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**Private & confidential**

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Your ref

our ref as/mw/wb

8 January 2018

Dear Fraser

**Aberdeen City Council - Wellington Brae Corporate Investigation Team Report**

As appointed external auditor, and as agreed with you, KPMG LLP ('KPMG') performed a focussed review of Aberdeen City Council's ('the Council's') investigation into the Wellington Brae governance and procedural failings. Specifically, Michael Wilkie and I:

- 1111 considered the scope of the investigation;
- a reviewed the unredacted Corporate Investigation Team ('CIT') report dated 18 September 2017;
- 11 attended the Audit, Risk and Scrutiny Committee meeting at which a partially redacted version of the CIT report was discussed by elected members;
- met with the Council's Director of Communities, Housing and Infrastructure and the Council's Head of Legal and Democratic Services to discuss the investigation, the CIT report and ask questions for clarification; and
- 111 received and considered supporting papers / explanations provided in response to our queries together with officers' summary of proposed actions following the investigation.

In response to the CIT report included in committee papers, a member of the public raised concerns with Audit Scotland's correspondence team regarding factual inaccuracies from her perspective. These were simultaneously raised with the Council via an elected member. As requested by the correspondence team, Michael Wilkie obtained details of the concerns directly from the member of public and, with her agreement, raised them with the Council's Director of Communities, Housing and Infrastructure and the Council's Head of Legal and Democratic Services. We received and considered a document prepared by the CIT which responded to each of those points.

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The CIT investigation scope and resultant report covered the circumstances of the Wellington Brae project: its timelines; establishment of related land ownership; repair approval; communication with the public; officer actions; funding; and potential data breach in respect of Council emails being in the public domain and reported within the press.

The CIT interviewed 28 "witnesses", internal to the Council and external. It also reviewed relevant emails, reports, minutes and procedures. The CIT report identifies a number of recommendations to address specific weaknesses. These recommendations are in respect of acceptance of funding, project management, project governance, data governance and the Council's elected member protocols.

The procedures undertaken by the CIT appear to be appropriate to establish the circumstances of the Wellington Brae project and to enable it to draw conclusions. The individuals interviewed appear to be those who have insight about what happened with the project and who could provide an external perspective. We queried a few matters where the basis for conclusions reached was not clear from the CIT report or where the 'factual inaccuracies' raised by the member of the public were directly relevant to the CIT report. We received satisfactory responses for each of our queries.

The urgent nature of the repairs required to the Wellington Brae footpath, as articulated by the funding body of the repairs, contributed to Council officers proceeding with the repairs at the funding body's request. However there were a number of weaknesses and procedural failings identified from the investigation.

The Council has formed an action plan to remediate the weaknesses noted within the CIT report. In addition the Council has:

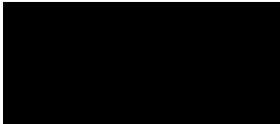
- D approved a review of Capital Programme Governance, which is already ongoing;
- ti commissioned internal audit to independently review capital governance arrangements;
- ci increased the resources within the Capital Programme team;
- ti agreed to undertake a series of training and development sessions for the staff involved to highlight the need for stronger governance and compliance with the Council's governance framework; and
- c been instructed by the Audit, Risk and Scrutiny Committee to report back to the Committee to provide evidence of how the wider Service Review of the Planning and Sustainable Development Service is taking full account of the need to implement additional safeguards to ensure that any debatable land ownership and contract procurement issues are appropriately escalated, resolved and recorded. This report will be presented to the 22 February 2018 Audit, Risk and Scrutiny Committee meeting.

*B January 2018*

Having considered the investigation and the actions underway in response to the findings, I do not consider that further investigative work is necessary from the Council, KPMG or Audit Scotland. The CIT investigation has been subject to scrutiny by elected members and a number of actions are proposed in response. These enable the Council to learn from the Wellington Brae project and enhance procedures.

Should you require any further information or would like to discuss the matter further, please let me know.

Yours sincerely



Andy Shaw  
*Audit Director*

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