

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk & Scrutiny
DATE	25 th June 2015
DIRECTOR	Angela Scott
TITLE OF REPORT	Outstanding Internal Audit Recommendations

1. PURPOSE OF REPORT

To update Audit, Risk and Scrutiny Committee Members on the progress on implementing Internal Audit recommendations included within reports previously approved by the Committee.

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.

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.”

7. MANAGEMENT OF RISK

There are no identified material risks which would result from the approval of the recommendations in this report. The actions and recommendations contained in the report are a response to identified risks and are designed to mitigate these.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

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Summary Findings - recommendations from Internal Audit

The table below summarises the internal audit reports where recommendations were due for implementation prior to 15th June 2015.

The total due at 15th June 2015 includes those recommendations that were open as of our last report at 28th February 2015 and those due to be implemented in the period between the 28th February 2015 and 15th June 2015.

The 'open' recommendations are all those recommendations with an original target implementation date prior to 15th June 2015. 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.

	Date Issued	Total Due	Closed	Open
AIYF	Feb 15	4	4	0
ICT Governance	May 14	1	0	1
Community Centres*	Apr 14	2	2	0
Complaints Handling	Sept 14	1	0	1
Compliance With Laws & Regs	Nov 14	1	0	1
Fraud Governance	Nov 14	1	1	0
ICT Disaster Recovery	Feb 15	2	1	1
ICT Asset Management	Feb 15	6	6	0
Care First Budget Control	Feb 15	4	2	2
Total		22	16	6
Percentage			73%	27%

**In relation to the conduct of PVG checks, the Committee is invited to consider whether the position reported below satisfies the recommendation.*

Recommended for Removal

<u>Report Title</u>	<u>Date Issued</u>	<u>Finding Title</u>	<u>Recommendation</u>	<u>Update</u>	<u>Responsible Officer</u>	<u>Original Due Date</u>	<u>Revised date</u>	<u>Risk Rating</u>
Community Centres		Protecting Vulnerable Groups (PVG) - control operating weakness	The Council should make a choice as to whether they take on responsibility for carrying out PVG checks and appropriate resource should be allocated to do this. Alternatively, if the Council decides to allow management committees to process PVG checks through an external organisation, appropriate governance arrangements should be put in place to give the Council assurance that all necessary PVG checks have been carried out. The agreed upon process should be clarified and clearly communicated to all management committees of leased community centres.	<p>The Council is not carrying out all PVG checks and could not insist on doing so without changing contracts.</p> <p>The Council does require Community Centres to describe and evidence the process they undertake for undertaking PVGs.</p> <p>This position will be revisited when SLAs are reviewed in future.</p>	Head of Human Resources and Organisational Development, Legal Manager, and Service Manager Sport & Communities	31-Mar-15	The committee is invited to consider whether this reported position satisfies the recommendation.	High

Outstanding Internal Audit Recommendations

Appendix A

<u>Report Title</u>	<u>Date Issued</u>	<u>Finding Title</u>	<u>Recommendation</u>	<u>Update</u>	<u>Responsible Officer</u>	<u>Original Due Date</u>	<u>Revised date</u>	<u>Risk Rating</u>
CareFirst	Feb-15	Monitoring and forecasting - operating effectiveness	Management will ensure that going forward the commitment reports are being appropriately distributed to the relevant budget holders on a monthly basis.	Steps will be put in place to ensure that this happens	Paul Dixon (Finance Partner)	31/05/2015		Medium
CareFirst	Feb-15	Authorisation rights	1. Authorisation rights across the department should be reviewed and assessed for appropriateness. A central register should be maintained to ensure there is on-going clarity over authorisation rights.	Authorisation rights are currently under review. Final decisions are pending developments in the integration of Health & Social Care.	Trevor Gillespie (Team Manager – Performance Management) Service Managers	31-Mar-15		Low
ICT Governance	May-15	Develop a comprehensive ICT strategy - control design deficiency	The strategy will include the commitment to implementing an Enterprise Architecture governance framework and have the support of the corporate management team. Including this commitment in the ICT strategy would reduce this risk to a low rating.	Following the appointment of new Head of Service, IT and Transformation Service in May, a broader review of all relevant strategies has commenced with revision over the next 3-6 months. Revised date of March 2016 to allow time for all relevant stage approvals.	Head of Customer Service and Performance	31-Mar-15	31-Mar-16	Medium

ICT Disaster Recovery	Feb-15	Getronics DR responsibilities need to be more actively controlled	Telephony DR processes will be updated and tested, with the support of Getronics, as per their contractual arrangements	Contractual arrangements for DR ended March 2015 and tender for new arrangements is due to end July 2015. This will be done with the winning supplier.	Sandra Massey, IT Manager	31-May-15	31-Dec-15	Low
Complaints Handling	Sep-14	Lessons learned - control effectiveness	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	This recommendation has been implemented with the exception of the inclusion of "Lessons Learned" exception reports for Heads of Service, for which a procedure has now been identified. This will be fully implemented in July 2015.	Lucy McKenzie Project Executive	31-Dec-14	31-Jul-15	Medium

Compliance with Laws and Regulations	Nov-14	Training for staff – Control design deficiency	<ul style="list-style-type: none"> · Legal Services will, in conjunction with Human Resources (HR) and the Services, perform a risk assessment to identify those laws and regulations for which breaches would have a significant impact on the Council. · HR, in conjunction with Legal Services and the Services, will compile a list of all training which addresses the laws and regulations identified in the risk assessment. Where gaps in available training materials exist, additional training will be developed. · HR, in conjunction with Legal Services and the Services, will assess the level of training required for each role. This exercise is already underway by HR but will now include any additional training identified in the risk assessment. · The output of the risk assessment and newly created training material will be used by the Services to update job profiles, ensuring staff have an understanding of the mandatory training required. · Completion of mandatory training for staff will be monitored and an appropriate process implemented for escalating issues with non-completion. Consideration should be given to including an annual sign off on the Your HR system which would be approved by line management during the performances management process. 	This is a substantial area of work. The task is currently being scoped and consideration of a revised timescale is dependent upon this.	<ul style="list-style-type: none"> a) Head of Legal Service b) Jeff Capstick, HR Manager c) Members of Corporate Management Team 	31-Mar-15	tbc	Medium
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