

ABERDEEN CITY COUNCIL

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COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	26 September 2017
REPORT TITLE	Internal Audit Report AC1721 – Disclosure Checks
REPORT NUMBER	IA/AC1721
LEAD OFFICER	David Hughes
AUTHOR	David Hughes

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**1. PURPOSE OF REPORT**

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

**2. RECOMMENDATION**

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

**3. BACKGROUND / MAIN ISSUES**

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

**4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications arising from the recommendations of this report.

**5. LEGAL IMPLICATIONS**

- 5.1 There are no direct legal implications arising from the recommendations of this report.

**6. MANAGEMENT OF RISK**

- 6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are as detailed in the attached appendix.

## **7. IMPACT SECTION**

7.1 **Economy** – The proposals in this report have no direct impact on the local economy.

7.2 **People** – There will be no differential impact, as a result of the proposals in this report, on people with protected characteristics. An equality impact assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. The proposals in this report will have no impact on improving the staff experience.

7.3 **Place** – The proposals in this report have no direct impact on the environment or how people friendly the place is.

7.4 **Technology** – The proposals in this report do not further advance technology for the improvement of public services and / or the City as a whole.

## **8. APPENDICES**

8.1 Internal Audit report AC1721 – Disclosure Checks.

## **9. REPORT AUTHOR DETAILS**

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# ABERDEEN CITY COUNCIL

## Internal Audit Report Disclosure Checks

**Issued to:**

Morven Spalding, Head of HR (Interim)  
Fraser Bell, Head of Legal and Democratic Services  
Steve Whyte, Head of Finance  
Mike Lawson, HR Manager  
Tracy Runcie, HR Team Leader  
External Audit

## **EXECUTIVE SUMMARY**

The Council is required to obtain appropriate disclosure checks to ensure that it does not allow any individual to carry out specific activities with children or protected adults who has been barred from such work. This requirement extends to both employees and volunteers.

The objective of this audit was to ensure that appropriate checks are being obtained as required. The general conclusion drawn from testing is that appropriate guidance is in place regarding employees and checks are being completed as required, although some recommendations have been made to ensure that records and documentation are enhanced.

Although appropriate checks were found to have been completed in relation to volunteers, the corporate policy covering the recruitment of volunteers needs to be more explicit regarding Disclosure requirements. To address this, the Council's Recruitment Guidance will be enhanced to include the Disclosure Check requirements relating to volunteers and will direct officers to the Council's Volunteering Policy and associated guidance.

# 1. INTRODUCTION

- 1.1 Disclosure Scotland is an Executive Agency of the Scottish Government whose primary objective is to provide an accurate and responsive Disclosure service. A Disclosure is a document containing impartial and confidential criminal history information held by the Police and government departments, which can be used by employers to make safer recruitment decisions.
- 1.2 Aberdeen City Council has been confirmed by Disclosure Scotland as a Registered Body, enabling the authority to countersign applications for Basic, Standard and Enhanced Disclosures and Protection of Vulnerable Groups Scheme Records and Updates. The Head of HR is the Lead Counter Signatory for the Authority and officers within Services have been registered with Disclosure Scotland as counter signatories.
- 1.3 The Protection of Vulnerable Groups (Scotland) Act 2007 (PVG Act) introduced a registration scheme for individuals carrying out regulated work with children and protected adults. Disclosure Scotland maintains records of this registration and consult with Police and other authorities to identify pertinent information regarding registered individuals. Lists are also maintained by Disclosure Scotland of individuals who have been identified as being unsuitable to work with each group.
- 1.4 It is a criminal offence for an organisation working with children or protected adults to employ an individual who has been barred from such work, to carry out specific activities with these groups. There is therefore a requirement for the Council to join the Scheme, and ensure that employees / volunteers in regulated work are checked and records obtained prior to employing them to do these types of work.
- 1.5 Disclosure Scotland also provides criminal conviction certificates (Basic Disclosures), criminal record certificates (Standard Disclosures) and enhanced criminal record certificates (Enhanced Disclosures) for other specific posts and activities as provided for under the Police Act 1997 and Criminal Records (Scotland) Regulations 2010.
- 1.6 Whilst HR is responsible for policy and procedure in respect of these checks, and is available to provide advice on specific cases, individual Services are required to ensure compliance by determining applicable posts, obtaining information on prospective employees and assessing their suitability.
- 1.7 Disclosure Scotland charges for this Service. In financial year 2016/17, approximately £81,000 was spent on such checks across the Council, compared to approximately £133,000 the previous year. One reason for the decrease is that Bon Accord Care is now a Registered Body and is undertaking checks previously carried out by the Council.
- 1.8 The objective of this audit was to consider whether arrangements in place to ensure that appropriate employees / volunteers have been checked are adequate. Specific testing of compliance was targeted at high risk areas. This involved interviewing staff, obtaining copies of procedures and guidance, and reviewing job categories and checks of employees and volunteers made within the last twelve months.
- 1.9 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Ewan Sutherland Head of HR, Mike Lawson HR Manager and Tracy Runcie, HR Team Leader.

## **2. FINDINGS AND RECOMMENDATIONS**

### **2.1 Policies & Procedures**

- 2.1.1 Comprehensive written policies and 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.
- 2.1.2 Disclosures are administered by a dedicated team within HR. Guidance on Disclosures has been produced by this team for use across the Council and is available on the Zone. At the time of audit these procedures were under review as they need to be updated following recommendations made in previous audits. However the current procedures relating to Disclosures were seen to be generally clear and comprehensive, covering all issues relating to recruitment, data handling, leavers and referrals.
- 2.1.3 Guidance for employers and applicants is available from Disclosure Scotland, including a Code of Practice and guides to checking and completing various types of Disclosure. The HR team holds copies of this guidance for reference and refer to Disclosure Scotland to ensure the copies are up to date.
- 2.1.4 Per Disclosure Scotland guidance, employers should maintain a list of authorised signatories who have been registered with Disclosure Scotland for the purpose of counter-signing applications for checks. The list of authorised signatories is held and maintained by the HR team. The format complies with Disclosure Scotland requirements and the entries were seen to be up-to-date. The Service advised that regular audits are undertaken to ensure only appropriate staff are entered on the list, as required by the Disclosure Scotland Code of Practice.

### **2.2 Document Storage & Retention**

- 2.2.1 The 2007 Act stipulates how PVG certificates and data may be recorded and stored. The Council has a policy on secure handling, storage, retention and destruction which was designed to comply with the Code of Practice, as well as with Data Protection legislation. Disclosure information is only passed to authorised staff; no vetting or conviction information is retained.
- 2.2.2 Currently, the portion of Disclosure certificates containing vetting and criminal conviction information is removed and securely destroyed as soon as the relevant information (type and unique reference number of the Disclosure, date of issue, clear or unclear) has been recorded in the HR database PSe. The remainder of the certificate is scanned and added to the employee's personal file.
- 2.2.3 A recent audit undertaken by Disclosure Scotland found the Council to be fully compliant in terms of how certificates are handled, stored and destroyed securely. However, the process is currently under review, with consideration being given to destroying the entire Disclosure certificate once information is recorded in PSe.

### **2.3 Recruitment**

- 2.3.1 In order to comply with legislation, the Council must identify relevant posts undertaking regulated activities, ensure that prospective candidates are advised whether satisfactory PVG or Disclosure checks are required, then undertake those checks prior to confirming appointment of the preferred candidate(s) and their commencing employment performing those activities.

- 2.3.2 In conjunction with HR, Services have developed lists of all posts, and documented their disclosure requirements. This list is maintained by the dedicated HR team and is regularly updated. New and amended posts are assessed using a template spreadsheet created by HR which includes details of required checks. HR will check with Services where vetting has been requested to confirm that it is justified, and Disclosure Scotland also carry out spot checks during the application process.
- 2.3.3 Existing recruitment and selection procedures and paperwork should ensure that checks are undertaken, results are considered, and offers of employment are only made to suitable individuals for each post. Records of these activities are maintained by Services using the recruitment portal (TalentLink), in spreadsheets or databases of disclosure and PVG applications, on the HR database PSe, and in Personnel files held by HR.
- 2.3.4 The requirement for a Disclosure check is identified when the post is created, assessed and categorised by HR using the Job Number spreadsheet. This is then included in the Recruitment Advertising Form, which is completed by the recruiting Service and retained by HR in their shared drive and in the successful candidate's personnel file. The recruitment process is tracked through TalentLink. The requirement for and type of check is flagged in the advert, which triggers template application questionnaires and offer letters which request Disclosure information.
- 2.3.5 When a preferred candidate is identified an entry is created in the HR Disclosure database recording their personal details and the type and date of check applied for. When the results are received the membership or certificate number and date, and the outcome, are also recorded in the database. The outcome is communicated to the recruiting manager for a final decision; if the result of the check was unclear, further investigations are made to ascertain whether the candidate is suitable. Once the candidate has received final approval from the recruiting manager they are allocated a payroll number, a record is created in PSe and the membership or certificate number, date of check and outcome (clear/unclear) are input to the Disclosure field, access to which is restricted.
- 2.3.6 A sample of 40 positions advertised during March 2017 was selected and reviewed to confirm that prospective candidates were advised of the need for checks. Of the 40 reviewed, 31 required a check of some kind. All had been tagged as such within TalentLink, and the type of check was appropriate and proportionate. However, in one case a Standard Disclosure was required but this was not stated in the job advert or attached documents.
- 2.3.7 A further sample of 40 newly filled positions where checks were advertised as required was selected and reviewed to confirm that checks were appropriate, were correctly and timeously recorded, and that candidates did not take up their role until satisfactory checks had been received. The sample was weighted towards Social Care, and Education & Children's Services, as these are the Directorates with the largest number of posts requiring checks. In 3 cases the position had been advertised as requiring vetting but none had been undertaken. The Service advised that after initial categorising, through discussions with Services and Disclosure Scotland it had been agreed that these roles did not require vetting; however the tag had not been removed from the adverts.

**Recommendation**

The Service responsible for placing vacancies should ensure that all posts requiring vetting are advertised as such.

**Service Response / Action**

Agreed. A review of job numbers is currently underway and this includes the category of Disclosure check required (if any). The Recruitment Advertising Form (on YourHR) is currently being piloted in schools. Once this is rolled out, the job number information

will be pre populated so this will only pull through a PVG/Disclosure check requirement if this is recorded against the job number.

In addition, whilst a Service may have requested this check from the outset, further correspondence with Disclosure Scotland once a preferred candidate was identified may have led to the need to review this in terms of legislation/legal entitlement to make such a request.

The review of job numbers should hopefully resolve this as we have built up knowledge of jobs which Disclosure Scotland have advised do not qualify for such checks. A Disclosure Scotland Workshop was held on 22 May 2017 with the majority of counter signatories attending this.

<b><u>Implementation Date</u></b>	<b><u>Responsible Officer</u></b>	<b><u>Grading</u></b>
September 2017	HR Team Leader and Digital HR Project Manager	Significant within audited area

- 2.3.8 In one case, the individual took up their role before the required PVG check was processed. The Service advised that the regulated work had not begun until after the check had been received. However, the appointment to a regulated post was made prior to the PVG Scheme Record being received.

**Recommendation**

Employees should not be appointed prior to the relevant Disclosure being received and approved.

**Service Response / Action**

Agreed. This was a specific circumstance where the individual applied for and was appointed to 2 positions in quick succession with the more senior position requiring a PVG. A reminder has been issued to all HR Service Centre (HRSC) staff advising them of this requirement.

<b><u>Implementation Date</u></b>	<b><u>Responsible Officer</u></b>	<b><u>Grading</u></b>
Implemented	HR Team Leader	Significant within audited area

- 2.3.9 For all other cases in the sample, checks were appropriate and had been carried out and recorded promptly, and the candidates had not taken up their role before satisfactory results had been received. However, in 2 cases the wrong type of check had been recorded in PSe. The Service advised after checking their database that the correct checks had been carried out.

**Recommendation**

The Service responsible for inputting vetting information to PSe should ensure that this is done accurately.

**Service Response / Action**

Agreed. Information was initially recorded in spreadsheets in various formats and then uplifted into PSe. The intention is to request an updated interested party status list from Disclosure Scotland and uplift this into PSe as an up-to-date and accurate record.

A reminder has been issued to all HRSC staff.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
Notification to HRSC – Implemented	HR Team Leader	Important within audited area
PSe update based on Disclosure Scotland list – August 2017		

2.3.10 15 posts from across the Council were reviewed to confirm that they had been assessed and categorised as requiring checks. All had been assessed and were appropriately categorised. In only one case was a justification provided in the recruitment form for requesting the check. The Service advised that most new posts are based on existing posts where a check has already been agreed to be justified.

## **2.4 Scheme Membership Administration**

2.4.1 When the PVG Scheme was introduced in 2011 Registered Bodies were given 3 years to ensure that all existing employees undertaking regulated work were enrolled in the new Scheme. The Service advised that an exercise was undertaken in 2011 to categorise all posts according to the level of vetting required and ensure all incumbents were enrolled, and that all new and existing posts are now categorised using a template which ensures this information is included. The Service provided a listing of posts categorised as PVG which was seen to be comprehensive. The Service further advised that the retrospective checking exercise was complete, and this was confirmed by a note in the Disclosure Scotland compliance audit referred to in paragraph 2.2.1, above.

2.4.2 In addition, per the Council PVG Protocols, Services are expected to maintain a list of posts that require to be checked, and undertake an annual review of the list to take account of change of duties and the working locations of posts.

2.4.3 Once an individual is a PVG Scheme member, Disclosure Scotland will keep the individual's PVG Scheme membership and vetting information up-to-date through a process called continuous updating. Disclosure Scotland keep a record of registered and regulatory bodies which have an interest in the individual and, if a PVG Scheme member is placed under consideration for listing as unsuitable, or barred from doing regulated work, the individual and any organisations with an interest in the individual will be notified.

2.4.4 It is the responsibility of the Scheme member to notify Disclosure Scotland if they leave an organisation or otherwise cease to carry out regulated work. However, in order to prevent inappropriate notifications it is good practice for organisations to notify Disclosure Scotland of a cessation of interest in an individual, and this is examined as part of the Disclosure Scotland compliance audit.

2.4.5 A sample of 8 leavers within the last 12 months from posts categorised as regulated work was identified through PSe and reviewed to confirm that Disclosure Scotland had been advised. In 4 cases the date noted interest was recorded as having ceased was over two months after the date of leaving. In two cases no note of cessation of interest was recorded in PSe. The Service advised that in the past the process had not been as efficient as it could have been but that action had now been taken to bring records up to date and notify Disclosure Scotland where necessary.

2.4.6 This issue was raised in the Disclosure Scotland audit of 2016 and the Service had agreed to act on their recommendation by amending the leavers' process to ensure that notes of interest were not left outstanding. The Service has advised that the termination process has been amended and Disclosure Scotland is now advised by email as part of that process.

## 2.5 Agency Workers

- 2.5.1 Guidance on recruiting agency workers is available on the Zone. Services are prompted by pre-created agency worker job profiles to consider whether the assignment will involve “regular, direct contact with children or vulnerable adults”. The standard Agency Worker Authorisation Form contains a section to be completed if PVG or Police disclosure checks are required. The agency is then required to supply a worker who has undergone such vetting and reliance is placed by the Council on the agency to do this correctly. As it is the agency rather than the Council which is the interested party it is not possible to double check.
- 2.5.2 A sample of 8 agency workers recruited within the last twelve months was obtained from data tested in an Internal Audit of Agency Workers (AC1712) and Authorisation Forms were reviewed to confirm that procedures had been followed. For all workers reviewed the form had been marked to request a worker with membership of the Scheme. In some cases additional information had been inserted to identify the type of check.
- 2.5.3 It was observed that the form does not require the type of PVG or Police disclosure to be specified. It is possible therefore that a worker with PVG Adults could be supplied for a role working with children, or vice versa. The Service has agreed to modify the form; a recommendation is included here to track progress.

### **Recommendation**

The Service should amend the Agency Worker Recruitment Form to give details of the type of disclosure check required.

### **Service Response / Action**

Agreed.

### **Implementation Date**

June 2017

### **Responsible Officer**

HR Team Leader

### **Grading**

Important within audited area

## 2.6 Volunteers

- 2.6.1 Volunteers carrying out regulated work on behalf of the Council must also undergo disclosure checks. A separate spreadsheet is maintained by the dedicated HR team for applications for checks on volunteers as these are not recorded in PSe, even where the individual is also employed by the Council. This spreadsheet contains the same data as that recorded for employees.
- 2.6.2 The Finance, Policy and Resources Committee approved a corporate Volunteering Policy in September 2013. This makes reference to Disclosure requirements, however, the actual requirements could be more explicit and provide better guidance to users. Although this Policy is not readily available on the Council’s Intranet, there is an Education and Children’s Services Volunteering Policy Framework guidance which follows the policy on disclosure checks for staff. A refreshed corporate policy on recruitment of volunteers would ensure consistency and mitigate against the risk of volunteers undertaking regulated work without appropriate vetting.

### **Recommendation**

The corporate policy and procedure on Volunteering, more specifically as it relates to the recruitment of volunteers, should be refreshed, ensuring that Disclosure requirements are explicit, and ensure that this is widely publicised within the Council.

**Service Response / Action**

It is agreed that this issue needs to be addressed. The Council's Recruitment Guidance, which is currently being updated, will be revised to include the Disclosure Check requirements for volunteers and will signpost officers to the Volunteering Policy and associated E&CS Guidance. A corporate communication will be issued when the Recruitment Guidance is finalised which will highlight the changes, and the HR list of on-line Frequently Asked Questions will be updated to include the checks required when engaging volunteers.

**Implementation Date**

October 2017

**Responsible Officer**

HR Team Leader

**Grading**

Significant within audited area

- 2.6.3 Three service providers using volunteers were contacted to ascertain whether Council policies on disclosure checks were being followed. The Services contacted were all aware of policies and procedures for volunteers and worked with HR to ensure that checks were undertaken where appropriate. None permitted volunteers who had been identified as undertaking regulated work to take up the role before satisfactory checks were received.

**2.7 Foster Parents / Adoptive Parents**

- 2.7.1 Foster carers are defined in the 2007 Act as carrying out regulated work and are required to undergo PVG checks. Within the Council these checks are the responsibility of the Alternative Family Care team, and are included in the procedure manual. This procedure was seen to be clear and up to date, with references to Disclosure Scotland guidance.

- 2.7.2 The procedure states that all prospective Foster Carers and Kinship Carers must undergo a satisfactory PVG check before being accepted. The Service then requires an Update every 3 years; this is a precautionary measure to ensure that no changes are missed, even though, as Scheme members, they are subject to Disclosure Scotland's "continuous updating".

- 2.7.3 Prospective Adopters, and household members of prospective Adopters, Foster Carers and Kinship Carers, must undergo an Enhanced Disclosure Check which should be updated every 2 years. Social Work maintain their own confidential Disclosure Spreadsheet in the same format as that kept by HR for employees, which records dates, membership numbers and outcomes (clear / not clear); certificate details are added to the carer record in CareFirst, access to which is restricted to staff who require such access to carry out their duties.

- 2.7.4 A sample of 7 prospective Foster Carers and Adopters was provided by the Alternative Family Care team and reviewed. In 6 cases, PVG or Police disclosure checks, as relevant, had been carried out and reported as clear before the prospective carer was accepted; in one case the result was not clear and the carer was not accepted until further investigation could be carried out. Data had been recorded in the spreadsheet and CareFirst as required and the disclosure certificates had been securely destroyed.

**2.8 Payments to Disclosure Scotland**

- 2.8.1 Disclosure Scotland sends consolidated monthly invoices which show the barcode reference from the certificate, the full name of the individual and the type of check. These are received by the HR Team Leader and sent to the dedicated HR team for approval and the manual addition of the appropriate cost centre for each entry. The annotated invoices are then sent to Accounts Payable for payment, and scanned into the InfoSmart document storage system.

- 2.8.2 Costs for 2015/16 were £132,851 and for 2016/17 were approximately £81,000. One reason for the decrease is that Bon Accord Care is now a Registered Body and is undertaking checks previously carried out by the Council.
- 2.8.3 Commercial and Procurement Services has confirmed that Disclosure Scotland is acting as the sole Executive Agency in charge of Protection Services on behalf of the Scottish Government and is, therefore, the only supplier. In view of this, use of Disclosure Scotland is not considered to be a procurement and, therefore, suspension from the Council's Procurement Regulations is not required.
- 2.8.4 The sample of new employees reviewed in 2.3.6 was checked against InfoSmart and confidential records held by HR to confirm that all applications were recorded and had been authorised; only recorded applications were paid for and the correct fees charged; invoices were authorised before payment; and that Services were charged only for applications relating to their staff / recruitment activities.
- 2.8.5 All applications had been recorded and authorised. Some invoices had yet to be received; all those which had been received had been checked, approved and the charges split and charged to the correct Service.
- 2.8.6 In 5 cases the invoice charged for a Scheme Record Application (£59) while the check recorded in PSe, and required per the information supplied by the applicant, was for a Scheme Record Update (£18). The Service advised that in all cases the wrong application type was recorded in PSe in error. Since a recommendation has already been made (above) to ensure data is entered into PSe accurately, no recommendation has been made here. The Service has consulted with Disclosure Scotland and confirmed that an application would not be processed if submitted in error, as the person would be identified as already in the Disclosure System; in which case the Service would be advised by Disclosure Scotland that a different type of application should be submitted.

**AUDITORS:** D Hughes  
A Johnston  
L Jarvis

## Appendix 1 – 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>	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
<b>Significant within audited area</b>	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
<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.