited.
- 12.3.15 The service intends to refresh the existing Authorisation for Use of Agency Worker forms and further digitise where possible. Combining this with a review of the associated record keeping and reporting mechanisms would bring significant benefits and efficiencies to the process – for example to evidence and provide assurance that due procedure has been followed, appropriate checks completed and authorisations given for all Agency Worker engagements, the posts and duration covered, and any extensions thereto.

Recommendation

The Service should review Agency Record keeping and administration methods to ensure they facilitate staff resource and procurement framework development and provide an efficient process which gives assurance over compliance with the Agency Worker Procedure.

Service Response / Action

Agreed.

Monitoring mechanisms are in place at present in the form of 1) Record of Agency Workers, 2) the Agency Worker Procedure (which provides adherence to the Procurement Regulations) and 3) the People Performance Dashboard which provides detailed management information on agency spend and use.

Additional to the previous recommendation, the Record of Agency Workers will be amended to ensure that information is correct and in an appropriate format. Additional information columns shall be added as confirmation that the Talent Team has been consulted, as per the procedure, and that where an off-framework engagement has been made, that an exemption has been appended to the purchase order.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
January 2023	Talent Manager; Strategic Commercial Manager / Category Manager / Finance Controls Manager	Important within audited area

12.3.16 Where off-payroll workers are used to meet Council requirements, IR35 regulations may be applicable necessitating the Council to make appropriate deductions from invoice payments so that tax and national insurance due is paid to HMRC via the Payroll system. The Council has issued clear guidance for managers to ensure compliance with the regulations.

12.3.17 Ownership of the responsibility for confirming that IR35 implications have been considered where agency staff are engaged is currently unclear. Although IR35 is unlikely to apply where Framework Agencies are used, the risk of rules being inconsistently applied / misunderstood is increased where hiring managers are left solely responsible for this. To reduce the risk, the Service should verify IR35 implications / service checks as part of the Agency Worker process to evidence these have been completed appropriately.

Recommendation

- a) The Council should ensure there is clear ownership of the responsibility for performing and retaining evidence of IR35 checks on agency worker engagements.
- b) Procurement guidance should be updated to reflect IR35 requirements.

Service Response / Action

- a) Agreed. P&OD, Customer, Commercial & Procurement, and Finance, will review the controls around IR35 compliance. The Talent Manager within P&OD will facilitate these discussions.
- b) Agreed. Procurement will ensure that procurement guidance is updated to reflect IR35 requirements.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
a) March 2023	Talent Manager	Important within audited area
b) January 2023	Strategic Commercial Manager / Category Manager	

AUDITORS: J Dale
C Harvey
P Smith

Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	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, to the Council.
Major at a Service Level	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	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.

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	27 September 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2209 – Debt Recovery
REPORT NUMBER	IA/AC2209
DIRECTOR	N/A
REPORT AUTHOR	Jamie Dale
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on Debt Recovery

2. RECOMMENDATION

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

3. BACKGROUND / MAIN ISSUES

- 3.1 Internal Audit has completed the attached report which relates to an audit of Debt Recovery.

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 as detailed in the attached appendix.

7. OUTCOMES

- 7.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.
- 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
Impact Assessment	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.
Privacy Impact Assessment	Not required

9. APPENDICES

- 9.1 Internal Audit Report AC2209 – Debt Recovery

10. REPORT AUTHOR DETAILS

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Internal Audit Report

Finance

Debt Recovery

Issued to:

Andy MacDonald, Director of Customer Services
Steven Whyte, Director of Resources
Jacqui McKenzie, Chief Officer - Customer Experience
Jonathan Belford, Chief Officer- Finance
Fraser Bell, Chief Officer – Governance
Wayne Connell, Revenues and Benefits Manager
Angela Crawford, Finance Controls Manager
Sarah Macaskill, Team Leader (Transactions Services)
Phyllis Kennedy, Council Tax and Recovery Manager
External Audit

EXECUTIVE SUMMARY

Background

To ensure that income due to the Council for services provided is received it may be necessary to take debt recovery action. In the first instance, the Service Income Team managed by Finance will contact the debtor concerned to request payment. Where this action is unsuccessful, debts may be passed to the Council's Debt Collection and Sheriff Officer agency (Sheriff Officers). If all pre-litigation actions are found to be unsuccessful, a Court Decree will be applied for and thereafter recovery may be enforced by one of the relevant diligences available to the Council's Sheriff Officers (arrestment of bank account; arrestment of earnings; Inhibition Order against heritable property; attachment of goods (seizing movable property); insolvency).

Sundry debts are administered using the debtors module (debtors system) of the Council's Integrated Financial System. In the financial year to 31 March 2022, approximately 12,389 sundry debtor invoices were raised to a value of £34.60m. As at 4 July 2022, 48,903 outstanding sundry invoices totalling £35.94m were owed to the Council of which 2,863 invoices totalling £3.20m had been classified as needing to be recovered by the Council's Sheriff Officers.

The Coronavirus (Scotland) Act 2020 and Coronavirus (Scotland) (No.2) Act 2020 introduced temporary changes until 31 March 2022 to how debt recovery solutions within Scotland function. This included extending the moratorium on diligence and bankruptcy from six weeks to six months and increasing the minimum amount someone must owe, from £3,000 to £10,000, before a creditor or group of creditors can petition for a debtor's bankruptcy; this minimum amount will decrease from £10,000 to £5,000 from 1 October 2022 in accordance with the Coronavirus (Recovery and Reform) (Scotland) Bill.

Objective

The objective of this audit was to ensure that procedures for recovering sundry debts are adequate, efficient, and consistently applied.

Assurance

Whilst it is acknowledged that COVID-19 has had an impact on debt recovery solutions available to the Council, possible recovery action, including issuing of reminders to customers and referral of overdue debts to the Council's Sheriff Officers, was not being undertaken in line with procedure, based on a review of 30 overdue invoices. This is an area that would benefit from review to ensure the proper control framework is in place and in operation to ensure the appropriate recovery of debts.

Reminders were not being issued at all for one (4%) out of 26 invoices not in dispute and were late at least for one of the reminders for 18 (69%) of these 26 invoices and there was no referral to the Sheriff Officers in 19 (73%) out of 26 invoices not in dispute that were reviewed. In addition, the four invoices in dispute reviewed had no record of dispute resolution and escalation as required by Council policy. Also, it was noted there is no central oversight to ensure non-statutory non-essential services are ceased for customers with overdue debts. Furthermore, a system of debt recovery performance reporting, which is target based is not being reported to relevant team leaders, service managers and Chief Officers as required, increasing the risk debt recovery actions will not take place where required.

Findings and Recommendations

The Council's Corporate Recovery and Service Income policies were approved by the City, Growth and Resources Committee in November 2018 with both covering debt

recovery tasks. Whilst the policies are comprehensive in terms of content, the Debt Recovery Policy indicates the intention is for a review to take place at least every two years and this has not happened. In addition, the Service Income Policy makes reference to Business Service Team's responsibilities, whose ownership has passed to Finance – since certain tasks are not being undertaken at all now, such as performance reporting and monitoring of dispute resolution and cessation of services, the policy requires to be updated. Also procedures require to be updated since some are incomplete or inconsistent with the Service Income Policy. The Service Income Policy indicates a payment plan for debts over £1,000 can only be set for recovery over a maximum of 24 months whilst the Council's payment arrangement procedure indicates the maximum term is 36 months; this risks inconsistent and potentially unfair debt recovery practice. The procedure for sending debts to the Council's Sheriff Officers indicates debts of £50 or below should not be sent as they will be dealt with by Council staff – there is no procedure on how this will be achieved. Lastly, write off procedures are inconsistent with Financial Regulations since no reference is made to the Chief Officer – Customer Experience, who has delegated authority to write off sundry debts of up to £25,000 per debtor for specific reasons, instead referring only to the Chief Officer – Finance. In addition, the requirements for evidencing write off reasons is not explained increasing the risk write offs will take place when debts should be pursued. Recommendations graded 'Significant within audited area' were raised with the Service to review and update policies and procedures.

Council invoices for service income are issued over various terms and most have a 28-calendar day term, although some for the more vulnerable have a 6 month term. Where an invoice for a service has not been paid, a reminder is issued seven days after the given payment term being reached followed by a final notice 14 days after the initial reminder, where payment remains overdue. The final reminder states that there are seven days to make a full payment, failing which legal proceedings will commence. Debts which remain outstanding for 45 days are passed to the Council's Sheriff Officers. After all pre-litigation actions, and as a last resort, a Court Decree may be applied for by the Sheriff Officers, and thereafter recovery may be enforced by one of the relevant diligences, as described above. Based on a review of 30 random overdue invoices debt recovery action is not being undertaken as required:

- Four (13%) invoices were in dispute meaning debt recovery action was paused however all had been in dispute for longer than the 56 day target to resolve disputes and no records were available of dispute resolution activities or required escalation.
- Of the remaining 26 overdue invoices not in dispute, no recovery action at all was taken for one (4%).
- In addition, seven (27%) had only final reminders issued with no first reminder, 18 (69%) had first reminders issued late and 15 (58%) had final reminders issued late.
- None of the 26 invoices, which were overdue and not in dispute, were passed to the Council's Sheriff Officers timeously with only five (19%) of the 26 being passed to the Sheriff Officers at all with technical issues preventing the submission of a further four (15%).

A recommendation graded 'Major at a Service Level' was raised for the Service to review the debt recovery process to ensure it is fit for purpose, ensuring payment reminders for overdue invoices are issued in a timely manner. Reminders are recommended to be automated if feasible based on cost / benefit analysis, with consideration given to the use of electronic notifications such as automated emails

and / or SMS texts. The revised process should be designed with a view to enabling staff resources to focus on high-risk high value debt recovery. In addition, a recommendation graded 'Significant within audited area' was also raised for the Service to ensure invoices in dispute are escalated and resolved in a timely manner in accordance with the Service Income policy and that this process should be automated if feasible.

As at 28 March 2022, according to the debtors system 747 invoices to a value of £254,292 require to be recovered by the Council's Sheriff Officers. However, only 39 invoices to a value of £35,440 had been passed to the Sheriff Officers. At the time of review there was a large interval when sundry debt files were not submitted to the Sheriff Officers between 3 March 2019, when the previous file was submitted, and 10 May 2022 when a recent file of trading companies was submitted to the Sheriff Officers with 2,663 outstanding invoices totalling £4.08m. The Service advised following the end of the Council's suspension of debt recovery due to the COVID-19 pandemic, a 'soft start' approach to reinstating recovery actions was adopted, with transfer to Sheriff Officers being the final step in the process to be resumed. Also, the Service advised the work with digital specialists to improve the automation of the process, to transfer files to Sheriff Officers, was delayed due to resource availability and has recently commenced. Where the Council's records of debts being managed and recovered by the Sheriff Officers is overstated, there is an increased risk of bad debt due to a lack of necessary recovery action. A new automated process was used to generate the file submitted to the Sheriff Officers in May 2022. However, whilst the process is an improvement on the previous manual debt file generation process, it is still a manual email based process to submit files to the Sheriff Officers; automation of file submission could help reduce the risk of delays submitting debts to the Sheriff Officers. Recommendation graded 'Significant within audited area' were raised for the Service to reconcile the Council's and the Sheriff Officers' debt records to ensure they agree on a recurring basis and to automate the submission of debt files to the Council's Sheriff Officers.

Whilst sundry debt write offs reviewed had been appropriately approved, Financial Regulations requires that sundry debt write offs are reported to City, Growth and Resources annually and this has not been happening. A recommendation graded 'Significant within audited area' was raised for sundry debt write offs to be passed to the Revenues and Benefits Manager by Finance for inclusion on the annual irrecoverable debt report to City, Growth and Resources Committee for monitoring purposes.

Where there are outstanding invoices in relation to an ongoing, regular service then provision of service may be withheld where there is not a statutory requirement to provide that service (for example for health and safety reasons). Each service is required to maintain a policy in respect to withholding chargeable services for each relevant service and services essential to well-being will not be subject to cessation. In circumstances where the debtor is a vulnerable person or in respect of services essential to well-being, as part of the 'sensitive recovery process'; Finance has discretion to authorise continued service provision to a customer where historic invoices remain due. At the time of review no monitoring information was made available by Finance on ceasing services where appropriate. Whilst the Council's Service Income Policy identifies if a type of charge is essential to well-being as well as charge types where a sensitive recovery process is required, the Debtors system does not automate the cease service process, increasing the risk non-statutory services not essential to well-being will continue to be offered to customers incapable of paying for those services. A recommendation graded 'Significant within audited area' was raised for the Service to automate the cessation of non-statutory services which are not essential to well-being within the debtors system.

In accordance with the Council's Service Income Policy, monitoring income collection performance is necessary to assess the success of charging for service delivery. The outcomes of this should be compared to Council and service income targets, objectives and priorities. The Policy requires clear targets to be set and information to be collected and analysed on a regular basis. The Policy also requires monthly performance information to be referred to relevant team leaders, service managers and Chief Officers for further decision and escalation however this is not happening. In the absence of this reporting, there is an increased risk of disputes being unresolved in a timely manner, of services being delivered to customers without the means to pay for them and generally of an increase in bad debts and delays in receiving payment for outstanding debts. The Service advised resource constraints within the team meant with prioritisation of key tasks, regular performance reporting has ceased, with information provided on request. A recommendation graded 'Significant within audited area' was raised for Finance to establish a comprehensive system of debt recovery performance reporting which is target based and reported regularly to relevant team leaders, service managers and Chief Officers for debt recovery escalation and decision-making purposes.

Management Response

It is clear that the pandemic had an effect on the collection of debt and now through this audit it has revealed that by diverting resources and prioritising other work across the various teams the opportunity to review and update the existing debt recovery policies and procedures should have been done before now. This will be addressed.

In addition staff have had a range of debt collection and recovery instructions over the last two years that makes the position of debt recovery more challenging but since reinstating service income debt collection and recovery arrangements automation has been brought into the processes in relation to Sherriff Officer referrals and a more rigorous approach to unallocated income has been introduced that improves what has gone before. That said more can be done and will be done, with the implementation of the agreed actions.

1. INTRODUCTION

- 1.1 To ensure that income due to the Council for services provided is received it may be necessary to take debt recovery action. In the first instance, the Service Income Team within Finance will contact the debtor concerned to request payment. Where this action is unsuccessful, debts may be passed to the Council's Debt Collection and Sheriff Officer agency (Sheriff Officers). If all pre-litigation actions are found to be unsuccessful, a Court Decree will be applied for and thereafter recovery may be enforced by one of the relevant diligences available to the Council's Sheriff Officers (arrestment of bank account; arrestment of earnings; Inhibition Order against heritable property; attachment of goods (seizing movable property); insolvency).
- 1.2 Sundry debts are administered using the debtors module (debtors system) of the Council's Integrated Financial System. In the financial year to 31 March 2022, approximately 12,389 sundry debtor invoices were raised to a value of £34.60m. As at 4 July 2022, 48,903 outstanding sundry invoices totalling £35.94m were owed to the Council of which 2,863 invoices totalling £3.20m had been classified as needing to be recovered by the Council's Sheriff Officers.
- 1.3 The Coronavirus (Scotland) Act 2020 and Coronavirus (Scotland) (No.2) Act 2020 introduced temporary changes until 31 March 2022 to how debt recovery solutions within Scotland function. This included extending the moratorium on diligence and bankruptcy from six weeks to six months and increasing the minimum amount someone must owe, from £3,000 to £10,000, before a creditor or group of creditors can petition for a debtor's bankruptcy; this minimum amount will decrease from £10,000 to £5,000 from 1 October 2022 in accordance with the Coronavirus (Recovery and Reform) (Scotland) Bill.
- 1.4 The objective of this audit was to ensure that procedures for recovering sundry debts are adequate, efficient, and consistently applied.
- 1.5 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Jonathan Belford, Chief Officer – Finance, Angela Crawford, Finance Controls Manager, Sarah Macaskill, Team Leader – Customer Experience, Wayne Connell, Revenues and Benefits Manager and Phyllis Kennedy, Council Tax and Recovery Manager.

2. FINDINGS AND RECOMMENDATIONS

2.1 Policies and Procedures

- 2.1.1 Comprehensive written policies and procedures and their effective communication are an essential element in any system of control. They are beneficial for the training of current and new employees and provide management with assurance correct and consistent instructions are available, especially in the event of an experienced employee being absent or leaving.
- 2.1.2 The Council's Service Income policy and Corporate Debt Recovery policies were approved by the City, Growth and Resources Committee in November 2018; both are comprehensive and clear in terms of areas covered by the policies. As well as covering the Council's charging policy, the Service Income policy covers recovery of service income; payment plans; debt write-offs; cessation of services; payment options; and performance reporting. The Corporate Debt Policy complements the Service Income policy covering general debt recovery principles, aims and objectives; collection and recovery methods for various debt types, both statutory (e.g. Council Tax, Business Rates and Rent) and non-statutory (e.g. sundry debts resulting from non-statutory 'Service Income' fees and charges).
- 2.1.3 However, the Service Income policy makes various references to the responsibilities of the Business Services Transaction Team in relation to debt recovery despite the fact the Business Services Transaction Team no longer has these responsibilities, since ownership has passed to Finance. However, as described within section 2.4 'Disputes' and section 2.9 'Ceasing Service Delivery' of this report, certain tasks the Business Services Transaction Team are responsible for under the Council's Service Income policy are no longer undertaken in practice by any service, including production of monthly performance information of accounts that are overdue for the purposes of ceasing service delivery where appropriate, and monitoring of invoices in dispute for escalation purposes to ensure disputes are resolved within 56 days. In the absence of ownership of Debt Recovery tasks there is an increased risk they will not be undertaken. In addition, the Corporate Debt policy indicates the intention is for a review to take place at least every two years. A review of both policies is necessary to ensure responsibility for debt recovery tasks are adequately allocated.
- 2.1.4 Debt Recovery procedures are available to relevant staff via shared drives and cover various processes, with timescales for sending reminders and passing debts to the Council's Sheriff Officers; covering how to set up payment plans and how to deal with the debts to be written off.
- 2.1.5 Whilst the Council's Service Income Policy indicates a payment arrangement for debts over £1,000 can only be set for recovery over a maximum of 24 months, the Council's payment arrangement procedure indicates the maximum term is 36 months; this risks inconsistent and potentially unfair debt recovery practice.
- 2.1.6 The procedure for preparing the file of debts to be passed to the Council's Sheriff Officers states:
- 'We only send debt to Scotts if the total outstanding debt per debtor is over £50' and also states 'these invoices [less than or equal to £50] will be dealt with in house by the team'.*
- 2.1.7 However, there are no written procedures in place describing how debts of £50 or lower are handled by the Council, increasing the risk appropriate actions will not be undertaken as required for these debts. 2,995 debtors had debts of £50 or lower totalling £72,440 as at 4 July 2022.

2.1.8 Financial Regulations describe the permitted reasons and delegated authority for writing off sundry debts however the 'Service Income Write Off Procedure' has not been prepared in line with Financial Regulations since it makes no reference to the Chief Officer – Customer Experience, who has delegated authority to write off sundry debts of up to £25,000 per debtor for specific reasons, instead referring only to the Chief Officer – Finance. In addition, the write off procedure permits write off following a service provider request, without explaining the specific permitted reasons for such a request, increasing the risk of a write off for a reason not permitted by Financial Regulations. Furthermore, the procedure did not cover write off reasons 'unable to trace' and 'recommendation of sheriff officer', despite these being permitted by the Council's Financial Regulations. Also, the write off procedure permits writes offs where companies have ceased trading or been dissolved or where a debtor is subject to sequestration, administration, liquidation or receivership, provided written confirmation is provided to that effect – however the procedure does not indicate where the written confirmation should come from increasing the risk of writes offs based on customer assurances without necessary evidence. The Council Tax and Recovery Manager advised the Accountant in Bankruptcy Eden system can be used to confirm cases of sequestration, administration, liquidation, and receivership however this is not formalised in a procedure. Finally, the procedure does not explain which officers are responsible for processing write offs within the Debtors system increasing the risk the debtors system and general ledger will not be updated as required once approval has been given by the relevant officer with delegated authority to write off debts.

Recommendation

a) Debt recovery policies and written procedures, including the Service Income policy, Corporate Debt Recovery policy, payment arrangements procedure and the write off procedure should be reviewed and updated where necessary.

b) The Service should formalise the small value debt recovery procedure (£50 and lower) for debt recovery undertaken by Council staff.

Service Response / Action

a) Agreed. These are due for review and will be undertaken together

b) Agreed. This will be done as part of the review of the Service Income policy and an update of the written procedures

Implementation Date

a) June 2023

b) June 2023

Responsible Officer

a) Council Tax and Recovery Manager (Debt Recovery Policy) & Finance Controls Manager (Service Income Policy and other procedures)

b) Finance Controls Manager

Grading

Significant within audited area

2.2 Debt Recovery Process

2.2.1 Council invoices for service income are issued over various terms (monthly, quarterly, annually bi-annually as stipulated by the service) most have a 28-calendar day term, although some for the more vulnerable have a 6 month term. Where an invoice for a service has not been paid, a reminder is issued seven days after the given payment term being reached followed by a final notice 14 days after the initial reminder, where payment

remains overdue. The final reminder states that there are seven days to make a full payment, failing which legal proceedings will commence. Debts which remain outstanding for 45 days are passed to the Council's Sheriff Officers. After all pre-litigation actions, and as a last resort, a Court Decree may be applied for by the Sheriff Officers, and thereafter recovery may be enforced by one of the relevant diligences, as described in paragraph 1.1 above.

2.2.2 According to the Council's Service Income policy, in circumstances where a debtor is a vulnerable person or in respect of services essential to well-being, the Business Services Transaction Team Leader has discretion to authorise deferred payment terms for existing and historic invoices, and such discretionary action must be reported monthly as part of a performance management regime – this is part of a 'sensitive recovery process'. This is no longer the responsibility of Business Services with ownership having passed to Finance – a recommendation has already been made at paragraph 2.1.8 above to update the policy and a recommendation has been made at 2.10.4 below to establish a system of performance reporting.

2.2.3 A sample of 30 overdue invoices raised between March 2014 and January 2022 was reviewed in order to gain assurance that the recovery process described above was followed. Four (13%) of the 30 invoices randomly selected were in dispute and are considered further at section 2.4 below since debt recovery action is not taken for invoices in dispute. In relation to the 26 invoices not in dispute, the following exceptions were noted:

- No reminders (initial or final) were issued for one (4%) out of 26 invoices despite both reminder types being required.
- Seven (27%) out of 26 invoices had no first reminder issued but instead only a final reminder.
- 18 (69%) had first reminders issued 21-31 days late.
- Only 10 invoices (38%) out of 26 had a final reminder issued as required within 14 days of the first reminder letter being issued. 15 invoices (58%) had a late final reminder (issued 15 - 247 days after the first reminder).

Recommendation

The Service should review the debt recovery process to ensure it is fit for purpose, ensuring payment reminders for overdue invoices are issued in a timely manner. Reminders should be automated if feasible based on cost / benefit analysis, with consideration given to the use of electronic notifications such as automated emails and / or SMS texts. A revised process should be designed with a view to enabling staff resources to focus on high-risk high value debt recovery.

Service Response / Action

Agreed. A few points are highlighted by the audit that related to resource limits and practices adopted over a period of time that included specific decisions in relation to collection of debt during the Covid-19 pandemic. Since then, the process of debt recovery has been reviewed and a more consistent approach has been introduced that includes the automation of processes where possible. Based on the outcome of the audit it's agreed that this will be reviewed again, in line with the policy reviews per recommendation at 2.1.

Implementation Date

June 2023

Responsible Officer

Finance Controls
Manager

Grading

Major at a Service Level

2.3 Debt Collection and Sheriff Officer Agency

- 2.3.1 The Finance, Policy and Resources Committee approved the procurement of a Debt Collection and Sheriff Officer contract to a value of £4.5m for a 5 year period to July 2023 on 1 December 2017. The contract notice inviting tenders was published in the Official Journal of the EU (OJEU) via the Public Contracts Scotland (PCS) website in March 2018. According to the PCS OJEU contract award notice, the contract was awarded to the provider already in use by the Council in July 2018 for a four-year period to July 2022 for a value of £1.75m, with an option to extend until July 2023. The contract was extended in June 2022 until 31 March 2024.
- 2.3.2 As at 28 March 2022, according to the debtors system 747 invoices to a value of £254,292 require to be recovered by the Council's Sheriff Officers (codes DS - Passed to Sheriff Officers and DB - At Sheriff and in Dispute). However, only 39 invoices to a value of £35,440 had been passed to the Sheriff Officers. At the time of review there was a large interval when sundry debt files were not submitted to the Sheriff Officers between 3 March 2019, when the previous file was submitted, and 10 May 2022 when a recent file of trading companies was submitted to the Sheriff Officers with 2,663 outstanding invoices totalling £4.08m.
- 2.3.3 The Urgent Business Committee (UBC) on 23 March 2020 decided, in light of the financial circumstances emerging from the COVID-19 pandemic, to suspend recovery activity across all accounts, including sundry debts. This decision was not lifted until the first quarter of financial year 2021/22 and took a 'soft start' approach to reinstating recovery actions, initially introducing first reminders, with transfer to Sheriff Officers being the final step in the process being put back in place. The work with digital specialists to improve the automation of the process, to transfer files to Sheriff Officers, was delayed due to resource availability and has recently commenced.
- 2.3.4 Where the Council's records of debts being managed and recovered by the Sheriff Officers is overstated, there is an increased risk of bad debt due to a lack of necessary recovery action.

Recommendation

The Service should reconcile the Council's and the Sherriff Officers' debt records to ensure they agree and do so on a recurring basis.

Service Response / Action

Agreed. The Service will work through how the system data can be reconciled and maintained and implement a process where this can be achieved.

Implementation Date

March 2023

Responsible Officer

Finance Controls
Manager

Grading

Significant within audited
area

- 2.3.5 The Council's debtors system does not cover the debt recovery actions taken by the Sheriff Officers where debts classified in the debtors system as submitted to the Sheriff Officers or at the Sheriff Officers and in dispute. The Council is receiving quarterly key performance indicator (KPI) reports providing high level statistics on debt recovery action taken e.g. number of SMS text messages and telephone calls, number of enquiry visits, number of bank or earnings arrestments executed etc. Monthly reports are also received covering current and prior year collection values and rates as well as values of write offs and accounts on hold. In addition, records of debts being managed by the Council's Sheriff Officer are accessible via the Sheriff Officer's portal. The contract with the Council's Sheriff Officers refers to the related invitation to tender requirement for the Sheriff Officers to submit a service plan and service level agreement to the Council by 31 March each year for discussion and agreement of performance targets, with the plan to be reviewed every 3 months throughout the financial year in question. KPIs covered

include collection rates, speed of collection, quality measures and customer service and care. In practice, these are agreed in September of the financial year to allow time for the Council Tax warrant to be processed and relevant diligences to be analysed for that financial year, since Council Tax recovery forms part of the contract; the Service advised the Service Level Agreement was agreed on 26 August 2022 and the Service Plan is on course to take place as to be agreed as planned in September 2022.

2.3.6 None of the 26 invoices reviewed as described in paragraph 2.2.3 above were passed to the Council's Sheriff Officers after 45 days of being overdue:

- 15 were not sent at all.
- Only five invoices (17%) of all tested were passed to the Council's Sheriff Officers (three invoices were sent on 5/5/2022 (transaction type TRA only) and two invoices were sent in 2017).
- An attempt was made to send 4 invoices but due to technical issues the file was not accepted by the Sheriff Officers.
- One Invoice has been classified 'DO - Charging Order' since 18/11/2014
- One invoice was out of scope as it related to Bon Accord Care.

2.3.7 A recommendation has already been made at paragraph 2.2.3 to review the debt recovery process.

2.3.8 An external developer undertook work in September 2021 to automate the manual process of creating debt files for submission by email to the Sheriff Officers with the assistance of the Service.

2.3.9 This process was used to generate the file submitted in May 2022 above. Whilst the process is an improvement on the previous manual debt file generation process it would be a further improvement if the submission of debt files could be automated also (in addition to automation of file creation), removing the requirement for manual intervention, particularly since as highlighted in paragraph 2.3.2 above, there was a recent significant delay submitting invoices to the Council's Sheriff Officers for debt recovery purposes. It was also noted in section 2.5 Payment Plans below that overdue payment plan invoices were not referred to the Sheriff Officers as expected; automation of referral of overdue payment plan invoices where appropriate could help ensure debt recovery action is taken where payment plans are broken.

<u>Recommendation</u>		
The Service should automate the submission of debt files to the Council's Debt Collection and Sheriff Officer Agency.		
<u>Service Response / Action</u>		
Agreed. In this area of work the Service has already successfully implemented a level of automation, with the potential to extend the automation capability. The Service will work to implement further capacity going forward.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
March 2023	Team Leader (Transactions Services)	Significant within audited area

2.3.10 Monthly meetings are taking place between the Council and Sheriff Officer to monitor contract performance. This covered all debt types being managed by the Sheriff Officer

(including non-sundry debts such as Council Tax debt). Minutes of the February 2022 indicated Service Income discussion was limited to problems with the interface file. Furthermore, at this stage only 39 Service Income invoices were being managed by the Sheriff Officers totalling approximately £35,000, meaning other debts such as those for Council Tax took priority. A recommendation has already been made to reconcile debts with the Council's Sheriff Officers at 2.3.4 to ensure debts are recovered and monitored as required.

2.4 Disputes

2.4.1 According to the Council's Service Income policy, invoices in dispute will not be subject to recovery action; invoices subject to dispute for more than 14 days require to be reported to the Business Services Transaction Team leader and relevant Service Manager for review and escalation; and invoices subject to dispute for more than 28 days will be reported to the relevant Chief Officers for review and escalation. Disputed invoices should be reported to Finance in practice and a recommendation has been made at paragraph 2.1.8 above to address this. A resolved dispute is classified as:

- The service accepts the customer is correct and they receive full credit.
- The customer is partly correct and that is agreed with the service and the customer receives partial credit.
- The customer accepts they are incorrect and after discussion with the service agrees to pay the full amount of the invoice.
- There is no agreement between the service and the customer, however, the service maintains they are correct and the debt is reinstated in the system for further recovery action.

2.4.2 The target is that all disputes to be resolved within 56 days of the dispute being raised. Appropriate records are required to be maintained of any communication in respect of the dispute by the Business Services Transaction Team and the service. 2,015 invoices and agreed payment plan payments to a value of £3.18m were in dispute as at 28 March 2022 and 1,873 (93% disputed invoices by count) to a value of £3.16m (99.5% of disputed invoices by value) have been in dispute for 60 days or more (aged debt report does not provide over 56 days data) meaning these invoices should no longer be in dispute.

2.4.3 Of the 30 invoices randomly selected for review as described in paragraph 2.2.2 above, 4 were in dispute. All four disputed invoices reviewed have been in dispute for over 56 days; as at 22 July 2022 two had been in dispute since August 2021, another since August 2018 and another since May 2017. There is no evidence of escalation to the respective Chief Officers in line with the Service Income policy. Where invoices remain disputed for long periods of time beyond policy targets, without adequate escalation, there is an increased risk debt recovery action will not resume in a timely manner where necessary and of a reduction in available staff resources to pursue other debts. The Service observes that the process of escalation is time consuming and manual in nature and due to competing demands on the team the escalation activity has not been at the top of the priority list and this requires to be addressed. A recommendation has been made separately at section 2.10 to establish performance monitoring arrangements.

Recommendation

The Service should ensure invoices in dispute are escalated and resolved in a timely manner in accordance with the Service Income policy. This process should be automated if feasible based on a cost / benefit analysis.

Service Response / Action

Agreed. The Service intends to reconsider the terms of escalation to ensure that an effective process that can be successfully maintained. This will be done as part of the review of the Corporate Debt Recovery and Service Income Policies.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
June 2023	Finance Controls Manager	Significant within audited area

2.5 Payment Plans

2.5.1 Payment plans must be confirmed in writing to the customer with, where necessary, a target date for the resumption of normal terms. The policy for payment plans is as follows:

- No arrangements for debts < £100
- Debts between £100 and £1000 – arrangement to a maximum of 12 months
- Debts over £1000 – arrangement to a maximum of 24 months
- Debts over £10,000 must be referred to the Business Services Transaction Team Leader before any arrangement is agreed.

2.5.2 As at 15 July 2022, 990 staged payments (transaction type SP) to a value of £34k had gone beyond their due date. Of these 176 totalling £1k were in dispute. Of the remaining 814, 65 totalling £5k were outstanding for greater than 28 days and had a value exceeding £50 indicating they should have been referred to the Sheriff Officers. A recommendation has already been made to automate submission of debt files to the Sheriff Officers at 2.3.9 above.

2.5.3 A sample of five payment plans was reviewed. No exceptions were noted and letters had been prepared in all cases to notify customers of agreed payment plans.

2.6 Irrecoverable Debts

2.6.1 The Chief Officer - Finance and Chief Officer – Customer Experience have the authority to approve write-off of sundry debts up to £25,000 per debtor in the following five categories:

- Insolvency, receivership, liquidation and sequestration.
- Ceased trading/defunct company.
- Unable to trace.
- Recommendation of sheriff officer.
- Unable to legally pursue.
- Small balances that are uneconomic to pursue.

2.6.2 Where a debt is deemed uncollectable this must be recorded on a schedule of debtors showing name, address, amounts due, and reason for the debt. The Chief Officer - Customer Experience must submit an annual joint report to the City Growth and Resources Committee advising of the number, value and reasons for debts they have written off and the number and value of debts exceeding £25,000 that they recommend for write off.

2.6.3 This was last done for 2020/21 in November 2021 however analysis of sundry debt write offs in the period was not included in the report (the report covered Council Tax, Housing Benefit Overpayments, Non-domestic Rates, Council House Rents, Penalty Charge Notices and Bus Lane Enforcement Charge Notices write offs but not those relating to sundry debts).

Recommendation

Sundry debt write offs should be passed to the Revenues and Benefits Manager for inclusion on the annual irrecoverable debt report to City, Growth and Resources Committee.

Service Response / Action

Agreed.

Implementation Date

December 2022

Responsible Officer

Revenues and Benefits
Manager

Grading

Significant within audited
area

2.6.4 A sample of two write offs were reviewed; these had been approved as required.

2.7 Reconciliations

2.7.1 The debtors system sub-ledger of customer accounts is part of an integrated financial system that includes the general ledger. As reported in report AC2203 Financial System Interfaces and Reconciliations, at period end the accounts receivable (debtors) sub-ledger is closed down and reports run to confirm that this had taken place successfully; the sub-ledger was closed timeously in July and August 2021 and system exception reports, which included a check of sub-ledger totals to general ledger control account totals, had been run on the same day the sub-ledger was closed down, with no exceptions reported.

2.8 Unallocated Income

2.8.1 Unallocated income can arise for several reasons but generally in relation to sundry debtors this is due to payment reference errors at the point of payment. Different scenarios are described below:

- If the debtor account and the invoice number is incorrect, the income will be posted to that debtor but not auto matched to the correct invoice.
- If the debtor account number is incorrect but has the correct number of characters, the income will be posted to the debtor account for unidentified income (DCA175401).
- If there is no reference or it is not in the correct format, the Bank Recs team will try to identify it. If they fail to do so it will be posted to (DCA175401) as above.
- Payments made to the correct debtor which do not match to any outstanding invoices need to be investigated as they may not relate to Service Income.

2.8.2 463 transactions totalling £52,000 were present in unidentified income account DCA175401 as at 21 July 2022, with the oldest income received in February 2014. The account is being reviewed and between 1 January 2021 and 21 July 2022, 232 transactions totalling £23,000 were cleared.

2.8.3 4,576 negative transactions applied to debtors accounts totalling £638k were classified with dispute code 'DZ – Floating Payment'. 2,761 of these credits totalling £248k have not been allocated to the respective outstanding invoices in over a year. Where income remains unallocated for long periods of time there is an increased risk of inappropriate debt recovery action risking reputation damage to the Council. A recommendation has already been made at paragraph 2.10.4 to address performance reporting of Unallocated Income. The Service has established a procedure for reviewing and correcting unallocated income and evidence of review of unallocated income 'DZ – Floating Payment' transactions was provided. As at August 2022 there were 3,649 transactions 24 totalling £404k of unallocated income classified with dispute code 'DZ – Floating Payment', dating from 2022 to 2011, that have yet to be reviewed and reallocated. A recommendation is included to track progress.

Recommendation

The Service review income applied to debtor accounts which has not been applied to outstanding invoices to ensure it is matched where appropriate to outstanding invoices.

Service Response / Action

Agreed. The Service has in place a comprehensive procedure on unallocated income, and this is being applied more robustly. However, resource constraints have prevented all of the outstanding sums from being cleared. The Service intends prioritising resources to ensure the backlog of unallocated income is reviewed and action taken; and will continue to maintain the procedure for any new unallocated income received.

Implementation Date

March 2023

Responsible Officer

Team Leader (Transaction Services)

Grading

Important within audited area

2.9 Ceasing Service Delivery

2.9.1 The Council's Service Income Policy requires monthly performance information for accounts that are overdue to be prepared by the Business Services Transaction Team; responsibility is now with Finance in practice and a recommendation has been made at paragraph 2.1.8 above to address this. Where there are outstanding invoices in relation to an ongoing, regular service then provision of service may be withheld where there is not a statutory requirement to provide that service (for example for health and safety reasons). Each service is required to maintain a policy in respect to withholding chargeable services for each relevant service and services essential to well-being will not be subject to cessation. In circumstances where the debtor is a vulnerable person or in respect of services essential to well-being, as part of the 'sensitive recovery process' referred to in paragraph 2.2.2 above, Finance has discretion to authorise continued service provision to a customer where historic invoices remain due.

2.9.2 The Debtors system does not automate the cease service process, increasing the risk non-statutory services not essential to well-being will continue to be offered to customers incapable of paying for those services, risking bad debt. The Council's Service Income policy already identifies if a type of charge is essential to well-being as well as charge types where a sensitive recovery process is required.

Recommendation

The Service should automate the cessation of non-statutory services which are not essential to well-being within the debtors system.

Service Response / Action

Agreed. This was considered by the Council some years ago and limited action was taken at the time. With the development of systems and processes the Service will look at what action can be taken to cease services and also to consider the cost/benefit of automation options that may now exist.

Implementation Date

June 2023

Responsible Officer

Finance Controls Manager

Grading

Significant within audited area

2.10 Performance Management and Reporting

2.10.1 In accordance with the Council's Service Income policy, monitoring income collection performance is necessary to assess the success of charging for service delivery. The outcomes of this should be compared to Council and service income targets, objectives and priorities. A clear distinction is required to be made in all reports between income that has been invoiced and that which has been collected. The policy requires clear targets to be set and information to be collected and analysed on a regular basis. The policy also

requires monthly performance information to be referred to relevant team leaders, service managers and Chief Officers for further decision and escalation.

2.10.2 Suggested reporting includes:

- Aged Debt Analysis
- Number and Value of Invoices raised and paid
- Number and Value of Accounts Outstanding
- Overdue Debt against Annual Revenue (12 month average),
- Percentage of unallocated cash when measured against 12 months cash receipts
- Level and age of unresolved disputes
- Debts subject to Payment Arrangements
- Debts subject to Deferred Recovery Action
- Customers subject to a cessation of service

2.10.3 The performance reporting described in paragraphs 2.10.1 and 2.10.2 above is not being made available to relevant team leaders, service managers and Chief Officers. In the absence of this reporting, there is an increased risk of disputes being unresolved in a timely manner, of services being delivered to customers without the means to pay for them and generally of an increase in bad debts and delays in receiving payment for outstanding debts.

2.10.4 The Service advised that limited resources within the team in recent years has meant that prioritisation of the key tasks has not addressed the shortfall of consistent performance information, relying instead on periodic reporting when asked.

Recommendation

The Service should establish a comprehensive system of debt recovery performance reporting which is target based and reported regularly to relevant team leaders, service managers and Chief Officers for debt recovery escalation and decision-making purposes. The following regularly reporting should be considered: aged debt analysis, unallocated cash receipts, unresolved disputes, payment arrangements, deferred recovery action, and customers subject to cessation of service

Service Response / Action

Agreed. A comprehensive system of performance reporting will be developed to support the transactions team in carrying out their work as, and Council management in scrutiny and decision making purposes.

Implementation Date

March 2023

Responsible Officer

Finance Controls
Manager

Grading

Significant within audited
area

AUDITORS: J Dale

A Johnston

A McDonald

Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	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, to the Council.
Major at a Service Level	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system’s adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	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.

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ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	27 September 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2111 – Building Maintenance System
REPORT NUMBER	IA/AC2111
DIRECTOR	N/A
REPORT AUTHOR	Jamie Dale
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on the Building Maintenance System

2. RECOMMENDATION

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

3. BACKGROUND / MAIN ISSUES

- 3.1 Internal Audit has completed the attached report which relates to an audit of the Building Maintenance System.

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 as detailed in the attached appendix.

7. OUTCOMES

- 7.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.
- 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
Impact Assessment	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.
Privacy Impact Assessment	Not required

9. APPENDICES

- 9.1 Internal Audit Report AC2111 – Building Maintenance System

10. REPORT AUTHOR DETAILS

Jamie Dale, Chief Internal Auditor
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(01467) 530 988



Internal Audit Report

Operations

Building Maintenance System

Issued to:

Rob Polkinghorne, Chief Operating Officer
Steven Whyte, Director of Resources
Andy MacDonald, Director of Customer Services
Gale Beattie, Director of Commissioning
Mark Reilly, Chief Officer - Operations
Steve Roud, Chief Officer – Digital and Technology
Craig Innes, Head of Commercial and Procurement
Fraser Bell, Chief Officer – Governance
Jonathan Belford, Chief Officer – Finance
John Noble, System Support Manager
Helen Cannings, Data Protection Officer
External Audit

EXECUTIVE SUMMARY

Background

The building maintenance system is a package of software used to manage, report on, and deliver reactive and scheduled property repairs to council tenants and other service subscribers. It also covers void property work and inspections, job ticketing, scheduling, invoicing, stores management (depots and tradesmen's vans), purchase ordering, creditor payments and alerts.

During 2021/22 the system administered 136,482 repair jobs and raised 30,446 purchase orders totalling £25.456 million.

Objective

The objective of this audit was to provide assurance over system controls, including access controls, system security and backups, interfaces, business continuity and contingency plans.

Assurance

In general there is assurance over system access and training, and there are business continuity and contingency plans in place. Risks have been highlighted in respect of application of best practice and Council policy in system access, use and security arrangements, which the Service will explore with the supplier as part of a planned upgrade project.

Findings and Recommendations

On 1 April 2022 the Council relicensed the system, which will include an upgrade and hosting on the supplier's cloud, at a cost of £405,390 over two years, with an option to extend for a further 12 months thereafter. The Council's procurement regulations were suspended with approval from the Director of Commissioning, and Scottish Procurement Regulations were not applied, to allow a direct award in excess of local and national cost thresholds, justified as "*urgently required to meet the exigencies of the Function/Cluster*". However, the original contact with the supplier had already lapsed in 2019/20 and a suspension of Procurement Regulations sought and granted for the financial year 2020/21. A further extension was undertaken for the financial year 2021/22 without obtaining written approval for suspending procurement regulations. This indicates a lack of forward planning, and a risk to achieving best value. A recommendation graded Significant within audited area has been made to ensure procurement is adequately planned to ensure transparency and avoid the need to suspend procurement regulations.

Supplier access agreements are out of date, and data protection risks have not been subject to review. Recommendations graded Significant within audited area have been made to update access and data sharing agreements and conclude a data protection impact assessment for the upgraded system.

System password controls and access restrictions do not currently meet the Council's standards, and there is no process for reviewing ongoing user access requirements e.g. where users have left or changed jobs. Recommendations graded Significant within audited area have been made to ensure the system reflects the Council's security requirements, and to implement an annual user access audit.

Assurance over use of the system may be affected because of the use of a number

of generic usernames for particular activities, and a need for a small number of processing users to use system administrator roles to complete some transactions. This impacts on the effectiveness of transactional controls and the audit trail of user activity. Recommendations graded Significant within audited area have been made to limit use of generic users and to review the processing requirements with the supplier.

It should be noted that there are currently plans for Service redesign where the team responsible for managing the system in Building Services may be transitioned from Building Services to Digital and Technology. This may impact on the reporting of actions in the future and will be monitored by Internal Audit.

Management Response

Whilst the system was not open-market tendered, it has now gone through the Council's Procurement Governance process appropriate to direct awards.

Supplier access arrangements will be reviewed, and data protection risks formally considered and documented.

Options for adjusting system parameters to reflect the Council's password and workflow requirements may be limited but this will be explored with the supplier as part of the upgrade project.

There is insufficient resource within the system support team to carry out annual user audits, however we will liaise with D&T regarding options to incorporate into the corporate D&T leavers process.

The current record of assigned generic users has been reviewed to ensure all are still appropriate. The technical issues requiring such users will be raised with the software supplier as part of the system upgrade.

11. INTRODUCTION

- 11.1 The building maintenance system is a package of software used to manage, report on, and deliver reactive and scheduled property repairs to council tenants and other service subscribers. It also covers void property work and inspections, job ticketing, scheduling, invoicing, stores management (depots and tradesmen's vans), purchase ordering, creditor payments and alerts.
- 11.2 During 2021/22 the system administered 136,482 repair jobs and raised 30,446 purchase orders totalling £25.456 million.
- 11.3 The objective of this audit was to provide assurance over system controls, including access controls, system security and backups, interfaces, business continuity and contingency plans.
- 11.4 The factual accuracy of this report and action to be taken regarding the recommendations made has been agreed with, John Noble, System Support Manager, Steve Roud, Chief Officer - Digital and Technology and Helen Cannings, Data Protection Officer.

12. FINDINGS AND RECOMMENDATIONS

12.1 Written Procedures

- 12.1.1 Comprehensive written procedures that are easily accessible by all members of staff can reduce the risk of errors and inconsistency. They are beneficial for the training of current and new employees and provide management with assurance that correct and consistent instructions are available to staff, especially in the event of an experienced employee being absent or leaving.
- 12.1.2 The Systems Development team (System team) has written procedures covering all team tasks. These are maintained on SharePoint and are accessible to all staff who require them. Procedures are reviewed whenever a system update is carried out and when new staff are being trained, to ensure they are current.
- 12.1.3 Along with written procedures, new staff will only be given access to the 'live' system after they have received training from line managers and peers within the transactional teams. This training is carried out on a test database as well as 'live' within the system.

12.2 Contracts

- 12.2.1 On 1 April 2022 the Council relicensed the system, which will include an upgrade and hosting on the supplier's cloud. The Chief Officer Digital and Technology received approval from the Director of Commissioning to undertake a direct award to the framework supplier in accordance with the Council's Scheme of Governance. The contract is for a two-year period with the option to extend for 12 months.
- 12.2.2 The estimated cost for the contract including support and maintenance was set out on a procurement business case as £161,000 per annum, or £322,000 over two years. However, the contract is logged on the contracts register at a value of £237,928. The contract itself sets out an annual fee of £165,389, plus further fees of £2,073, and one-off charges of £59,067 and £11,399. Further costs may be incurred at a pre-agreed rate for additional services. The base cost of the contract over two years is therefore £405,390, and £572,852 if the extension is taken up.
- 12.2.3 The request for the suspension of Aberdeen City Council procurement regulations 2021 3.10 indicated regulation 4.4.1 was being suspended - where a contract has an estimated value of between £50,000 and the higher threshold limit. However, the value of this contract exceeds the higher value threshold as published by the Scottish Government for public contracts of £213,477. The contract value listed on the request was £483,000. The request for suspension should therefore have referenced procurement regulation 4.5.1, and non-adherence to Scottish Procurement Regulations. The procurement has yet to be notified to the Strategic Commissioning Committee as required under council procurement regulation 3.11.
- 12.2.4 The suspension was justified as *"urgently required to meet the exigencies of the Function/Cluster"*. However, the original contact with the supplier had already lapsed in 2019/20 and a suspension of Procurement Regulations sought and granted for the financial year 2020/21. A further extension was undertaken for the financial year 2021/22 without obtaining written approval for suspending procurement regulations. The fact a further request to suspend the regulations has been asked for appears to indicate either a lack of forward planning or deliberate choice to not open the contract to the market. Without going out to the market there is a risk of not obtaining best value from an appropriate digital solution.

Recommendation

- a) The Service should ensure appropriate forward planning is undertaken so as not to require suspension of Procurement Regulations, and to ensure costs and approvals are accurate and fully transparent.
- b) The Service should ensure the contract, including the reason for suspending local and national procurement regulations, is reported to the Strategic Commissioning Committee.

Service Response / Action

- a) Service attempted to bring up to date in 2020 but due to Corporate Digital Review any decisions on this system were put on hold. System has now gone through the Procurement Governance process, although not an open market process which has resulted in an extended three year contract. This is an upgrade to the current system as opposed to a completely new system, this will ensure that the service has a streamlined transition from the current system to the new upgraded cloud based system.
- b) Reasons will be included in a Register of approved memos prepared by Commercial and Procurement which is reported along with each cycle's Workplans and Business Cases. The next report will be submitted to Committee in September 2022

Implementation Date

Responsible Officer

Grading

a) September 2023

Operations Manager

Significant within audited area

b) September 2022

Strategic Procurement Manager

12.2.5 All external parties who require access to Council systems are required to complete a 'Third Party Access Registration form' before access is granted. This form sets out the details of who requires access, the level of access and reason. It also sets out the roles and responsibilities of both the Council and the third party to ensure the system data is protected. Access to the system databases and applications / modules is provided via a VPN (Virtual Private Network). A third-party access registration form was last signed in 2016 by the Council and the system support and maintenance contractor and is out of date as it refers to systems and processes no longer in use.

Recommendation

An up to date third party access agreement should be completed for the revised system.

Service Response / Action

The current access agreement will be re-assessed and updated to reflect the current position.

Implementation Date

Responsible Officer

Grading

July 2022

Infrastructure Architect

Significant within audited area

12.3 Data Protection

Data Processing Agreement

12.3.1 GDPR Article 28(3) and section 59(5) of the Data Protection Act 2018 require where a data controller such as the Council uses a Data Processor to process personal data on its behalf, that the processing be governed by a contract, binding the processor to the

controller and setting out the subject matter and duration of processing, the nature and purposes of the processing, the type of personal data and categories of data subjects, and the obligations and rights of the controller and the processor.

- 12.3.2 GDPR Article 28 goes on to state the contract shall stipulate that the processor: only processes the personal data concerned on documented instructions from the Controller, including with regards to transfers of personal data to a third country or international organisation; the persons authorised to process the personal data have committed themselves to confidentiality; appropriate technical and organisational measures are put in place by the processor to protect personal data; personal data will be deleted or returned to the controller at the end of the provision of services relating to processing; and the processor will allow for and contribute to audits by the controller or another auditor mandated by the controller.
- 12.3.3 With the extension to the system license the revised contract contains the required documentation to cover the requirements of a data processing agreement.

Privacy Notices

- 12.3.4 In accordance with GDPR Article 13, where personal data relating to a data subject is collected, the Council uses privacy notices to: explain the purposes of processing; the legal basis for processing; the data subject's rights in relation to their personal data held by the Council; whether the data will be shared with any other parties; whether there is any automated decision making or profiling using the personal data; the retention period; and the contact details of the Data Protection Officer responsible for monitoring the Council's compliance with Data Protection legislation.
- 12.3.5 The Privacy Notice must provide information to individuals in a concise, transparent, intelligible, and easily accessible way and must be written in clear and plain language. The Council publishes all its privacy notices on its website. As the system is used to process property details along with the associated tenants' personal data a privacy notice under Housing Repairs has been published on the Councils website.
- 12.3.6 As indicated in paragraph 2.3.4 above, in accordance with the GDPR, privacy notices must provide details of how long the Council will hold a customer's personal data for. The Housing repairs privacy notice indicates "The record of the repair to the property will be stored electronically and will be kept as long as the property exists and remains in council ownership. At the end of this period it will be securely destroyed." Details of the property would not be viewed as personal data however it does not indicate whether any of the tenants' details are retained for this length of time. On this basis any property which is sold or demolished should be removed from the system, there would also be a question regarding data held for mutual repairs, where home-owners may have been included with any works undertaken.
- 12.3.7 When the system team was asked whether the retention period was being adhered to, they indicated no records had ever been archived from the system and they were unsure whether the current version of the system could distinguish between different property types to enable automatic archiving/deletion of certain records. Following Internal Audit's enquiry, the system team undertook an extract of properties which were no longer owned by the Council and held personal details of the former tenants. This showed 2,030 records which held the former tenant's name. The system team has undertaken a tidy up of these records and has removed any personal data.
- 12.3.8 Data is also held in a Test version of the database, which is only updated as and when required to support and test changes and upgrades. Any personal data held in this part

of the system may therefore not comply with the GDPR requirement to maintain it accurately and up to date.

Information Asset Register

- 12.3.9 Article 30 of the GDPR specifies data controller record requirements relating to processing activities. The Council achieve this by way of an Information Asset Register (IAR) arranged in four parts by Information Asset Owner Register, Register of Data Flows, Register of Systems/Wrappers, and Register of Processing Activities. The building maintenance system is recorded on all parts of the IAR.

Data Sharing

- 12.3.10 A summary of the privacy notices published on the Council's website indicates personal data that the Council controls is shared with third party contractors who may undertake the repair work.
- 12.3.11 Section 5.4 'Information Sharing Protocols and Agreements' of the Council's Managing Information handbook covers the requirements when personal data is shared with another Data Controller, stating:
- "Any disclosure or sharing of personal data will be carried out in accordance with Data Protection law. Where data sharing is routine, i.e. more than ad-hoc, a Privacy Impact Assessment [otherwise known as a Data Protection Impact Assessment] shall be undertaken, and a Data Sharing Agreement or Information Sharing Protocol shall be put in place between parties to the agreement".*
- 12.3.12 The exception is External Audit, who are entitled to system access, in accordance with section 100 of the Local Government (Scotland) Act 1973, Auditor's right of access to documents. Where the Council shares personal data with a Data Processor, a Data Processor Agreement is required as per paragraph 2.3.1 above.
- 12.3.13 For new systems or data processing proposals, information gathered as part of the Council's Data Protection Impact Assessment (DPIA) process provides the basis for drafting an appropriate Data Sharing Agreement. The DPIA should be reviewed by the Information Asset Owner (third tier manager) and Data Protection Officer. There is no DPIA in place for the Building Maintenance system, as this system has been in place since 2001. The contracted upgrade to the system, which includes the move from Council controlled Servers to the contractors hosted Cloud could be viewed as a significant change to the way tenant data is being handled, and in such a case a DPIA would be appropriate to identify and address any potential risks.
- 12.3.14 A review of the third party Data Processors and Controllers with whom personal data held in the System is shared found a current data processing agreement was not in place with the Council's third party repairs contractors. Carrying out a Data Protection Impact Assessment of the Building Maintenance system will facilitate this process, by identifying personal data being shared with third parties and the related risks.

Recommendation

Customer Experience should assess the data protection risks associated with the Building Maintenance system and use this process to ensure appropriate data processing agreements and data sharing agreements are in place.

Service Response / Action

The system upgrade will incorporate works to ensure all measures are in place to fully comply with all risks associated with Data protection.

<u>Implementation Date</u> September 2023	<u>Responsible Officer</u> Operations Manager	<u>Grading</u> Significant within audited area
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12.3.15 Section 3.2 ‘Confidentiality and you’ of the Council’s Managing Information handbook covers the requirements of dealing with confidential personal information. It emphasises a Council employee’s contract of employment covers their duty of confidentiality. Except for the support and maintenance contractor, for which confidentiality is covered in the contract, non-council employees do not currently access the system.

12.4 Timetabling of Milestone Events

12.4.1 The System team maintains a detailed timetable for all database maintenance and routine processes that require to be run throughout the year. The timetable is prepared prior to the start of the new financial year with daily, nightly, weekly, two-weekly, four-weekly, and yearly tasks to be completed detailed e.g. (changes to the schedule of rates); Certain jobs are scheduled to run within the system while the majority rely on users having completed processes before a job can be run by members of the system team. Currently there is no checklist for the systems team to indicate the required job has been undertaken. This presents a risk of jobs not being undertaken, potentially impacting on subsequent processes. The Service have indicated the only critical process is the nightly interface to e-financials to ensure suppliers are paid timeously. This process produces control emails notifying the systems team should the process fail. There are also controls at the e-financials end where Finance staff undertake checks of the files being loaded.

12.5 System Parameters

12.5.1 Changes to system parameters, such as schedules of rates (SORs), can only be completed by staff in the System team. Changes to system parameters are tested primarily on the Test system before being put onto the Live system, and a full audit trail is produced by the Service. System parameters are changed mainly at the request of the Service.

12.5.2 A review of the update to the SORs for 2021/22 found they had been supplied by the Service, updated, and checked by the systems team and the Service prior to going live.

12.6 System Access, Security and Audit Trails

Access

12.6.1 System access is requested by email from a line manager. The emails normally provide the job role the employee is to fill, or a reference to another current member of staff already in a similar position. The employee’s access to the system is determined by their post, with different “access groups” for the different responsibilities, i.e. storeman, tradesman, invoice processor etc.

12.6.2 When an employee is going to leave the Council, for their system account to be closed, the System team must receive a request through IT or from the employee’s line manager. A review of all current users on the system was compared to leavers recorded through the Council’s payroll system between January 2017 and January 2022 and this identified eight users who had left the Council but were still “live” users in the system. The current system does not lock users from the system after any period of non-use. The users were notified to the System team to check and correct.

12.6.3 While the process for notifying the System team is not linked to the Council’s leavers

process, the Council's leavers process does ensure IT are notified, and access to the Council's networks is removed. Without a Council login it is not possible to access the system, reducing the risk of unauthorised access by former employees. However, it was confirmed with Digital & Technology (D&T) that current security settings would mean those with web client access would still be able to access the system using their own device. D&T indicated this should be addressed with the upgrade to the new system.

- 12.6.4 The System does not log out users who have been inactive within a live session for a certain amount of time where they are using the desktop client, but it does log out users using the web client after 20 minutes. An extract of live system users indicated 95 had never logged onto the system. The Systems Team indicated these users may only be using the TotalView front end of the system and their log on data may not be recorded on the audit trail. The fact the system does not lock users after periods of inactivity poses a risk of such staff still being able to access the system in the future, even though their job role may have changed. A record of these users was provided to the systems team to ascertain whether access should be removed entirely.

Recommendation

The Service should explore options to lock users after a set period of inactivity with the software provider as part of the system upgrade.

Service Response / Action

Agreed. The Business & Systems Support Manager will raise this with the software provider to ascertain if this can be applied in the current system. It will also be looked to be addressed as part of the system upgrade.

Implementation Date

August 2022.

Responsible Officer

Business & Systems Support
Manager

Grading

Significant within audited
area

- 12.6.5 Where a member of staff changes post within the Council, line manager notification to the System team is required to remove / amend system access. On 28 February 2022 there were 330 live users, with 75 job titles across all Council Functions.

- 12.6.6 Three staff with Administrator access were found in the review, these staff do not form part of the system team. The reason for these staff having administrator profiles was raised with the Operations Development & Performance Officer who indicated this was because of the tasks two of the users required as part of their job roles as part of a costing process. The current system profiles only allow this to be undertaken as part of the administrator profile. The third user had previously undertaken this task; however they have now moved job, therefore their profile should be updated. Having transactional staff with administrator access poses control issues under segregation of duties. Such issues with profile construction should be raised as part of the system upgrade.

Recommendation

The system team should raise the issue of transactional processes only being available under an administrator profile as part of the system upgrade.

Service Response / Action

Agreed. The current system does not allow for this differentiation but will be raised as part of the system upgrade project.

Implementation Date

September 2023

Responsible Officer

Business & Systems Support
Manager

Grading

Significant within audited
area

- 12.6.7 The issues in the preceding paragraphs indicate a lack of control over user management within the system, due to the lack of a corporate leavers process which would alert the systems team to changes required to system users. Without this process a possible solution is an annual review of users, with line managers being contacted to provide confirmation that users are still current and have the correct level of access to the system to carry out their job.

<u>Recommendation</u>		
The System Team should carry out an annual audit of users to ensure they still require the access they hold.		
<u>Service Response / Action</u>		
Due to resource issues within the system team such a review would not be feasible. We would prefer to cover under the leavers process, through the notification to D&T. We will contact colleagues in D&T and ascertain if this is possible.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
July 2022	Business & Systems Support Manager	Significant within audited area

Passwords

- 12.6.8 The Council's Password Standard requires user passwords to be at least eight characters long while system administrators' should be fifteen. Both should contain three of the required categories: upper case, lower case, numbers, or special characters. Currently neither the user nor administrator passwords comply with the standard. The user passwords do not require the three categories but do require to be eight characters long. The administrator passwords currently mirrors the user password requirements. The systems team believe the current system parameters do not allow variations in character length. Compliance with the Council's password standard should be investigated with the introduction of the new system upgrade.

<u>Recommendation</u>		
The System Team should ensure the system enforces compliance with the Councils password standard.		
<u>Service Response / Action</u>		
Agreed. Current system does not provide this functionality, but it will be raised as part of the system upgrade.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
September 2023	Business & Systems Support Manager	Significant within audited area

- 12.6.9 The system locks user access following three failed login attempts. Users must email the System Team to have it unlocked. There is no requirement for the unlocking to be authorised by a line manager.

Audit Trails

- 12.6.10 The audit trail functionality cannot be disabled in the system. However, the timescale for which the various changes are recorded in the system differs, e.g. a purchase order approval structure overwrites the previous structure, while the SOR changes maintains a full history of all changes. The functionality of the audit facility is dictated by the system.
- 12.6.11 The system has 23 generic user profiles – i.e. accounts set up not linked to any single

specific user. Six of these are system required, for the maintenance and support provider to access on request or to allow interfaces to run automatically. The remainder have been set up as a work-around for technical variations between the system and service setup – for example standard access rights do not permit purchase orders to be edited and re-approved. The system team maintains a spreadsheet showing who was given access but not when it was removed / ended.

- 12.6.12 These accounts present a risk, as it may not be possible to attribute transactions or changes to an individual officer and hold them to account in the event of an error. Moving to a new version of the system could present an opportunity to improve alignment with service requirements. If generic users are still required, their use needs to be effectively controlled and monitored.

<u>Recommendation</u>		
The Service should ensure system access is aligned with service requirements, and that use of generic users is limited and monitored.		
<u>Service Response / Action</u>		
Agreed. The current record of assigned generic users has been reviewed to ensure all are still appropriate. The technical reasons requiring such users will be raised with the software supplier as part of the system upgrade.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
September 2023	Business & Systems Support Manager	Significant within audited area

12.7 System Testing and Development

- 12.7.1 To enable the Service to test database upgrades, amendments, and fixes before applying them to the Live database, a Test database is available. The Test database mirrors the Live database and is populated with the data held on the Live database to give staff the ability to fully test any changes prior to being applied to the Live database
- 12.7.2 The latest system upgrade in April 2020 changed the operating database from oracle to SQL. The systems team undertook a series of tests within both the test and live database to ensure the expected outcomes for the processes within the system remained constant. Records of the tests, results, and any follow up of errors/anomalies was maintained.

12.8 Interfaces & Reconciliations

- 12.8.1 The System team administers the interfaces to and from, and within the system, and these are fully documented. The principal system interfaces are:

From

- Operational Buildings Management System–job requests, as and when jobs are raised
- HRA Housing Management system– Property status and tenant information updates, updated daily.

To

- Financial – Creditors system for supplier invoices to be paid, updated daily.
- Operational Buildings Management System – confirmation of stages of each job, request receipt, attendance at site and completion details, updated hourly. Internal charging for completed jobs, monthly.

- 12.8.2 Should an interface fail, or have individual rejections within a file, the system team is

notified by email automatically by the system. One month's interfaces were tested for each of the systems, except for the Creditors' interface which was tested as part of the Financial System Interfaces audit, report AC2209. Testing found no files had failed entirely and where any rejections were reported, these were found to have been intended for external contractors – and therefore should not have been processed on the system, showing the interface correctly identifies such errors. There are no reconciliations between systems.

12.9 Contingency Planning and Disaster Recovery

- 12.9.1 The Building Services business continuity plan is detailed, covering all the business functions, although the appendices, including the key supplier assessment questionnaire (which assesses supplier ability to continue providing services in event of major incident affecting supplier operations) were not completed as required. The plan is currently under review in consultation with the various stakeholders. The omission of the appendices has been highlighted to the project lead for addressing.
- 12.9.2 Files are backed up by the Council's data centre service provider in full on a weekly basis and incrementally daily, with 30 days of backup files held locally and a 90-day offsite retention held in the disaster recovery datacentre in another location. The Service Level Agreement with the data centre service provider specifies in the case of outages, service should be restored within 24 hours and a permanent fix applied within two days to prevent recurrence. Daily system backups are scheduled. Logs for October 2021 demonstrated that backups had been completed for each of the nights. However, it was noted a number of the backups had been completed "with errors". Digital and Technology clarified that this relates to system files / directories being open at the time of backing up, however the backups still completed successfully, and this does not impact on the reliability of the data or the ability to retrieve data from them.
- 12.9.3 The system is deemed a business critical system and as such it appears on the schedule of disaster recovery testing. The resilience test for 2021 was delayed due to a technical issue resulting in a failed test. This will be planned for early 2022 once the cloud modernisation project has completed. However, D&T indicated the system is replicated to the Councils disaster recovery datacentre and if the Aberdeen Data Centre became unavailable D&T would invoke the contingency for this system with a Recovery time objective of two hours.

12.10 Database Performance

- 12.10.1 The system is pivotal in the maintenance process for Council housing and operational buildings along with timeous payment of suppliers. As such it is vital the database operates at an optimum level and is available for use. The Systems Development Officer indicated downtime, outwith scheduled upgrades, is almost zero (three in 12 months, two of which were for less than 10mins, the other four hours). As at 28 February 2022 there were no open calls with the support and maintenance provider

AUDITORS: J Dale

C Harvey
G Flood
C Johnston

Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	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, to the Council.
Major at a Service Level	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	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.

ABERDEEN CITY COUNCIL

COMMITTEE	Audit Risk and Scrutiny Committee
DATE	27 September 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Quarter 2- Use of Investigatory Powers
REPORT NUMBER	COM/22/209
DIRECTOR	Gail Beattie
CHIEF OFFICER	Vikki Cuthbert- Interim Chief Officer- Governance
REPORT AUTHOR	Jess Anderson, Team Leader- Regulatory & Compliance Team, Legal Services
TERMS OF REFERENCE	5.2

1. PURPOSE OF REPORT

- 1.1 To ensure that Elected Members review the Council's use of investigatory powers on a quarterly basis and have oversight that those powers are being used consistently in accordance with the Use of Investigatory Powers Policy.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 Notes the update within the report in respect of the Council's use of investigatory powers during Quarter 2 of the current year.

3. CURRENT SITUATION

- 3.1 The Council has powers under the Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA), and Investigatory Powers Act 2016 (IPA) to use different investigatory techniques. RIPSA provides a legal framework for covert surveillance by public authorities, an independent inspection regime to monitor these activities and sets out a process for the authorisation of covert surveillance by designated officers, for the duration of that authorisation and for the review, renewal or termination of authorisations. It gives the Council powers to conduct two types of covert surveillance:

1. Directed Surveillance (is covert surveillance in places other than residential premises or private vehicles); and
2. the use of a Covert Human Intelligence Source (the use of an undercover officer).

This Committee has had oversight of covert surveillance activity under RIPSAs since 2017.

- 3.2 The IPA permits the Council to acquire Communications Data for a lawful purpose. Communications data is the way in which, and by what method, a person or thing communicates with another person or thing. The IPA sets out the manner and process by which Communications data can be obtained and this is supported by the Home Office's Communications Data Code of Practice¹. The Council has not used Communications data since approximately 2005, however the ability to acquire it still remained. In response to concerns from the Operations and Protective Services cluster that there is an increase in online offences, more so during the pandemic, Legal Services and Trading Standards are working together to put in place operational procedures to ensure compliance with the requirements of the IPA.
- 3.3 The Investigatory Powers Commissioner (IPCO) has oversight of both RIPSAs and IPA and as such, the Council's use, and management of powers under these will form part of the normal inspection process. The last inspection took place in April 2020 and was reported to this Committee on 8th October 2020¹. The next is due 2023/2024.
- 3.4 The Council approved the Use of Investigatory Powers Policy in December 2021². This policy governs compliance with both RIPSAs and the IPA. It remains a mandatory requirement that all members of staff wishing to use investigatory power must undertake training prior to being able to make an application to use such investigatory powers.
- 3.5 Committee is being asked to note the update on the use of these powers, and the Council's compliance with the Policy, particularly in respect of covert surveillance activity during the period 23rd June to 15th September 2022, namely Quarter 2 of 2022.

Quarter 2- 2022

Covert Surveillance – RIPSAs

- 3.6 In the period from 23rd June until 15th September 2022, there have been two authorisations for Directed Surveillance. The authorisations related to test purchases of age restricted goods- namely tobacco and vapour related items. Both authorisations were cancelled within the statutory timescale, as is the legal requirement.

¹ [Agenda for Audit, Risk and Scrutiny Committee on Thursday, 8th October, 2020, 2.00 pm \(aberdeencity.gov.uk\)](#)

² [Agenda for Audit, Risk and Scrutiny Committee on Thursday, 2nd December, 2021, 2.00 pm \(aberdeencity.gov.uk\)](#)

- 3.7 There have been no further applications for covert surveillance made, or approved, within this quarter.

Communications Data- IPA

- 3.8 At the time of writing this report, the Council has not acquired any Communications data but is progressing arrangements with NAFN³ to provide services to the Council required by the IPA. Further, operational procedures have been drafted and shall be approved by the Chief Officer- Governance once arrangements with NAFN are concluded. No Communications data shall be acquired until training has been delivered and the operational procedure approved.
- 3.9 Any activity under the IPA will form part of the normal quarterly reporting cycle to this Committee.

Training

- 3.10 Refresher training was delivered on 28th July and 4th, 25th August 2022 to Council staff who have been trained to apply for, and authorise (where policy prescribes it), covert surveillance. One session was offered in person and two online sessions via Microsoft Teams. There were interactive parts to all the sessions. The training focussed on a reminder of the essentials/ key points of RIPSA, updates in case law and procedure.

Awareness Raising

- 3.11 The last Authorising Officer's meeting was 1st September 2022. General feedback was provided to the Authorising Officers on the refresher training and the audits of authorisation forms made during this quarter.

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 IPCO when they carry out their inspections.
- 5.2 The Home Office Code of Practice on Communications Data states that any public authority wishing to acquire Communications Data must have regard to the Code and that there should be a robust process in place for accessing such data which should be overseen by the Senior Responsible Officer.

- 5.3 Quarterly reporting of the Council’s use of investigatory powers to Elected Members provides assurance that the Council’s use of such powers is being used consistently and that the standards set by its policy remain fit for purpose.
- 5.4 The management, knowledge and awareness of those involved with RIPSA activity was something which was commended by the IPCO in his inspection in 2020. Officers hope that reporting on the use of investigatory powers more broadly, enhances transparency and provides another level of scrutiny and assurance on the use of these powers.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no environmental/ climate risks arising from the recommendations in this report.

7. RISK

The assessment of risk contained within the table below is considered to be consistent with the Council’s Risk Appetite Statement”

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	There are no strategic risks		L	Yes
Compliance	That the Council’s use of RIPSA is not legally compliant. The Council’s acquisition of communications data does not comply with the Home Office Code of Practice.	This Committee receives quarterly and annual reports on its use of investigatory powers under RIPSA and the IPA and related policy mitigates this risk highlighted in this section.	L	Yes

Operational	Employees are not suitably trained for surveillance work. Failure to report to and update Committee on surveillance activity means that it would undermine public confidence in the Council and how it operates.	Appropriate and mandatory training arms staff with the correct skills to carry out surveillance and thus, there is little to no risk to staff. All requests for training are met. Reporting to Committee occurs quarterly on surveillance activity.	L	Yes
Financial	There are no financial risks arising from this report		L	Yes
Reputational	Failure to update Committee on RIPSAs activity would mean that the Council would be at risk of reputational damage when this is raised by the IPCO in their inspection.	External inspections on RIPSAs activity operate every 3-4 years. This provides external assurance to the Committee of the Council's compliance with RIPSAs. Further, whilst there is no requirement to report to Committee about the Council's use of Communication Data, the broader reporting of both demonstrates the Council's wish to be transparent about its use of such powers. The Inspection Report is shared with Committee and an Action Plan created (where necessary) and is endorsed and approved by	L	Yes

		Committee.		
Environment / Climate	There are no environmental or climate impacts arising from this report.		L	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The report does not have an impact on the Policy Statement
Prosperous Economy Stretch Outcomes	Whilst the recommendations of this report are for noting, the use of investigatory powers 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.
Prosperous People Stretch Outcomes	Enforcement activity undertaken by the Council by using, where appropriate, its powers under the IPA and RIPSAs, may have an impact on this by tackling the selling of counterfeit goods.
Prosperous Place Stretch Outcomes	
Regional and City Strategies	This report does not have an impact on the Regional and City Strategies.

9. IMPACT ASSESSMENTS

Assessment	Outcome
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Integrated Impact Assessment	The purpose of this report is to update Committee on the Council's use of investigatory powers. Further, 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 on this type of activity.
Data Protection Impact Assessment	The purpose of this report is to update Committee on the Council's use of investigatory powers. As such, a Data Protection Impact Assessment is not required.
Other	There are no other impact assessments relevant to this report.

10. BACKGROUND PAPERS

10.1 Use of Investigatory Powers Policy, December, 2021³

11. REPORT AUTHOR CONTACT DETAILS

Name	Jess Anderson
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³ [Agenda for Audit, Risk and Scrutiny Committee on Thursday, 2nd December, 2021, 2.00 pm \(aberdeencity.gov.uk\)](#)

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ABERDEEN CITY COUNCIL

COMMITTEE	Audit Risk and Scrutiny
DATE	27 September 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Scottish Public Services Ombudsman Decisions and Inspector of Cremations Complaint Decisions
REPORT NUMBER	CUS/22/208
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Jacqui McKenzie
REPORT AUTHOR	Lucy McKenzie
TERMS OF REFERENCE	6.4

1. PURPOSE OF REPORT

- 1.1 This report provides information on all Scottish Public Services Ombudsman (SPSO) and Inspector of Cremations 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. CURRENT SITUATION

- 3.1 A report detailing all Scottish Public Services Ombudsman (SPSO) and/or Inspector of Cremations 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.

- 3.2 The last report on this matter was submitted to the 30 June 2021 Committee. Until recently, no Ombudsman decisions relating to Aberdeen City Council published had been published since that date.

Scottish Public Services Ombudsman (SPSO) Complaint Decisions

- 3.3 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
- 3.4 The SPSO publish all decision reports on their website at www.spsso.org.uk/decision-report-search
- 3.5 There are no SPSO decision relating to Aberdeen City Council complaints to notify Committee of.

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

- 3.6 The Scottish Welfare Fund is delivered by Local Councils across Scotland and offers two types of grants – Crisis Grants and Community Care Grants. Further information is available at www.aberdeencity.gov.uk/services/benefits-and-advice/apply-scottish-welfare-fund
- 3.7 From 12 October 2020, the Scottish Welfare Fund also administer the Scottish Government Self-Isolation Support Grants. Further information is available at www.aberdeencity.gov.uk/services/coronavirus-covid-19/self-isolation-support-grants
- 3.8 There have been four SPSO Second Tier Reviews in relation to Aberdeen City Council Scottish Welfare Fund application decisions since the last reporting period. Further information is detailed in Appendix A.

Inspector of Cremations Decisions

- 3.9 The Inspector of Cremations responds to complaints or queries from the public about cremations. There have been no decisions by the Inspector of Cremations 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. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

7.1 The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	Low (L) Medium (M) High (H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	If we do not handle complaints or Scottish Welfare Fund (SWF) applications correctly then there is risk that we do not meet our strategic objectives.	Support in complaint handling is available to responding officers through a variety of methods and there is a centralised team in place to monitor compliance. The SWF team go through extensive training and ongoing guidance and support is available. Reviews are carried out by senior staff.	L	Yes
Compliance	The (SPSO) is the regulatory body for public services in Scotland. If we are non-compliant in our handling of a complaint or Scottish Welfare Fund application then there is risk that this is	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	L	Yes

	highlighted by the SPSO.	responses are appropriate. Officers responsible for Scottish Welfare Fund applications receive full training to ensure they have the necessary knowledge to undertake assessments.		
Operational	Staff morale may be lowered as a result of a negative outcome of a SPSO decision.	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.	L	Yes
Financial	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 actions as a result of an SPSO decision, including financial compensation.	The complaint handling procedure encourages frontline resolution whenever possible and there is guidance and training in place to support staff in effective complaint handling. The financial benefit of early resolution is highlighted to responding officers in training.	L	Yes
Reputational	Non-compliance carries reputational risk.	There is a centralised Customer	L	Yes

	Customer perception of the council could also be negatively impacted if complaints and Scottish Welfare Fund applications are not handled correctly.	Feedback Team responsible for ensuring that complaints are being handled consistently and appropriately across the council. Staff within the Scottish Welfare Fund Team receive comprehensive training to ensure applications are handled correctly and there is a robust procedure in place to review decision making when necessary.		
Environment / Climate	There are no environment / climate risks associated with this report.	N/A	N/A	Yes

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
Impact of Report	
Aberdeen City Council Policy Statement	Complaints are a vital part of organisational learning and improvement therefore enabling the Council to realise its aims across its policy statement. The report focuses on complaints outcomes which provide rich customer insight for the organisation to act upon to help transform service delivery.
Aberdeen City Local Outcome Improvement Plan	
Prosperous Place Stretch Outcomes	The Scottish Welfare Fund supports the delivery of the LOIP stretch outcome 13 as it can provide short term financial assistance to help with food costs which can relieve the pressure on use of food banks. It also works with partner agencies to identify citizens and signpost them for budget management, debt advice and benefit maximisation.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	Not required

9. BACKGROUND PAPERS

N/A

10. APPENDICES (if applicable)

Appendix A – SPSO Scottish Welfare Fund Decisions

11. REPORT AUTHOR CONTACT DETAILS

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Appendix A – SPSO Scottish Welfare Fund Decisions

Application Received Date	Application Type	Aberdeen City Council 1st Tier Review Decision Date	SPSO 2nd Tier Review Decision Date	SPSO Decision
23 March 2022	Self-Isolation Support Grant	5 April 2022	21 June 2022	Aberdeen City Council decision upheld (Council's decision unchanged)
4 April 2022	Self-Isolation Support Grant	11 April 2022	14 June 2022	Aberdeen City Council decision upheld (Council's decision unchanged)
22 April 2022	Self-Isolation Support Grant	28 April 2022	27 July 2022	Aberdeen City Council decision upheld (Council's decision unchanged)
3 June 2022	Crisis Grant	7 June 2022	9 June 2022	Aberdeen City Council decision upheld (Council's decision unchanged)

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Exempt information as described in paragraph(s) 14 of Schedule 7A of the Local Government (Scotland) Act 1973.

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