



# ABERDEEN CITY COUNCIL

## Internal Audit Report

### Cross Service

### Corporate Policies and Procedures

**Issued to:**

Angela Scott, Chief Executive  
Richard Ellis, Interim Director of Corporate Governance  
Steven Whyte, Head of Finance  
Fraser Bell, Head of Legal and Democratic Services  
Martin Allan, Business Manager  
Anne MacDonald, Audit Scotland

## **EXECUTIVE SUMMARY**

The Council has a suite of corporate policies supported by various procedures and guidance notes. Comprehensive written procedures which 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 of correct and consistent practices being followed.

Following a request from the Chief Executive, the objective of this audit was to undertake a stock take of policies and procedures in existence within Aberdeen City and Aberdeenshire Councils with a view to ascertaining the scope for standardisation and rationalisation, and in the context of exploring shared services. A high level review of policies and procedures in each council has therefore been undertaken.

Differences in practice have been identified and highlighted to each Council. Whilst differences are appropriate in many cases, there may be merit in reviewing existing processes where alternative practices have the potential to be more effective or efficient.

On 9 December 2015 a joint meeting of Aberdeen City Council's Corporate Management Team and Aberdeenshire Council's Strategic Leadership Team discussed a number of shared issues and this draft internal audit report (and the equivalent for Aberdeenshire). It was recognised that there are policy and procedural differences, and both Councils agreed to note the reports as a statement of fact. It was left open for either Council to contact the other if there were any specific items / policies that may benefit from a joint approach in future. Whilst no specific actions or policy reviews have been agreed directly as a result, the Councils will take account of the differences and options presented and will seek to work with other local authorities to determine and implement elements of best practice in the course of their future development of policies and processes, in line with their existing policy review schedule.

Whilst policies and procedures are generally accessible via the Zone intranet system, there is no central register to aid selection of the correct document. The Council intends to develop a policy framework, standard templates and processes for updating policies which is to be implemented by March 2017. The Interim Director of Corporate Governance has stated that the wider issues raised in the report will be assessed and addressed within the Governance Review which will be reported to Council in May 2016.

## **1. INTRODUCTION**

- 1.1 The Council has a suite of corporate policies supported by various procedures and guidance notes.
- 1.2 Comprehensive written procedures which 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 of correct and consistent practices being followed.
- 1.3 The objective of this audit was to undertake a stock take of policies and procedures in existence within Aberdeen City and Aberdeenshire Councils with a view to ascertaining the scope for standardisation and rationalisation. A review of policies and procedures in each council has therefore been undertaken.
- 1.4 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Martin Allan, Business Manager.

## **2. FINDINGS AND RECOMMENDATIONS**

### **2.1 Accessibility**

- 2.1.1 Policies and procedures necessary for the normal functioning of the organisation and its employees need to be readily and easily available to all relevant staff so that they are aware of their existence and requirements: to better facilitate compliance.
- 2.1.2 Most policies and procedures are easily accessible via the Zone intranet service. These are fairly well laid out, and often cross referenced, though it may still be difficult for a user to determine whether a policy is in place for the activity they want to carry out unless they have knowledge of its existence. The search facility is good in this respect, however users will still need to know the correct terminology before they can find the relevant resource.
- 2.1.3 Following previous Internal Audit recommendations, Corporate Governance is developing a database of HR policies, which it is intended to use to ensure they are covering relevant areas and are maintaining them up to date through a process of regular reviews. However, of itself this will not make the policies more accessible. It also does not include non-HR policies, or the wider set of procedures and guidance notes for which there is no associated policy.
- 2.1.4 There is no single record of all policies, procedures and guidance, yet employees and managers are expected to ensure these are followed in most aspects of their role. In order to make policies and procedures more accessible, it may be useful to have a full categorised list of all Council policies, procedures and guidance, which all employees and managers can use.

#### **Recommendation**

The Council should hold a full categorised list of all policies and procedures via which all officers can access relevant information for their role and the activities they intend to carry out.

#### **Service Response / Action**

Contained in the Governance Review is the implementation of a Corporate Policy Framework that will provide an oversight of all policies, their maintenance and accessibility that aligns to supporting staff compliance through annual appraisal.

The objectives of the work are:

Identify core / variable corporate policies for all staff profiles (including statutory policies), and core / variable service specific policies (decommissioning those no longer fit-for-purpose, which are not linked to the Council's vision);

Implement a digital solution with required controls to manage all policies to standard;

Create, consolidate and implement appropriate knowledge capabilities that embed policy requirements through induction, refresher and specific training and support mechanisms; and

Engage with and communicate policy/training changes, developments and requirements to staff specifically around ownership, authorship and adherence through multiple channels.

#### **Implementation Date**

March 2017.

#### **Responsible Officer**

Interim Director of  
Corporate Governance.

#### **Grading**

Important within audited  
area

- 2.1.5 Aberdeenshire Council has recently (November 2014) agreed a Policy Framework which outlines the process and key principles to be followed for developing, categorising, approving and reviewing policies. It also includes a definition of policy in comparison to procedure, guidance and other categories of statements and instructions used by the Council. The Business Manager in Corporate Governance has confirmed that similar actions are being taken forward by Aberdeen City, to include a standard template for policies, and a consistent categorisation, sign off and update process. There is however, as yet, no timetable for implementation.

**Recommendation**

The Council should ensure a timetable is put in place for the implementation of a policy framework for all Council policies.

**Service Response / Action**

Contained in the Governance Review is the implementation of a Corporate Policy Framework that will provide an oversight of all policies, their maintenance and accessibility that aligns to supporting staff compliance through annual appraisal (as detailed above).

**Implementation Date**

March 2017.

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- 2.1.1 As similar proposals are being taken forward by Aberdeenshire Council's Policy, Performance and Improvement Manager it may be beneficial for the two Councils to collaborate and share best practice in this area.

**2.2 Coverage**

- 2.2.1 The majority of policies and procedures in each Council has an equivalent in the other. Although there are a number which are not matched, most of these are not significant. Details of more material differences are included in Appendix 1.
- 2.2.2 Notable differences were identified between a number of policies, procedures and guidance notes developed by each Council as discussed in Appendix 1. Whilst differences are likely to be due to policy decisions made by each Council in response to local requirements, the audit sought to identify potential areas of best practice for the Councils to explore. Options for the Council to consider in its development of future policies and procedures have been listed in Appendix 1.
- 2.2.3 On 9 December 2015 a joint meeting of Aberdeen City Council's Corporate Management Team and Aberdeenshire Council's Strategic Leadership Team discussed a number of shared issues and this draft internal audit report (and the equivalent for Aberdeenshire). It was recognised that there are policy and procedural differences, and both Councils agreed to note the reports as a statement of fact. It was left open for either Council to contact the other if there were any specific items / policies that may benefit from a joint approach in future. Whilst no specific actions have been agreed as a result, the Councils will take account of the differences and options presented in the course of future development of policies and processes.

**AUDITORS:** D Hughes, C Harvey, S Armstrong

## **Appendix 1 – Key Policy Differences and Options**

### **Policy Coverage**

The following policies and procedures in Aberdeenshire have no Aberdeen City equivalent:

*Charging policy:* The Council has no separate policy, however Financial Regulations do require income to be maximised, regularly reviewed and agreed by Committee. Finance reviews charges annually as part of the budget process. The Aberdeenshire policy includes reference to maximising income, recovering costs, and agreeing fair and consistent levels of subsidy and concessions. A combination of the two approaches would provide a more robust and consistent process.

*Commercial sponsorship:* Aberdeenshire has a policy outlining the types of arrangement covered and types of sponsorship which would not be acceptable. Although a scheme is in place with an agency for sponsorship of roundabouts in Aberdeen, and Committee agreed the types of sponsorship which would be inappropriate in 2005, the Council has no policy. The Advertising Officer noted that plans for a single contract had not been taken forward, and consequently individual Services act independently on sponsorship. There is a risk to value for money and of potentially inappropriate sponsorship being agreed as a result.

*Use of generic ICT accounts:* Aberdeenshire outlines the limited acceptable use of generic accounts, the risks of using them, and the potential impact on PSN compliance. The Council has no such guidance. This type of use is also not covered in ICT security guidance, therefore users may not know that this is inappropriate, although it does state that access credentials should not be shared. There is a risk that shared / generic accounts might be used more often without a clear procedure. This impacts on the audit trail of user activity.

*Partnerships policy:* Although partnerships are discussed in the Financial Regulations, decisions are delegated to Heads of Service in conjunction with Finance and Legal, with no defined process. In comparison, Aberdeenshire policy requires a specific cost-benefit analysis and risk assessment, reviewed every two years. Without a clear policy there is a risk of an inconsistent approach.

### **Options for Consideration**

The Council should consider:

Developing a partnerships policy and review procedure.

Developing a sponsorship policy.

Developing a charging policy.

Including reference to and advice on generic ICT accounts in its ICT guidance.

Some overlap was identified between the following policies:

*Employee code of conduct:* This includes sections relating to Gifts & Hospitality, ICT acceptable use, and Data protection, each of which is covered by its own policy.

*Financial Regulations:* These include detailed discussion of Gifts & Hospitality, Travel and Grants, as well as more limited notes on procurement, whistleblowing, fraud, risk, scheme of delegation, corporate governance, and following the public pound. Each of these has its own policy or procedure.

*Following the public pound:* There is duplication of this procedure, with one outdated document which has not been removed from circulation.

**Disciplinary policy:** This provides details of interaction with policies including Bullying, Grievance, Whistleblowing, Complaints, and Substance misuse. Although these need to be cross referenced, there is some duplication of content as they are described in this policy.

Minor overlap is inevitable, but in most cases it will be good practice to cross refer between different policies rather than re-stating them in others. Where they are re-stated in whole or in part there is a risk of one policy being updated, and the other not incorporating the changes. As a result, someone relying on the second policy may not follow the correct process.

### **Options for Consideration**

The Council should consider greater use of cross referencing between its policies and procedures.

## **Policy Differences**

Notable differences were identified between a number of policies, procedures and guidance notes developed by each Council as discussed below. Whilst differences are likely to be due to policy decisions made by each Council in response to local requirements, the following discussion seeks to identify potential areas of best practice for the Councils to explore.

### ***Financial Policies***

#### *Financial Regulations:*

Financial Regulations in each Council set out the rules to be followed when transacting business on behalf of the council – including income, expenditure, stocks and budget management.

As with a number of policies the Council clearly states within the document that “*Failure to comply with the requirements contained within this Code and the associated guidance and procedures will result in an investigation under the Council’s Conditions of Service, Disciplinary and Appeals Procedure.*” Clearly specifying responsibilities and the implications of failing to meet them should enhance and encourage adherence to the regulations. The success of this will depend on whether officers are adequately trained and aware of the regulations and content, and the effectiveness and consistency of the Council in acting where compliance issues are identified.

Section 5 of the Financial Regulations are phrased as “*good practice guidelines*” although these state that they “*must be followed by all officers*”. Calling parts of the regulations “*good practice guidelines*” could dilute the message that these are requirements which must be followed. If these are merely guidelines it could pose difficulties in progressing disciplinary proceedings if they are not followed.

There is some variation between the documented role of Internal Audit within each of the authorities. Whilst Aberdeenshire only shows rights of access, the Internal Audit section of the Aberdeen City Financial Regulations includes responsibilities as well as rights. This probably reflects the contracted basis on which internal auditors were formerly engaged. Aberdeenshire requires fraud or irregularity to be reported to Internal Audit, whereas Aberdeen City requires reports to Heads of Finance, and Customer Service & Performance. There may be scope to change this to reflect the new relationship available through the shared service arrangements.

Similarly there is an extensive financial management and control section explaining what Finance does and their interaction with Service management. It is worded almost in such a way as to allow it to be used to describe a contract for provision of a finance service. This is far more detailed and prescriptive than what is discussed under the financial planning and management section in

Aberdeenshire's Regulations. The role of Finance in Aberdeenshire Council is generally discussed in separate guidance notes.

There are numerous areas in Aberdeen City regulations where it might be argued there is too much information regarding activities which are largely reserved to Finance. For example: sections on VAT and tax implications, Local Government Act requirements of best value, accounts presentation and trading accounts, reserves policy. Although there is merit in having a single source of information for all financial guidance, this information is unlikely to be useful to other users of the financial regulations on a day to day basis. There is a risk of information overload, and therefore of users (effectively any officer carrying out financial transactions) not identifying which are the key elements and requirements relating to their role.

The same could be said about parts of Aberdeenshire's regulations (some excess detail), though they include far less information about detailed requirements pertaining solely to Finance. To assist non-technical users of the regulations, Aberdeenshire has prepared a 'lite' version of the regulations with a summary of the key points.

The Head of Finance can write off debts of up to £25,000, and can delegate authority to other officers up to £10,000, subject to 6 monthly reporting. In Aberdeenshire this is limited to £6,000 and there is no delegated authority.

Aberdeenshire requires all overpayments to staff to be recovered, whereas Aberdeen City regulations only state that the Head of HR&OD shall ensure all reasonable steps are taken to recover any identified overpayments. There is no reference to who can authorise non-recovery of overpayments, though the reference to HR&OD suggests it could be within their remit. In order to provide more effective control over finances, this is reserved to the Head of Finance jointly with the Head of HR&OD in Aberdeenshire.

There are varying levels of authority attributed to officers or reserved to e.g. Finance within each set of financial regulations. For example Aberdeen City officers have more flexibility in respect of budget virement, and write off of debts, but must obtain 4 quotes for all purchases below the tendering threshold, whereas Aberdeenshire requires this only for orders over £10,000 (though there is a requirement to be able to demonstrate best value). There may be scope for more flexibility in both Councils.

Requirements / items included in Aberdeenshire and not Aberdeen City:

- Internal Audit to be notified of any fraud or irregularity.

Requirements / items included in Aberdeen City and not Aberdeenshire: NB some of these are subject to separate policies in Aberdeenshire.

- Access to grant funded organisations records by Internal Audit
- Requirement to sign over cash when transferred between individuals
- Issue of purchase cards reserved to Head of Finance
- Register of safe key holders
- Where possible money to be collected in advance of service provision
- No debtors invoices to be raised for less than £20
- Officers delegated authority to write off debts up to £10,000 (subject to reporting)
- Restriction on bad debtors entering into rental agreements
- Travel claims can only be paid if evidenced valid licence, insurance and MOT.
- Travel claims > 3 months only paid in exceptional circumstances
- Stocktaking requirements – independence, write offs and surpluses through head of finance.
- 4 quotes up to tendering threshold

- Requirement for segregation of duties and specifically officers must not authorise their own transactions or any cases where there are potential conflicts of interest.
- Need for specific attention to consultancy costs.
- VAT information.
- Explicit details of irregularity investigations.
- Control over common good / voluntary (amenity) funds.
- Local Government Act / Best Value requirements
- Reserves / funds policy.

The Councils may wish to take account of these differences and review whether adoption of similar requirements, or omission of potentially unnecessary items could be considered.

Given progress with joined up working (e.g. shared services in Procurement, Internal Audit) it may be worthwhile both Councils seeking to further align their financial regulations, at least on key issues such as procurement. This could also benefit other joint working arrangements. Under Health and Social Care Integration, as Council staff working in these sections will interface with Health staff who will have their own standing financial instructions to follow, they may have difficulty reconciling these with their own, and those of the three separate local authorities (Aberdeen City, Aberdeenshire and Moray) with whom they have joint arrangements.

#### **Options for Consideration**

The Council should:

Review relevant sections of Financial Regulations to ensure the new Internal Audit arrangements are reflected.

Review whether the 'good practice guidelines' are guidelines or requirements.

Consider whether all items currently included in Financial Regulations are required to be contained within that document.

Consider whether a more condensed version of Financial Regulations could be issued for services' day to day use.

Each Council should ensure overlap between Financial Regulations and other policies is kept to a minimum.

The Councils should consider aligning key elements of their Financial Regulations.

#### *Following the public pound:*

(FPP) Each Council has guidance, which is broadly similar in intent and includes key points from the COSLA Code of Practice and Audit Scotland reports on following the public pound and ALEO's.

The levels of financial contribution at which different risk assessments and mitigations are applied vary between the Councils:

<u>Aberdeen City</u>	<u>Aberdeenshire</u>
£15,000 - £75,000	£0 - £3,000

£75,000 - £300,000	£3,000 - £10,000
£300,000 - £7,000,000	£10,000-£100,000
£7,000,000+	£100,000+

Although applied at different levels of funding, the requirements of each policy in respect of information from funded organisations is broadly similar, other than the points discussed below.

Aberdeen City includes reference to representation on boards. This forms part of a separate partnerships policy in Aberdeenshire.

Aberdeen City requires checks of individual organisations' policies and procedures more regularly than Aberdeenshire (every 2 rather than 3 years). However, it is more important to check theses if and when they change rather than on a specific periodic basis.

Although both Councils require risk assessments, there is a risk of the Aberdeen City financial risk assessments being inconsistent since no guidance has been set out in the policy on how these should be conducted – for example forecasting the impact of percentage changes in funding profile on cashflow or business cases.

Aberdeenshire sets a level of award above which grants must be split and paid monthly, whereas Aberdeen City guidance is less specific. Whilst monthly payments are encouraged, they are not required – a minimum of four instalments is set. Some larger grants might therefore be subject to greater risk if they are allowed to be paid up front.

At the time of the audit, Aberdeen City had more than one similar policy available on the Zone: both 2007 and 2011 versions were still available, with no indication of which was currently in use. There was a risk of users selecting the wrong one and applying more limited scrutiny. This has been resolved with the issue of a revised policy in September 2015.

Further documents are available with regard to Service Level Agreements and criteria for grants – these could be included in the FPP document, or should be cross referred to in it, as they currently stand separately, and users might not seek further information as set out in the FPP policy.

#### **Options for Consideration**

The Council should:

Develop and document a standard financial risk assessment process.

Set a specific level over which grants should be split and paid monthly instead of in four instalments.

Review the overlap and duplication of guidance to ensure consistency of application.

#### *Fraud strategy:*

Each Council has a fraud strategy. They have both been developed from a template provided by the Scottish Local Authorities Chief Internal Auditors Group (SLACIAG) and are therefore well documented and similar in content. Each could however be improved by including some additional items included in the other Council's strategy.

Aberdeenshire includes the following elements not included in the Aberdeen City strategy:

- Expectation of thorough documentation of financial and operational systems
- References and checks required as part of the recruitment process

### **Options for Consideration**

The Council should consider including reference to further items in the fraud strategy as outlined above.

Both Councils' documents suggest that Internal Audit procedures are quality assured. Although there are mechanisms for review, there is no recognised Quality Assurance system in place.

#### *Whistleblowing:*

Each Council has a whistleblowing policy and process, which serves to clarify the types of information disclosure and investigation process to be followed in respect of alleged fraudulent activity. The content is similar.

#### *Purchase card manuals:*

Both Councils have manuals available which outline the circumstances in which cards may be used. Aberdeen City has two different manuals, however these are not widely available to all Services. The procedures need to be easily available if they are to be followed, though it is anticipated that cardholders will be provided with copies at or before the point they receive their card.

It is not clear why there are two different types of card available to users within the Council (credit cards and purchase cards), since both offer similar purchasing options, but with a different process for record keeping and authorisation. It would be better, unless there are clear operational reasons indicating otherwise, for a single scheme to be operated.

The manuals do not clearly state that cards must not be used to pay an invoice for orders already raised in the procurement system. They also do not indicate how VAT should be coded and recovered. It may be useful to include reference to not paying invoices, and ensuring VAT receipts are obtained and correctly recorded, in the procedures, to ensure duplicate payments are not made and VAT is recovered appropriately.

### **Options for Consideration**

The Council should:

Ensure card procedures are available to all users via the Zone and the link in the Financial Regulations.

Review the need for two separate card schemes.

Include details of how to process and evidence VAT on transactions.

Clearly specify that users must not use cards to pay invoices.

#### *Stock guidance:*

Reference to the management of stocks and stores, and office inventories, is included in the Council's Financial Regulations, whereas Aberdeenshire maintains separate sets of guidance.

## **HR Policies**

### *Attendance management:*

Each Council commits to supporting employees to return to work timeously following an absence. In each procedure short and long term absences are defined, and there are 'trigger levels' of repeat absences at which point management action should be taken. The actions are broadly similar – return to work meetings, monitoring on an ongoing basis, and occupational health referrals. Both have three month monitoring periods, and recognise a long term absence as one which exceeds 4 weeks.

The trigger levels are different in each Council: Aberdeen City: 10 days / 3 times in 12 months, or 15 days / 5 times in 24 months. Aberdeenshire: 10 days / 3 times in 6 months, or 16 days / 5 times in 12 months, or where it is evident that there is a regular pattern.

Employees can therefore have more absences in Aberdeenshire than in Aberdeen City before management action is taken. However, Aberdeen City has three monitoring periods, extending the time required to manage the policy to 9 months in total compared with 6 for Aberdeenshire. This could mean that even though issues are addressed at an earlier stage, they may not be taken to a timely conclusion.

### **Options for Consideration**

The Council should consider whether three attendance monitoring periods are required when other authorities use only two.

### *Disciplinary:*

Each Council has a policy and procedure which sets out the process to be followed to ensure employees maintain satisfactory standards of conduct and to encourage improvement as necessary. This ranges from informal action to investigation, disciplinary hearing, warnings and / or dismissal.

The processes are largely similar, though are written in a different way – with Aberdeen City providing more detail on each point, and including the majority of information in a single document with appendices rather than separate documents as in Aberdeenshire. Each has model letters with similar content.

### *Work performance:*

Each Council has a policy and procedure setting out the process for supporting employees to make improvements where work performance falls below the acceptable standard. The processes are similar, though the Aberdeen City process is likely to result in earlier conclusion.

### *Maternity and parental leave:*

Each Council has guidance in respect of maternity, paternity, adoption and shared parental leave. The guidance is similar in most respects.

Aberdeen City requests evidence for Paternity Leave, however according to HMRC guidance this is not required. The Council has chosen to ask for a copy of the Mat B1 certificate as evidence to support Paternity Leave to mirror what is done re Adoption Leave, where the matching certificate is needed. Whilst not legally required, HR considers this good practice.

*PVG and Disclosure schemes:*

The Councils require to consider security and protection of vulnerable groups as part of their recruitment and employment practices. Disclosure checks and PVG registration allow them to review (potential) employee criminal record history in order to do so. Each Council has guidance on the application of these schemes.

Aberdeen City requires preferred candidates (in specified posts) to be a PVG member or become members, and the policy states that they will personally be required to pay the fee for joining the scheme. HR has stated that the Council does in fact pay membership fees, and the policy is out of date. Aberdeenshire Council's policy states that it will pay the PVG Scheme membership fee on behalf of applicants to whom it is intended to make a conditional offer of employment or on behalf of any volunteers under the direct responsibility of the Council.

The current Aberdeen City policy statement may cause confusion for managers, and prospective candidates who are not yet registered with the scheme but who may be suitable for posts.

**Options for Consideration**

The Council should revise the PVG and Disclosure policy to ensure it is accurate.

*Recruitment and selection:*

Aberdeen City has a more detailed policy and procedure on the processes and requirements. There is however potential for overlap with Recruitment of Offenders and PVG / Disclosure procedures, as there are long sections on these in which many of the requirements are repeated. See earlier comments regarding the risks of overlap and duplication.

The Aberdeen City procedure encourages greater use of advertising than Aberdeenshire, which largely relies on the national online portal and local website. Routine press advertising is likely to incur additional costs.

**Options for Consideration**

The Council should consider whether press advertising could be used only on an exceptional basis.

*Redeployment:*

Redeployment procedures set out when and why employees might have to be redeployed, and how this should be arranged. The content and actions of both Councils' are broadly similar. Aberdeen City keeps a list of redeployees on the Zone, for recruiting managers to consult prior to advertising a post. Aberdeenshire relies on HR to match candidates to a suitable post at the point it is advertised. There are benefits and drawbacks of each approach.

*Early retirement, redundancy and voluntary severance:*

Each Council has comprehensive policies in respect of these areas, with a general intention to avoid redundancies where possible. Aberdeen City appears to offer substantially fewer redundancy / early retirement benefits than Aberdeenshire. This is likely to result in lower costs in the event of restructuring.

*Social Media:*

The Councils have guidance in respect of employees' use of social media, generally focusing on the requirement to act in a professional manner in all fora and to avoid bringing the Council into disrepute

through association. Aberdeenshire has a policy in addition to guidance. As Aberdeen City only has guidance and no policy or procedure, there may be limited potential to take direct action in response to unacceptable use.

Both sets of guidance mention the potential for conflicts of interest in comments and association with specific users or groups. Aberdeenshire specifically identifies party political association as an area which could cause issues. This could be particularly important during election periods where there are statutory requirements to remain politically neutral.

### **Options for Consideration**

The Council should:

Consider developing a policy for social media, in addition to the guidelines.

Consider highlighting political association as a potential conflict of interest.

### *Travel and subsistence:*

Each Council agrees to reimburse employees for costs necessarily incurred during the performance of their duties. There are procedures in place, and both Councils have adopted HMRC standard mileage rates. Aberdeen City has a policy in addition to various procedure notes held on the Zone.

Aberdeenshire sets out a priority ranking of travel types – with business mileage travelled in the employee's vehicle at the bottom, and a maximum mileage per trip, before alternatives must be looked at by the travel team. The Aberdeen City guidance in contrast leaves a lot to the discretion of officers, although typically routine journeys in Aberdeenshire will cover more mileage. Although both authorities require standard class travel as a default, Aberdeen City Directors can agree first class travel as an exception. Aberdeenshire allows no exceptions according to the procedure, unless it can be shown to cost less than standard tickets.

It is not clear from the travel procedures that Aberdeen City staff are encouraged to utilise pool cars. Information on the Zone suggests that the 'co-wheels car club' is an option, and this is encouraged as part of the travel policy, but is not mentioned in the procedures, or given preference over alternative options.

Without prioritisation or detail of when to involve the travel team there is a risk of officers selecting higher cost travel options, and / or those travel options which will benefit them personally, rather than being best value to the Council. Allowing Directors to approve first class travel could result in chief officers utilising this exceptional procedure more often, at additional cost.

Aberdeen City pays an essential car user allowance, whereas Aberdeenshire ceased paying an allowance in 2014 following a review of terms and conditions. It may not be necessary to offer an essential user car allowance, and this may be incentivising car use at additional cost to the Council.

Aberdeenshire requires all outwith area travel to be arranged by the Travel Team. Aberdeen City guidance does not specify when to contact the travel team, although the policy suggests that 'major travel expenses' (travel and accommodation) for 'long distance travel' (outside of city boundaries) should be arranged through the team and pre-approved. Although this encourages employees to use the travel team for these items, it doesn't clearly prevent them from incurring mileage expenses instead.

Aberdeen City has more generous standard rates for subsistence: £8 for breakfast; £12 for lunch; £25 for an evening meal. The Aberdeenshire equivalents (based on hours away from home rather than specific meals) are £5; £10; and £15. Aberdeenshire also specifically requires this to be out of

the area, whereas Aberdeen City guidance makes no reference to this. Aberdeen City also offers a £25 payment for staying overnight with family and friends, which is not offered by Aberdeenshire.

If Aberdeen City were to apply the Aberdeenshire rates and allowances, and restrict their application in a similar manner, this is likely to result in a cost saving.

### **Options for Consideration**

The Council should:

Seek to prioritise travel options and encourage use of the travel team in order to deliver best value.

Review the need for an essential car user allowance.

Review the appropriateness of first class travel.

Review subsistence rates to ensure they are appropriate.

Review whether subsistence should be payable at all within Aberdeen City boundaries.

### *Working Time:*

All employers are required to comply with EU Working Time Regulations, which set out strict weekly average working times, minimum break and rest periods for different types of work. Each Council has a policy and procedure to implement these regulations.

Within the Aberdeenshire procedure it is noted than an uninterrupted rest period of 24 hours in every 7 day period, averaged over a 14 day period, must be maintained. There is no provision of this nature within the Aberdeen City document (except for young workers).

Similarly no provision is made for the maximum number of hours a night worker is able to work, however procedures do state that night time work is between the hours of 11pm to 6am; creating a maximum of 7 hours night work. Aberdeenshire explicitly states that a maximum of 8 'normal' hours of night work on average per 24 hour period can be carried out.

Aberdeenshire states that young workers (of age to leave school but not yet 18) can only work a maximum of 40 hours per week (not averaged) as well as a maximum of 8 hours per day. Neither of these conditions are mentioned within the Aberdeen City documentation.

No provision is made for rest breaks of regular employees within the Aberdeen City policy. The Aberdeenshire policy states "*a minimum of 20 minute in-work rest break where the daily working time exceeds 6 hours.*"

Although separate 'smarter working' guidance published by Aberdeen City refers to a 30 minute break after 6 hours which all employees must take, and this is mirrored in Aberdeenshire practice, neither Council includes this 30 minute minimum in a policy. It may therefore prove more difficult to apply.

The working time policy was last updated in 2006, yet it states that it should be reviewed every three years.

### **Options for Consideration**

The Council should:

Ensure all relevant rest periods, maximum average hours, and breaks are reflected in the working time policy.

Ensure policies are reviewed within the published timescales.

Ensure that the 30 minute break for work in excess of 6 hours is captured within a policy.

*Flexible working:*

Each Council sets out similar options incorporating details of various types of flexible working and the circumstances in which they might apply. The options available, and arrangements for application and delivery, are virtually identical in both organisations in most aspects.

Aberdeenshire allows more hours to be carried forward under flexi-time arrangements than Aberdeen City (20 hours credit, 10 hours debit compared with 15 and 7.5 hours), and a second flexi-day within the flexi-time period.

***ICT Policies***

*ICT acceptable use policy:*

The Councils have policies setting out the requirements and responsibilities for use of ICT systems. Each makes reference to security, data protection and copyright issues.

In addition to the detailed policy, Aberdeenshire includes a 'policy statement' which reflects the key points of the policy. This is useful in communicating the key concepts and principles, on which the rest of the document expands.

Aberdeen City does not mention restriction on use of ICT facilities for promotion of political parties.

Aberdeenshire requires personal email to go via webmail, whereas Aberdeen City restricts access to webmail, and asks users to flag personal email sent through the corporate system.

Aberdeenshire specifically prohibits the use of personal portable (USB) devices, whereas Aberdeen City allows their use subject to users scanning for viruses before use.

There may be risks in allowing users to connect USB devices (Aberdeen City) or using webmail or allowing attachments to be sent using corporate email (Aberdeenshire) which require further consideration.

**Options for Consideration**

The Council should consider including a policy statement or summary of the key points.

The Councils should compare and review their Acceptable Use Policies to ensure all relevant requirements have been captured.

*Password guidance:*

Aberdeenshire has a separate document identifying the requirements for password complexity, whereas Aberdeen City includes password guidance within a wider set of ICT good practice guidelines. The main elements are as follows:

**Aberdeen City**

- Minimum 3 monthly changes
- 8 characters

- Mix of letters, numbers and special characters

#### Aberdeenshire

- Minimum 90 days (3 monthly) changes
- 7 characters
- Mix of letters, numbers, upper and lower case
- Special characters are optional
- Not changed more than once per day
- No re-use within 20 successive changes

Although the Aberdeen City requirements are simpler, making compliance more straightforward, there is no prohibition on re-use of passwords. Users might continually swap between the same list of passwords, increasing the risk of compromising them.

Aberdeenshire requires no more than one password change per day. This should reduce the risk of users forgetting multiple changes, and may help to highlight any instance where unauthorised changes take place.

8 characters is more secure than 7, as it provides more possible combinations which would need to be run through before a password could be compromised.

#### **Options for Consideration**

The Council should consider:

Prohibiting re-use of passwords.

Restricting multiple password changes in a single day.

#### *Remote working with portable devices:*

Aberdeen City has a list of responsibilities for users of portable electronic devices, whilst Aberdeenshire includes this within a wider Code of Practice on remote working. Although the sections are broadly similar Aberdeen City does not include reference to 'overlooking' or to data protection issues (though the latter are implied). The Aberdeenshire document is more comprehensive, but the City document is more concise, and may be more user friendly as a quick guide.

#### **Options for Consideration**

The Council should consider developing a wider code of practice on remote working.

#### ***Legal and Corporate Policies***

##### *Data protection:*

Each Council sets out their commitment to adhering to the Data Protection Act and its principles. Each also has notes on subject access, notifications, release of data, and breaches.

Aberdeen City sets out the principles, and the actions the Council will take to ensure they are met, whereas Aberdeenshire's policy is more of a statement of commitment to the Act and the requirement of employees to comply.

Aberdeen City has several individual procedures supporting the policy, whereas Aberdeenshire has combined many of these into a single 'code of practice'. This document provides more in depth information about definitions and principles used in the Act. The Council does not appear to have this information generally available in an accessible format, and the procedure notes which are available rely on users knowing to look for them in response to a given situation.

**Options for Consideration**

The Council should consider combining some of the data protection procedures, and expanding on the application of DPA principles.

*Hospitality and gifts:*

Acceptance of hospitality and gifts presents a potential for conflict of interest, and could impact on compliance with the Bribery Act. Each Council has a policy, and the content and principles are similar. The City procedure largely reflects the content of the financial regulations, and there is some overlap evident in Aberdeenshire's regulations too.

Aberdeen City requires prior approval from a Head of Service before accepting any offer of gifts or hospitality. In contrast, Aberdeenshire provides a set of principles and suggests employees should consult with their line manager if they are unsure what to do. Prior approval may be unnecessary in many cases. It may also be difficult to apply where gifts are presented rather than offered, and might result in non-declaration rather than refusal which might cause offence to the giver and / or embarrassment to the recipient. There is therefore a risk of the policy being counterproductive.

The Council excludes items worth £30 or less from consideration. Aberdeenshire does not specify a value below which items are considered 'nominal' but does provide a note of the types of items which might be acceptable.

**Options for Consideration**

The Council should consider whether prior approval for gifts and hospitality is necessary.

*Standing orders:*

Standing orders set out the procedures to be followed in conducting council meetings. Whilst similar, the City has more detail regarding e.g. types of meeting, terms of office, order of business.

Aberdeen City allows receipt of deputations up to 1 day before a meeting, whereas Aberdeenshire requires 14 days. Aberdeen City allows 3 speakers (2 in Aberdeenshire) and the Council will not accept deputations for planning and other applications which have their own separate process. Aberdeenshire does allow planning applications to be spoken to.

The Council requires written questions or notices of motion 21 days prior to a meeting, whereas Aberdeenshire only requires 14 days.

It may be possible and beneficial to consider moving towards similar timescales for deputations, questions and motions – particularly where these vary between different types of action.

**Options for Consideration**

The Council should consider whether timescales for deputations, questions and motions could be aligned, and whether 14 days might be acceptable.

*Scheme of delegation / orders of reference:*

The two Councils have different approaches to committee and officer delegated powers. In Aberdeenshire, functions are typically delegated unless specifically reserved to Full Council or another Committee. In Aberdeen City, only specified functions are delegated. This results in a far lengthier document.

Although it could be argued that this makes it clearer what can and cannot be done by each Committee (or Officer), there are likely to be circumstances not covered by this approach which will need to be subject to separate Full Council decisions to resolve.

**Options for Consideration**

The Council should consider whether the orders of reference (and delegated powers to officers – see below) could be better managed on a ‘reserved matters’ or ‘by exception’ basis.

*Officers delegated powers:*

The Council has delegated powers to Committees and to Officers in order to facilitate day to day operations and decision making. Aberdeen City has an extensive list of powers, in comparison to Aberdeenshire which is more restricted.

Although the Aberdeen City document is more detailed, there may be some elements of this which are ‘powers of the officers’ rather than ‘powers delegated by Full Council to the officers’. There may not be a need for formal delegation of all of these powers. There is a balance to be achieved between seeking approval on operating activities and clearly specifying relevant powers for delegation.

The award of contracts up to £5 million is delegated to the Head of Procurement. However, award of contracts has been delegated to Committees in the Standing Orders / Orders of Reference. This could cause confusion over responsibility. In contrast, Aberdeenshire requires the award of all contracts over £60,000 to be approved by Committee.

**Options for Consideration**

The Council should review whether the content of its list of delegated powers is wholly necessary, particularly where the powers do not have to be delegated specifically as they are not customarily reserved to Full Council or a Committee.

The Council should ensure the list of delegated powers to officers does not contradict other delegated authority including the Orders of Reference.

*RIPSA:*

Each Council sets out the requirements to be followed in directing surveillance activities. In contrast to Aberdeenshire, which has a single document, Aberdeen City has multiple documents including a ‘corporate protocol’ and separate procedures for use of directed, and covert, human surveillance. Each largely duplicates information held in the other documents. Although this may be unnecessary it does mean that (contrary to statements in each document that they should be read together) each document stands alone and could be used to understand the whole process.

*Emergency planning:*

The policies and procedures (one document) for each Council are identical but for the names of the councils, and relevant officers, having both been prepared by the Grampian Emergency Planning Unit.

Both policies and procedures are out of date, particularly Aberdeenshire Council which was last updated in 2011 – over four years ago. There is reference in the documents to Grampian Police and Grampian Fire and Rescue. These organisations were subsumed within national services in April 2013.

Access to the procedures needs to be widely available, but copies are no longer held where they are recorded in the document. Documents to which the procedures are linked which were hosted by these organisations (e.g. the “SCG Generic Emergency Response and Recovery Framework and SCG Handbook”) are no longer available. Replacement ‘readygrampian’ and ‘readyscotland’.org websites were set up, but it is not clear where the information is held, and the ‘readygrampian.org’ site no longer appears to exist.

Aberdeenshire Council explicitly links its Business Continuity and Emergency Planning Procedures, and sets out an incident management framework within which this should operate, whereas Aberdeen City leaves the Director of Housing and Environment to determine and coordinate actions. The Council does however mention business continuity as a separate part of the procedure.

Aberdeen City have more, and more detailed, flowcharts documented in the procedure notes for the initial response tasks. The Council also includes contact details for their emergency planning unit. Aberdeenshire’s procedures do not contain as much detail on the response processes.

#### **Options for Consideration**

The Council should ensure the Emergency Planning Policy and Procedures are updated and accessible.

#### *Business continuity:*

Business continuity procedures are in place to ensure that the critical aspects of each Council’s business are identified and are able to be delivered at an acceptable minimum standard in the event of disruption.

The Aberdeen City policy was last updated in 2014. It is very similar to the emergency planning policy and procedures – prepared by Grampian Emergency Planning Unit. The policy element of each Council’s documentation is virtually identical, with minor variations.

Although both sets of papers include ‘recovery strategies’ these are only about restoring a minimum level of service. There are no requirements to put plans in place to identify how full service might be restored after an incident in which the service had to be pulled back to a minimum. This is likely to depend on the nature and scale of the incident.

## Appendix 2 – Grading of Recommendations

GRADE	DEFINITION
<b>Major at a Corporate Level</b>	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.
<b>Major at a Service Level</b>	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.  Financial Regulations have been consistently breached.
<b>Significant within audited area</b>	Addressing this issue will enhance internal controls An element of control is missing or only partial in nature.  The existence of the weakness identified has an impact on a system's adequacy and effectiveness.  Financial Regulations have been breached.
<b>Important within audited area</b>	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.