



Aberdeen City Council

Outstanding External Audit Recommendations

September 2016

Introduction

This report brings together the issues and risks included in action plans agreed with management as part of the 2014/15 audit. At the request of the Audit, Risk and Scrutiny Committee this is a standing report on the committee's agenda and actions will be reported upon until they are addressed.

At September 2016, the majority of actions have been completed or have been picked up by other action plans. Where that is the case, I have assumed the actions are complete for the purpose of this report.

Anne MacDonald

September 2016

Progress against outstanding recommendations

Action Point	Source Report	Recommendation	Management Action agreed/ Responsible officer	Agreed Target date	Action taken	Outcome
1	Interim	Risk assessments undertaken in response to the requirements of the Bribery Act should be evaluated and addressed as appropriate.	Risk assessments to be evaluated and any issues highlighted to be addressed as appropriate. Corporate Investigation Manager	31 December 2015	The Corporate Investigation Team business plan for 2016/17 was considered by the Audit, Risk and Scrutiny Committee in April 2016. The plan included a revised programme of work for the year ahead and this included the development of a fraud, bribery and corruption risk assessment process with services. The revised target date was given as March 2017.	Revised completion date March 2017. Corporate Investigation Manager
2	Interim	Plans should be formalised for the development of a consistent approach for reporting performance information to elected members.	Proposals for implementing a consistent approach will be developed and presented to elected members for approval. Head of IT and Transformation	31 March 2016	The council's refreshed corporate plan was approved by the full council on 26 February 2016. Thereafter, a revised performance management framework was approved. The April/June 2016 committee cycle saw the introduction of a revised framework for performance	Process needs to rollout and become embedded but action considered complete. Action completed

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					reporting which commenced with a new Corporate Governance pack being submitted to the Finance, Policy and Resources Committee. Rollout is expected to all other committees from September 2016.	
3	Interim	Arrangements for the refresh of 'Aberdeen Performs' should be put in place.	'Aberdeen Performs' is updated when performance data becomes available. A refresh is scheduled for 2015/16 to reappraise the method in which performance information is communicated to the public in light of developing corporate priorities. Head of Communications and Promotion	31 March 2016	A Public Performance Reporting (PPR) action plan was agreed by the Audit, Risk and Scrutiny Committee in April 2016. This sets out actions to be taken forward over the period to September 2017. This item is included in our 2015/16 annual report action plan. Rather than duplicate the matter, it is regarded as a closed action here.	Action completed
4	ICT	A new ICT service strategy needs to be developed and implemented. In due course, delivery should be monitored within the	Following appointment of new Head of Service, IT and Transformation Service in May, a broader review of all relevant strategies has commenced with	March 2016	A draft strategy was considered by Management Team in January 2016 and the principles reflected within the council's revised Strategic	Action completed.

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		council's PMO arrangements. Risk: until a new strategy is published, a perception could develop that the council is not taking a long-term approach to ICT services.	revision over the next 3-6 months. Thereafter, actions arising from the strategy will be monitored through appropriate governance arrangements. Head of Service (IT and Transformation)		Business Plan.	
5	ICT	The council has opted to enter a joint procurement exercise with Aberdeenshire Council for the provision of data centre services by a third party. Risk: delivery of this solution is likely to be complex, with dependency on third parties. This may give rise to delay, the need for an interim data centre and increased costs.	Transition of Data Centre Services from existing contractual arrangements to new operating model underway to meet end of contractual arrangements in January 2016, with transitional activities running until the new service has been operating for a full 3 month period. IT and Technology Services Manager	July 2016	Transitional arrangements are complete. Regular service performance reports received from Bright Solid and reviewed by IT management. No significant issues experienced to date.	Action completed.
6	ICT	There is a large portfolio of priority projects which places significant demands	The portfolio of projects will be expanded to incorporate resource demands for wider IT and	March 2016	A fortnightly programme board is in place which reviews projects, priorities and progress. The board has	Action completed

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		on the ICT projects team. Risk: projects could be delayed due to ICT staffing constraints and competing priorities.	Transformation resources and we will continue to develop our systems, processes and procedures to capture and report on resource demands and capacity. Head of Service (IT and Transformation)		oversight of all demands on the service and can prioritise accordingly.	
7	ICT	Two areas of the council's Records Management Plan are under improvement; business classification and the retention schedule. Both of these depend on local adoption by the council's service areas. Risk: as with any change process, it may take time to become embedded.	This theme will be addressed through the "Information and Records Lifecycle" domain of our Information Management Strategy. A pilot is underway with Education and Children's Services, from which lessons learned will be used to develop a plan for other areas across the council. Records Manager	For initial pilot work: March 2016. Resources and timescales for full roll-out will be calculated on completion of pilot.	The areas identified in our recommendation are being addressed through the Master Data Management project.	Action completed
8	ICT	Email and internet borne security incidents highlight the importance of effective refresher training to maintain levels of electronic security awareness in all staff.	This theme will be addressed through the "Culture, Training & Communications" domain of our Information Management Strategy, which will develop and roll out appropriate information security refresher training as part	March 2016	Through the intranet, staff are regularly reminded of the importance of information security. As part of the 2015/16 audit, we reviewed the council's arrangements for managing cyber-attacks and found sound controls and	Action completed

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		<i>Risk: as people grow increasingly trustful of the performance and convenience of new technology, they may become less cautious in using their electronic equipment.</i>	of a wider information management culture, training and communications programme Records Manager		processes to be in place.	
9	ICT	When the current data centre arrangements end, and during any transitional period, there will be a need to consider carefully the disaster recovery implications and ensure that a regular testing regime is maintained. <i>Risk: during the transitional period between data-centres, there may be a loss of knowledge about configuration and recovery.</i>	Disaster Recovery (DR) is being considered within transition activities, both to minimise disruption during transition activities and to ensure that end solution is robust and tested at regular intervals after transition IT Technology Services Manager.	July 2016	Plans to undertake testing in June 2016 were delayed due to major network changes required in the first instance. In the meantime, alternative DR plans are in place which provide for daily back ups and prompt restoration of applications.	Action completed

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10	Annual Report	<p>Financial position</p> <p>The council has a significant task ahead in meeting the funding shortfall set out in its 5 year business plan.</p> <p><i>Risk: the ongoing need to deliver savings may have an adverse impact on services and the delivery of strategic priorities.</i></p> <p>Recommendation: the council needs to develop its strategy for delivering the savings required over the next 5 year period. This should bring together the different strands of work which are in progress e.g. shared service opportunities, outcome budgeting and service targets.</p>	<p>Work is well underway to progress the 2016/17 and indicative 5 year budgets. The council's approach to financial planning, incorporating the Extended Corporate Management Team into the process, ensures that all options are considered in developing a strategy to deal with future financial pressures. Progress is also being made in the development of an outcome based budgeting approach for future years.</p> <p>Head of Finance, in conjunction with the Corporate Management Team & Extended Management Team</p>	Update position in February 2016	<p>The council has acknowledged the need for a longer term financial strategy with the recent development of a 40 year financial model. This will be further developed to build in 'what if' scenario planning so that the model can accommodate unknown future economic and social factors.</p> <p>For the purposes of this action, it is considered to be completed.</p>	Action completed.

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11	Annual Report	<p>Long term financial planning</p> <p>Longer term horizon scanning through the development of long term planning will support the strategic infrastructure plan but also give a more rounded view of the financial landscape. In addition, links should be made with workforce plans.</p> <p><i>Risk: financial difficulties arise through unexpected events</i></p> <p>Recommendation: Long term planning continues to be developed.</p>	<p>The importance of long term financial planning is acknowledged and will continue to be developed.</p> <p>Head of Finance, in conjunction with the Corporate Management Team</p>	Update position in February 2016	See Action Point 11	Action completed
12	Annual Report	<p>Marischal Square Development</p> <p>In responding to economic conditions, the council may mitigate risks by providing financial support, for example,</p>	Each regeneration investment decision will have a full business case prepared which will examine the case for proceeding with the investment decision and will clearly state the financial implications and risks associated	Update by 31 March 2016	The oversight and steward of all the council's capital investment programmes falls within the remit of the refreshed Strategic Asset and Capital Plan Board. The rationale and direction of all projects would therefore come	Action completed

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		<p>rental assistance to encourage city centre investment.</p> <p><i>Risk: the council's rationale for offering support lacks transparency</i></p> <p>Recommendation: The council's should set out a framework which explains the type and level of regeneration investment it wishes to financially support.</p>	<p>with it.</p> <p>Corporate Management Team</p>		<p>within this remit.</p>	