ABERDEEN CITY COUNCIL

COMMITTEE	Audit and Risk Committee
DATE	26 February 2015
OWNER OF PAPER	David Brown, Chief Internal Auditor
TITLE OF REPORT	Implementation of recommendations relating to Internal Audit, External Audit and other investigations for 1 October 2014 to 31 December 2014.

1. PURPOSE OF REPORT

To update Audit and Risk Committee Members on the progress on implementing Internal Audit, External Audit and other investigations recommendations included within reports previously approved by the Audit and Risk Committee. This report focuses on:

- Internal Audit, External Audit and other investigation recommendations due for implementation prior to 31 December 2014.

2. RECOMMENDATION(S)

Members are asked to consider this report and request actions or explanations as appropriate.

3. FINANCIAL IMPLICATIONS

There are no financial implications other than those associated with the implementation of the recommendations which will be undertaken and financed by the Services.

4. OTHER IMPLICATIONS

This report does not have any direct links with the following: legal, resource, personnel, property, equipment, sustainability and environmental, health and safety and/or policy implications and other risks.

5. BACKGROUND/MAIN ISSUES

See Appendix A for summary of overdue internal audit recommendations and explanations for progress and revised timescale for implementation.

See Appendix B for a summary of overdue external audit and other investigations recommendations and explanations for progress and revised timescale for implementation

6. IMPACT

Corporate – Internal Audit supports the Local Outcome, set in both the Single Outcome Agreement and the Interim Business Plan, that "Our public services are high quality, continually improving, efficient and responsive to local people's needs."

Public – None

7. BACKGROUND PAPERS

None.

8. REPORT AUTHOR DETAILS

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1. Summary Findings - recommendations from Internal Audit

1.01 The table below summarises the internal audit reports where recommendations were due for implementation prior to 31 December 2014.

1.02 The total due at 31 December 2014 includes those recommendations that were open as of our last report at 30 September 2014 and those due to be implemented in the period between the 1 October 2014 and 31 December 2014.

1.03 The 'open' recommendations are all those recommendations with an original target implementation date prior to 31 December 2014. This includes those recommendations where a revised target date for implementation has been communicated to Committee. Please refer to Appendix A for a detailed listing of all open recommendations.

Title	Date Issued	Total Due at 31 Dec	Closed	Open
Lone Workers Review	Mar-13	4	4	0
Self-Directed Support Arrangements	Sep-14	3	1	2
Arm's Length Organisations	Apr-13	3	0	3
Contract management arrangements within Social Care & Wellbeing	Jan-14	1	0	1
Corporate Travel System	Oct-13	2	2	0
Key Invoicing Controls within the Building Services Department	Jul-13	1	0	1
Aberdeen Western Peripheral Route	May-14	1	0	1
Roads Reinstatement by Utility Companies	May-14	1	1	0
Sourcing and Management of Agency Staff	Jun-14	4	4	0
Car Parking and Bus Lane Enforcement	Sep-14	8	6	2
Complaints Handling	Sep-14	3	1	2
Flooding and Coastal Risk Management	Sep-14	3	1	2
IT Security (Network and Perimeter)	Sep-14	3	2	1
Private Sector Housing	Jun-14	5	1	4
Community Centres	Apr-14	2	0	2
Compliance with Laws and Regulations	Nov-14	3	1	2
Fraud Governance – Housing Tenancy and Scottish Welfare Fund	Nov-14	2	0	2
ICT Governance	May-14	1	0	1
Parent Council Funds	Sep-14	5	5	0
Procurement Out With PECOS	Nov-14	4	4	0
Regeneration (Governance and Project Management Arrangements)	Feb-14	3	3	0
Stakeholder Engagement	Mar-14	2	2	0
Total		**64**	**38**	**26**
Percentage of Total			**59%**	**41%**

1.04 On request from the Audit and Risk Committee Chair, an analysis of revised target dates against original action due dates has been performed on open recommendations:

Revised Target Dates	Number of Open Recommendations*
Between 2-6 months after original due date	14
Between 7-12 months after original due date	8
Between 13-17 months after original due date	4

*Please note, this analysis does not include the one recommendation that is marked as “on-going”.

2. Summary Findings - recommendations from External Audit and other investigations

2.01 The table below summarises the recommendations relating to External Audit and other investigations which were due for implementation at the time of compiling this report:

- UK Information Commissioner's Office (ICO) Audit of the Council's Data Protection Arrangements (published in June 2013);
- Audit Scotland Interim Report 2013/14 (published June 2014); and
- Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA) report (published April 2014).

2.02 Please refer to Appendix B for a detailed listing of all open recommendations.

Title	Date Issued	Total Due	Closed	Open
UK Information Commissioner's Office (ICO) Audit of the Council's Data Protection Arrangements	Jun-13	23	20	3
Audit Scotland Interim Report 2013/14	Jun-14	11	8	3
Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA) report	Apr-14	6	1	5
Total		**40**	**29**	**11**
Percentage of Total			**73%**	**27%**

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Appendix A

Status of outstanding internal audit recommendations

Detailed commentary – open recommendations

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
1	Arm's Length Organisations	Apr-13	**Risk Rating: Medium** Establishing terms and conditions is an important means of influencing ALEOs to ensure the needs of the Council are met. Accordingly, there is a need to monitor the position and take appropriate action as required to ensure contractual obligations are met. The Council will revisit the contractual arrangements with each ALEO and ensure they reflect the key requirements of the Councils own "Following the Public Pound" document. Any arrangement will clearly define criteria for the council withholding its funding, or for terminating its relationship with the ALEO.	Corporate Accounting Manager 30-Sep-13	Officers throughout the organisation continue to work on reviewing agreements to ensure they meet the requirements of FPP. A review and update of the FPP guidance is also being conducted and will be reported to the relevant committee. **Revised Target Date:** Ongoing

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
2	Arm's Length Organisations	Apr-13	**Risk Rating: High** The Council will put in place reporting arrangements whereby the scrutiny of each ALEOS performance is in the context of its financial performance, service performance, achievement of objectives, risk and contract compliance. A standardised reporting arrangement will be followed for all ALEOs to ensure the following key areas are captured: • Financial Performance and Going Concern; • Performance against KPIs; • Contractual Performance; and • Consideration of management of individual ALEO corporate risks. Representation at a senior level from each ALEO will be formally requested to attend Audit and Risk Committee (at least annually) to discuss ALEO performance, risk management arrangements the future strategies of their organisations and how the ALEO contributes to the achievement of its own strategic objectives and single outcome agreement and this requirement will be built into any SLA between the council and the ALEO.	Corporate Accounting Manager 30-Sep-13	Bon Accord Care was reported to Shareholder Scrutiny Group on 20 November 2014 with a further update to be reported on 26 February 2015. Ongoing discussions have been taking place on a range of operational matters with ALEO's. However, this has not yet resulted in a set of reports that can be presented to Elected Members. A review of ALEO governance arrangements has identified a number of practical changes aimed at delivering reports to committee on a regular basis and this will be reported through SSG. This is being led by the Director of Corporate Governance. **Revised Responsible Officer:** Director of Corporate Governance **Revised Target Date:** Ongoing

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
3	Arm's Length Organisation	Apr-13	**Risk Rating: Medium** 1. Management will ensure that any Funding and Service Provision Agreement outlines the requirement that individual ALEOs must have risk management processes in place to identify, assess and mitigate risks. 2. A risk management framework, established by the individual ALEOs, will be reviewed by the Council to confirm its adequacy, with regular reporting on the status and management of individual ALEO high rated corporate risks reported to Council. 3. In addition, the Council will maintain its own risk register that identifies, assesses and manages its key risks relating to its funding of individual ALEOs and the services they provide.	Director of Corporate Governance 31-Dec-13	Risk registers were reviewed following the audit and found to be adequate, following broadly standard risk management practice. A corporate ALEO Governance Assurance Group has been established, meeting first in early January 2015. Risk Management assurance is part of the remit of this group and a common approach to risk management across the Council Group is being promoted. Standard ALEO Risk Management requirements are included in the Risk Management Strategy before the Committee on 26/2/15. **Revised Target Date:** 26-Feb-15
4	Aberdeen Western Peripheral Route	May-14	**Risk Rating: Low** ACC should identify any bespoke risks arising from the project for inclusion in its corporate and directorate risk registers.	AWPR Managing Agent Ongoing	The AWPR/B-T project has now been awarded with financial close achieved on 12 December 2014. It is now my intention to carry out the outstanding action which is "ACC should identify any bespoke risks for it arising from the project for inclusion in its corporate and directorate risk registers". To enable me to do this, I am proposing that I meet with the following individuals or their representatives; • Mr David Leslie : Strategic Infrastructure Plan Programme Manager, and • Mr Andrew Win: City Development Programme Manager. **Revised Target Date:** Ongoing

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
5	Key Invoicing Controls within the Building Services Department	Jul-13	**Risk Rating: High** The importance of returning goods received notes will be re-communicated to staff. Management will also review the process used by Tradesmen and Surveyors to ensure that this action is fully completed. Management will develop a report (or utilise a current report e.g. negative stock report, if deemed appropriate) to allow missing goods received notes to be monitored. Building Services will take management action if staff are repeatedly not returning goods received notes.	Contract Manager 31-Jan-14	The importance of returning goods received notes has been be re-communicated to staff. Management have reviewed the process used by Tradesmen and Surveyors to ensure that this action is fully completed. A business case has been written to establish an Assistant Contract Manager who will take on the responsibility of reviewing the negative stock report and the management action for not returning goods received notes. Update 3/11/14 Building Services are currently recruiting an Assistant Contract Manager who will take on the responsibility of reviewing the negative stock report and the management action for not returning goods received notes. **Revised Target Date:** 31-Jan-15

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
6	Contract Management Arrangements within Social Care & Wellbeing	Jan-14	**Risk Rating: High** Contracts should be in place for all services procured. Where a service has not been tendered, a clear rationale and support for this decision should be retained as evidence, and be complete and easily accessible. Where a Committee approves a contract extension, this should always be followed up with the agreement and formalisation of a contract. Where a contract expires, that is yet to be tendered or the contract extension in place a clear protocol should be in place, which considers how the service manages any risks to the Council, including an approvals process, whilst continuing to provide the service.	Social Care & Wellbeing Service Manager 31-Jan-14	The Commissioning and Contracts Team were transferred to Commercial and Procurement Services on 23rd October 2014 and are now adopting a more robust approach to the management of the commissioning process. The aim of the team is to have contracts or formal agreements in place for every service, whether this is as the result of a tender exercise or committee decision, and the team will work with Service Managers to achieve this. The team work to Workplans that are developed every year with reference to the Contract Register and planning meetings with the Service Managers. The 2014/15 Workplan was agreed at Committee in June 2014. To date the plan has facilitated 72 contracts/agreements being put in place between April and December 2014 with at least 4 more anticipated before the end of the financial year. The team are currently making arrangements to meet with Service Managers to develop the Workplan for 2015/16. Commissioning decisions will be recorded on the Workplan and appropriate actions agreed. Although the Workplans are initially agreed at the start of each financial year the team meet with services on a regular basis throughout the year to discuss progress and additional work can be negotiated to meet the changing needs of the business. **Revised Target Date:** 31-Mar-15

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
7	Car Parking and Bus Lane Enforcement	Sep-14	**Risk Rating: High** Audits of cash recorded by the machine and counted by G4S should be performed to identify possible incidents of fraud. Discrepancies should be monitored and followed up as required.	Income Management Team, Revenue and Benefits 30-Sep-14	Implementation of the action plan is ongoing with the above target date still appropriate. A report is available identifying discrepancies which from now on will be passed to the service to monitor and follow up as required. **Revised Responsible Officer:** Service Manager, Community Safety **Revised Target Date:** 31-Mar-15
8	Car Parking and Bus Lane Enforcement	Sep-14	**Risk Rating: Medium** Procedures for managing and recording repairs and planned maintenance should be formalised. An inventory of machines should be recorded on a spreadsheet, detailing the date of the last service and service history. A log of repairs should also be maintained, detailing date reported and closed. Closed repairs should be added to the service history within the inventory to allow the team to identify recurring issues. The length of time taken to rectify a repair should be monitored and reported as a KPI to the parking performance group. Management should use this information to increase the frequency of planned maintenance of machines regularly requiring work.	Service Manager, Community Safety 31-Oct-14	The Recording system is in place. However Performance reporting system and KPIs are still being developed. **Revised Target Date:** 31-Mar-15

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
9	Community Centres	Apr-14	**Risk Rating: Medium** The Council should take action to ensure that all leased community centres sign up to the new lease and management agreement. If necessary, payment of the Development Grant should be withheld until signed lease and management agreements are in place.	Service Manager, Sport and Communities 31-Dec-14	The five groups who have old style arrangements have been invited to move to the new terms. While two of the groups are making positive moves towards the new lease and management agreement, none have moved across, most preferring to remain on the old style arrangements. In order to ensure there is equity across the city, consideration will be given to restricting funding for these Management Committees in line with learning centre associations for 2015/16 (subject to committee approval). When the groups have signed the new arrangements this should be increased to £11,065 per annum in line with other community centre associations. **Revised Target Date:** 31-Mar-15

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
10	Community Centres	Apr-14	**Risk Rating: Medium** To ensure that all leased community centres are operating to the required standard and complying with all applicable legislation, the Council should ensure that all documentation required per the management agreements is obtained and that prompt action is taken where this is not the case.	Service Manager, Sport and Communities 31-Oct-14	Further to this audit recommendation, the Community Centre Health Check process was altered to become a more robust Compliance Check with additional elements added to the process to ensure that certain documentation was provided to the Council. By 31 October 2014 all 19 community centre associations under the new lease and management agreement were participating in this compliance monitoring process along with invitations to the five associations on the old style arrangements. Only two associations on the old style arrangements have participated in the process with three of these community centre associations choosing not to participate. The compliance monitoring process has identified capacity issues in the management committees with regards to developing effective policies. Support is being offered to address these capacity issues and assist in the adoption of the required policies by relevant Council officers. The compliance monitoring process will be conducted annually and this first round will be concluded by 31 March 2015. The intention is then to report back to the relevant Committee on the finding of the first year's process with developmental recommendations by 31 July 2015. **Revised Target Date:** 31-Jul-15

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
11	Complaints Handling	Sep-14	**Risk Rating: Medium** Officers responsible for investigating and responding to complaints should be provided with access to Covalent. Procedures should be updated to emphasise the importance of lessons learned and confirm that officers responsible for investigating and responding to complaints are required to complete this field. Training should reinforce these points. Exception reports highlighting all upheld or partially upheld complaints without lessons learned should be produced and sent to Heads of Service on a monthly basis. Heads of Service should be assigned responsibility for chasing the completion of this field where appropriate.	Performance and Risk Manager 31-Dec-14	The complaints handling procedures published on the council intranet for officers to refer to has been updated to include a section on lessons learned. The email templates issued to officers to notify or remind them of a complaint have also been updated to include a reminder to consider lessons learned. A Complaint Investigation Skills training course has been arranged with the SPSO to be carried out over 3 dates in February and March 2015. Key council officers responsible for responding to complaints will be invited to attend. The content will include a section on Lessons Learned and reinforce the importance. Once the above is completed consideration will be given to exception reports as suggested. We have reviewed access to Covalent and those who require access do so. **Revised Target Date:** 31-Mar-15

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
12	Complaints Handling	Sep-14	**Risk Rating: Low** A complaints handling training package should be developed and included as mandatory training for any staff members involved in complaints handling. Management could consider utilising SPSO training materials as an alternative to developing a bespoke training package. These training materials should form a part of the induction process for new joiners. Refresher training should be mandatory for all staff members involved in the complaints handling process. This should include a reminder of best practices in complaints handling, and details of new or updated procedures.	Performance and Risk Manager 31-Dec-14	Complaints training will from part of mandatory Customer Service training to be implemented council wide for existing staff and all new starts. This will commence before the end of 2015. The content of the complaints training will be influenced by the SPSO training sessions carried out in Feb/March 2015. **Revised Target Date:** 31-Mar-15
13	Compliance with Laws and Regulations	Nov-14	**Risk Rating: Medium** Guidance will be issued to recommend Legal Services attend monthly Senior Management Team meetings across the Council. Through discussions with the PMO Office we are aware that a new governance process is being put in place for all new projects. It is recommended that the Head of Legal and Democratic Services engage with the PMO Office to ensure the new process mitigates the risk of Legal Services not being appropriately consulted at the project appraisal phase.	Director of Corporate Governance Head of Legal and Democratic Services 30-Nov-14	Guidance has not yet been issued; however, the Legal Services managers have been attending SMT meetings regularly since the audit report was issued in November. The Head of Legal and Democratic Services has met with the Head of PMO and discussions had on best to ensure Legal Services are included in project governance arrangements. **Revised Target Date:** 31-Mar-15

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
14	Compliance with Laws and Regulations	Nov-14	**Risk Rating: High** The Council's draft 'Policy and strategic Response to Fraud, Bribery and Corruption' should be updated to include the above points prior to finalisation. The finalised policy should be formally communicated to staff and line management should be reminded of the importance of escalating matters to the Head of Finance and the Head of Legal and Democratic Services (the Monitoring Officer).	Director of Corporate Governance Head of Legal and Democratic Services 31-Dec-14	Procedures are not yet in place to ensure matters are reported to the Monitoring Officer and as a result, the register is not up to date. This is being addressed through updates to the Fraud and Corruption Strategy. The first submission to the Audit and Risk Committee is expected in February 2015. **Revised Target Date:** 26-Feb-15
15	Flooding and Coastal Risk Management	Sep-14	**Risk Rating: Medium** In relation to flooding related issues which impact Aberdeen City, the Council should review its options on how it can improve its influence over decision making. It is recommended that the Council should request representation on SAIFF and other groups, which may be deemed beneficial. Responsibility within the Council for attending these groups should be assigned.	Structures, Flooding and Coastal Engineering Manager 31-Dec-14	A new SAIFF group is to be established to look at the problems associated with an integrated catchment like Aberdeen and Edinburgh and we would expect to be invited to join that group. A conference in Aberdeen for 02 March is being arranged to discuss the particular problems experienced by Aberdeen around flooding and wastewater. The Scottish Government, SEPA and Scottish Water have agreed to attend. **Revised Target Date:** 31-Mar-15

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
16	Flooding and Coastal Risk Management	Sep-14	**Risk Rating: Medium** a) Guidance should be prepared to define in what circumstances a flood incident should be reported to the Structures, Flooding and Coastal Engineering team. b) The Road Operations team should keep a spreadsheet of all incidents reported. The incidents which are required to be reported to the Structures, Flooding and Coastal Engineering team should be done so on a regular basis (e.g. monthly). c) Management should consider how they can progress and contribute to national discussions regarding ambiguity of responsibilities.	Roads Manager Structures, Flooding and Coastal Engineering Manager 31-Dec-14	a) All incidents of flooding are recorded at the West Tullos Depot, Currently details of all flooding incidents are forwarded to the Flooding Team. b) Tullos maintain a spread sheet of all flooding incidents - this will be transferred to a shared drive that the flooding team can access. They can then decide which incidents need investigation/address. c) This is being taken forward both in meetings with the Scottish Government, SEPA and Scottish Water and at our conference in March. Due to the number and level of the parties involved agreement on responsibilities will be a slow process. **Revised Target Date:** Ongoing

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
17	Fraud Governance – Housing Tenancy and Scottish Social Welfare Fund	Nov-14	**Risk Rating: Medium** A fraud risk assessment and identification will be undertaken for Housing Tenancy. This will identify the fraud risks and map these to appropriate fraud prevention and detection controls in place that mitigate those risks. A fraud register will be established for housing tenancy to allow cases of fraud or suspected fraud to be formally recorded. Processes will be established for staff to report fraud and suspected fraud for inclusion on the registers. A formal policy document will be developed that clearly explains the Council's approach to tackling potential housing tenancy fraud. (ADVISORY ONLY)	Housing Access Manager Housing Manager 30-Nov-14	Agreement has been reached for the current benefit fraud reporting service to be expanded to also receive reports of tenancy fraud via the free phone number or online facility on a pilot basis. Allegations of tenancy fraud will be recorded on the risk register alongside benefit fraud to identify instances which may be of relevance to both services and ensure the risk/response can be aggregated. Given the need to assimilate current and newly established processes, including a degree of publicity, the implementation period is anticipated to be with effect from April 2015 and it should be noted that whilst this integrated approach will take a little longer to effect, the provision will significantly enhance the efficacy of the service when contrasted with a standalone approach. The initial risk assessment is being compiled by the Corporate Fraud Team based on the National Intelligence model, tailored with relevant input from housing access and management personnel. We will review the requirement for a formal policy document after an initial period of operating the integrated service. **Revised Target Date:** 30-Apr-15

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
18	Fraud Governance – Housing Tenancy and Scottish Social Welfare Fund	Nov-14	**Risk Rating: Medium** A fraud risk assessment and identification will be undertaken for Housing Tenancy. This will identify the fraud risks and map these to appropriate fraud prevention and detection controls in place that mitigate those risks. A fraud register will be established for housing tenancy to allow cases of fraud or suspected fraud to be formally recorded. Processes will be established for staff to report fraud and suspected fraud for inclusion on the registers. A formal policy document will be developed that clearly explains the Council's approach to tackling potential housing tenancy fraud. (ADVISORY ONLY)	Housing Access Manager Housing Manager 30-Nov-14	As part of the implementation of the integrated fraud reporting service a briefing will be prepared for all Housing Officers to ensure the identified evidencing and checks are duly followed. The current fraud prevention and detection controls will be revised after an initial period of operating the integrated service to incorporate the recommendations of the initial risk assessment and ensure continued relevance in the context of a corporate approach. This will have regard to good practice identified by other authorities operating a similar model. **Revised Target Date:** 30-Jun-15
19	ICT Governance	May-14	**Risk Rating: Medium** The role and authority of the Enterprise Architecture Governance Board will be defined as part of the Enterprise Architecture Governance Framework and approved by the Corporate Management Team. The Enterprise Architecture Governance Board will have rules that clearly define its structure, composition and decision making. The Enterprise Architecture Governance Board will have responsibility for monitoring compliance with the Enterprise Architecture Governance Framework and reporting on compliance directly to the Corporate Management Team.	Head of Customer Service and Performance 31-Oct-14	These actions are part of the 'CSP7 - Enterprise Architecture' project to 'Establish EA Capability'. The project includes these actions within its first stage. However, work on the project was put on hold as the resource delivering the project, the Enterprise Architect, was required to deliver other work that was seen to be of a greater operational significance at that time. The other work is now coming to a close and it is planned for the Enterprise Architect to resume, and give priority to, the CSP7 project from the beginning of February. The plan is to be ready to seek CMT approval by the end of March. **Revised Target Date:** 31-Mar-15

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
20	IT Security (Network and Perimeter)	Sep-14	**Risk Rating: Medium** The password for the generic administrator account will be changed and access to the account will be restricted to senior ICT management. The account will only be used on a 'Break-glass' basis and ICT management will monitor the firewall to ensure that use of the generic administrator is restricted to only properly approved emergency situations. ICT management will undertake a full review of the current firewall rules to ensure that they are all appropriate to the needs of the organisation. Once completed the firewall administrator team will be responsible for performing a quarterly review of the rules to ensure active rules are still required. ICT management will ensure that formal evidence is retained for all approved changes to the firewall rules. The Checkpoint firewall software will be configured to send an email alert to ICT management to notify of any changes in firewall rules, who will then verify these changes to ensure they were approved. ICT Management will ensure that changes are not self-approved.	ICT Manager 31-Dec-14	Following initiation of the review of firewall rules, a full business impact analysis is required for each rule before raising a change for removal. This is a time consuming activity and will not be completed within the previously agreed timescale. However, more formal change control around firewall rules has been implemented which incorporates this business impact analysis for new rules being added which includes appropriate time for formally reviewing that specific rule. **Revised Target Date:** 31-Mar-15
21	Private Sector Housing	Jun-14	**Risk Rating: Low** Objectives which cover the full remit of the Private Sector Housing Unit should be developed. Objectives should be SMART (specific, measurable, achievable, relevant and time specific). Reporting of progress against objectives should take place at regular intervals.	Private Sector Housing Manager 31-Oct-14	Objectives are still under development and to be completed by 27th February 2015. **Revised Target Date:** 27-Feb-15

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
22	Private Sector Housing	Jun-14	**Risk Rating: Low** The PSHU should formally identify all possible sources of information which can contribute to its understanding of properties potentially falling below the tolerable standard within the city. A regular programme of review of these sources should be established and a register of properties maintained which have been deemed as falling below the standard. Actions plans should be established for each property on the register, and the outcome recorded.	Private Sector Housing Manager 24-Dec-14	Sources of information have been identified with a register to be developed by 27th February 2015. **Revised Target Date:** 27-Feb-15
23	Private Sector Housing	Jun-14	**Risk Rating: Low** An exercise should be undertaken to consider the feasibility of using a case management system to ensure information can be effectively stored and extracted. The exercise should include a cost benefit analysis, and existing systems within the Council, such as iWorld and Academy should be considered. If a case management system is not used, manual procedures should be developed to ensure this information is accurately recorded. Management should ensure management information is recorded for all key processes and to support the measurement of all objectives.	Private Sector Housing Manager 24-Dec-14	A brief for ICT requirements is being drafted to determine if an ICT solution can be developed. **Revised Target Date:** 27-Feb-15
24	Private Sector Housing	Jun-14	**Risk Rating: Low** A single set of procedures covering all PSHU activities should be established. This should be accessible centrally by all team members. An owner should be assigned to the document who is responsible for periodic review to ensure the procedures are up to date with current legislation and practice.	Private Sector Housing Manager 31-Oct-14	Procedures are still under development and to be completed by 27th February 2015. **Revised Target Date:** 27-Feb-15

Item No.	Report Title	Report Issued Date	Recommendation and Risk Rating of Finding	Responsible Officer and Action Due Date	Responsible Officer Update
25	Self-Directed Support Arrangements	Sep-14	**Risk Rating: Low** • Proceed with the development of iConnect. • Continue to ensure all interests are represented on advisory groups, to inform the Council's development of SDS. • Develop a comprehensive communications plan, in line with national strategy and addressing the needs of all stakeholders, including carers.	Head of Adult Services 31-Oct-14	1. Action completed. 2. Action completed. 3. The communications plan is being revised by the SDS lead officer with ongoing engagement with key stakeholders. **Revised Target Date:** 30-Apr-15
26	Self-Directed Support Arrangements	Sep-14	**Risk Rating: Medium** • Disseminate the CIPFA guidance on financial monitoring; highlighting that adherence to this is a requirement of the Act. On this basis, change the financial monitoring to a more proportionate and personalised process. • Continue to work with the Care First system provider, to eliminate restrictions on flexibility and enable SDS. In particular, develop a facility for proportionate financial monitoring requirements to be input on an individual basis. • Undertake a cross-Council process review, based on the customer journey, to reduce barriers to any of the four statutory support options.	Head of Adult Services 31-Dec-14	This has been taken forward by the SDS Lead Officer who is liaising closely with the Governments advisors in relation to the implementation of SDS, and with other Councils to share experiences of the implementation of SDS, including that relating to financial governance. **Revised Target Date:** 30-Apr-15

Appendix B

Status of outstanding recommendations relating to External Audit and other investigations

Recommendation	Agreed action, date and owner	Update	Lead Officer
UK Information Commissioner's Office (ICO) Audit of the Council's Data Protection Arrangements			
B16. Consider the appropriateness of whether staff who are responsible for the corporate oversight of DP compliance, and potentially information assets in future, should undertake dedicated training.	ACC note this recommendation and will consider what training is available and assess the need and appropriateness of same. OWNER: SIRO TIMESCALE: Training will be undertaken within 12 months of the date the Audit report is published.	As a consequence of organisational restructuring, it is now considered necessary to facilitate a comprehensive, dedicated, mandatory training session for all ECMT members in respect of information management and information security. In respect of the IMGAG, members will undertake a self-assessment process regarding training requirements in late Autumn 2014 with any identified training needs planned thereafter. The timescale for completion of this action is therefore extended to within 18 months of the publication of the Audit report.	Dorothy Morrison / Fiona Smith
C4. ACC should adopt a protective marking scheme so as to provide clear benchmark guidance for appropriate security standards to apply to any data being processed. This would be consistent with SOCITM and HMG / Scottish Government guidance.	ACC will undertake an options appraisal to assess whether it will adopt a Protective Marking Scheme. OWNER: SIRO TIMESCALE: within 8 months of the Audit report being published.	As detailed in the February 2014 update, progress on implementing this recommendation has been delayed due to the wider issues in respect of the government marking scheme. IMGAG has decided to trial the ACC version of the new Government Classification Scheme (GCS) within SC&W and officers will report back to IMGAG on progress. However, the Joint Inspection of Children's Services has delayed the introduction into SC&W, it will start next month.	Steve Skidmore
C16. Protective markings should be applied to data and follow to 'end of life' including occasions of further processing by applications such as Business Objects.	ACC accept this recommendation and defers to its response at C4. ACC will investigate how it might achieve the "follow" function in relation to the processing of that data. OWNER: SIRO TIMESCALE: within 8 months of the Audit report being published.	See update to C4.	Steve Skidmore

Audit Scotland Interim Report (2013/14)			
Although a central register of fraud or suspected fraud cases, whistleblowing cases or breaches of the Bribery Act framework has been established, the Audit and Risk Committee has not yet received a report summarising activity. Risk: Overall numbers of cases and the impact on internal controls are not considered from an overall governance perspective.	This will be added to the Matters under Investigation report as necessary and reported at least annually. TIMESCALE: 30 September 2014	Procedures are not yet in place to ensure matters are reported to the Monitoring Officer and as a result, the register is not up to date. This is being addressed through updated to the Fraud and Corruption Strategy. The first submission to the Audit and Risk Committee is expected in February 2015. Revised Target: February 2015	Jane MacEachran
There was no follow up by the Policy and Performance Section to ensure that the council's policy and procedures in relation to the Bribery Act have been properly implemented. Risk: The council may not be fully complying with its approved framework	Completed risk assessments obtained for Corporate Governance. Other services are being worked on.	A request was sent to services on 14 August to obtain risk assessments. To date all are received apart from The Chief Executive Office. A further reminder has been sent. Revised Target: June 2015	Jane MacEachran

In line with the Employee Code of Conduct, staff are responsible for declaring gifts or hospitality received. There may be merit in reviewing declaration processes within services including staff reminder systems. Risk: There may a reputational risk to the council if records are incomplete	Individual reminders given to Directors at 1-2-1 discussions. This will be highlighted as part of the launch of the new suite of policy documents (Refer Action 3).	Individual reminders have been given to Directors at 1-2-1 discussions. A reminder will be sent to all other staff in conjunction with the launch of the new Fraud and Corruption Policy. The Policy has not yet been launched and it is anticipated it will be presented to Committee in April and communicated to staff in June. Revised Target: June 2015	Jane MacEachran
Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA) Report			
1. Amend the RIPSA protocol and procedures document to address the issues discussed in the Inspection Report. a) Review the OSC Code of Practice to identify all areas in which the Aberdeen City Council procedures require reviewed. b) Review and amend the Aberdeen City Council protocol and procedures document.	TIMESCALE: a) By end September 2014, b) By end December 2014	There has been some slippage on the dates for implementing these actions, again due to other workload pressures and staffing changes in the team. The review of guidance for Authorised Officers is underway and will be completed by mid-February 2015. An Authorising Officers meeting will take place in early March 2015 at which the revised guidance will be issued and refresher training will be provided.	Fiona Smith Karen Donnelly
2(a) Audit of Council staff to identify those who hold either an investigative or enforcement function. Desktop audit to be sent to all Head of Service / 3rd Tier Managers	TIMESCALE: Issued by mid-September 2014 for return by mid-October 2014	Again, there has been some slippage on the dates for implementing these actions due to staffing changes in the team. A guidance note is presently being prepared and will be completed by the end of February 2015. As above, refresher training for Authorising Officers will be provided in March 2015.	Fiona Smith RIPSA Working Group

Provide training tailored to the needs of all officers on RIPSA to ensure officers have the knowledge required which is commensurate with individual's responsibilities. a) Three tier training programme to be developed: -Awareness Raising -Operational Users -Authorising Officers b) Following conclusion of the desk top audit referred to at 2(a) above, a programme for the delivery of this training will be developed. c) Training programme rolled out.	TIMESCALE: a) By end October 2014, b) By end October 2014, c) November 2014 onwards	Progress on implementing this action has been delayed firstly due to other workload pressures and then as the majority of actions cannot be taken forward until the actions for recommendation 2 are completed. The revised due dates are: a) by end February 2015; b) by end March 2015; c) April 2015 onwards	Fiona Smith Karen Donnelly RIPSA Working Group
3(a) Authorisations should always address in full the activity authorised, where and how. a) Guidance for authorised officers to be reviewed and amended where required. b) Refresher training for Authorising Officers referred to at 2(b) above to cover this requirement.	TIMESCALE: a) By mid-September 2014, b) October 2014	There has been some slippage on the dates for implementing these actions, again due to other workload pressures and staffing changes in the team. The review of guidance for Authorised Officers is underway and will be completed by mid-February 2015. An Authorising Officers meeting will take place in early March 2015 at which the revised guidance will be issued and refresher training will be provided.	Fiona Smith Karen Donnelly RIPSA Working Group

3(b) Oversight regime to monitor authorisations to ensure full details of activity authorised are given and to ensure all authorisations are cancelled as soon as they are no longer required. a) Guidance note to be prepared for Solicitors in Commercial & Advice Team who review authorisations regarding areas for monitoring. b) Requirements on Authorising Officers regarding review and cancellation of authorisations to be covered in refresher training.	TIMESCALE: a) By end September 2014, b) October 2014	Again, there has been some slippage on the dates for implementing these actions due to staffing changes in the team. A guidance note is presently being prepared and will be completed by the end of February 2015. As above, refresher training for Authorising Officers will be provided in March 2015.	Fiona Smith Karen Donnelly

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