

ABERDEEN CITY COUNCIL

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|---------------------------|--|
| COMMITTEE | Audit, Risk and Scrutiny Committee |
| DATE | 11 May 2023 |
| EXEMPT | No |
| CONFIDENTIAL | No |
| REPORT TITLE | Internal Audit Report AC2310 – PVG & Disclosure Checks |
| REPORT NUMBER | IA/AC2310 |
| DIRECTOR | N/A |
| REPORT AUTHOR | Jamie Dale |
| TERMS OF REFERENCE | 2.2 |

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on PVG & 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. CURRENT SITUATION

- 3.1 Internal Audit has completed the attached report which relates to an audit of PVG & 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. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

7.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations, consistent with the Council’s Risk Appetite Statement, are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

8. OUTCOMES

8.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.

8.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council’s framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

9. IMPACT ASSESSMENTS

| Assessment | Outcome |
|----------------------------------|---|
| Impact Assessment | An 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. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics. |
| Privacy Impact Assessment | Not required |

10. BACKGROUND PAPERS

10.1 There are no relevant background papers related directly to this report.

11. APPENDICES

11.1 Internal Audit report AC2310 – PVG & Disclosure Checks

12. REPORT AUTHOR CONTACT DETAILS

| | |
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Internal Audit

Assurance Review of PVG & Disclosure Checks

Status: Final

Date: 13 April 2023

Risk Level: Function

Report No: AC2310

Assurance Year: 2022-23

| Net Risk Rating | Description | Assurance Assessment |
|-----------------|---|----------------------|
| Moderate | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited. | Reasonable |

| Report Tracking | Planned Date | Actual Date |
|------------------------|--------------|-------------|
| Scope issued | 24/11/2022 | 24/11/2022 |
| Scope agreed | 02/12/2022 | 05/12/2022 |
| Fieldwork commenced | 09/01/2023 | 09/01/2023 |
| Fieldwork completed | 27/01/2023 | 16/02/2023 |
| Draft report issued | 17/02/2023 | 03/03/2023 |
| Process owner response | 10/03/2023 | 15/03/2023 |
| Director response | 17/03/2023 | 13/04/2023 |
| Final report issued | 24/03/2023 | 13/04/2023 |
| Audit Committee | 11/05/2023 | |

| Distribution | |
|---------------|---|
| Document type | Assurance Report |
| Director | Andy MacDonald, Director, Customer |
| Process Owner | Isla Newcombe, Chief Officer – People & Organisational Development |
| Stakeholder | Jacqui McKenzie, Chief Officer – Customer Experience |
| | Lesley Strachan, People and Organisational Development Manager - Talent |
| | Bruce Reid, Business Services Manager |
| *Final only | Jonathan Belford, Chief Officer – Finance* |
| | External Audit* |
| Lead auditor | Cassie Jamieson, Auditor |

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1 Introduction

1.1 Area subject to review

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. The Council has a statutory duty under the Act to obtain appropriate Disclosure Scotland 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.

Disclosure Scotland is an executive agency of the Scottish Government. It is designed to assist employers to make safer recruitment and appointment decisions in relation to paid and unpaid work, by providing criminal records disclosure services. Disclosure Scotland maintains records of an individual's registration and consults 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.

The 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.

1.2 Rationale for the review

The objective of this audit is to provide assurance that appropriate Disclosure Scotland checks are being obtained, in advance of employment, as required.

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. This review has been included in the 2022-23 audit plan to ensure the Council is meeting its statutory obligations and due to the associated reputational damage of failing to do so. The last Internal Audit review of the Council's PVG and Disclosure Scotland checks took place in 2016-17. It found that in general appropriate arrangements were in place however recommendations were made to formalise procedures, enhance recruitment processes, and improve record keeping.

Where individual managers are responsible for their part of the process, this review is focused on the central control framework and the second line operations as managed by the Customer Function. Where we recognise many different stakeholders in the process, any recommendations made will be targeted at those centrally to help improve operations across the Council as a whole.

1.3 How to use this report

This report has several sections and is designed for different stakeholders. The executive summary (section 2) is designed for senior staff and is cross referenced to the more detailed narrative in later sections (3 onwards) of the report should the reader require it. Section 3 contains the detailed narrative for risks and issues we identified in our work.

2 Executive Summary

2.1 Overall opinion

The full chart of net risk and assurance assessment definitions can be found in Appendix 1 – Assurance Scope and Terms. We have assessed the net risk (risk arising after controls and risk mitigation actions have been applied) as:

| Net Risk Rating | Description | Assurance Assessment |
|-----------------|---|----------------------|
| Moderate | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited. | Reasonable |

The organisational risk level at which this risk assessment applies is:

| Risk Level | Definition |
|-----------------|---|
| Function | This issue / risk level has implications at the functional level and the potential to impact across a range of services. They could be mitigated through the redeployment of resources or a change of policy within a given function. |

2.2 Assurance assessment

The level of net risk is assessed as **MODERATE** with the control framework deemed to provide **REASONABLE** assurance over the Council's approach to PVG and disclosure checks.

Within the Council there is a dedicated HR Service Centre team who are responsible for assisting recruiting managers and processing Disclosure Scotland applications and a dedicated Talent team providing advice and guidance both to the HR Service Centre and to recruiting managers. Corporate Recruitment & Selection guidance for managers adequately specifies the need for recruiting managers to identify necessary checks. At the point of requesting approval to advertise a vacancy on TalentLink, recruiting managers are asked to note the level of check required for the role. Furthermore, a checklist-based system is in place for the HR Service Centre team to ensure that the appropriate level of Disclosure Scotland check is identified and undertaken for a particular role.

8,015 PVG checks had been recorded as completed Council employees since 2011 at the time of review.

Other than PVGs for work with vulnerable individuals, a basic disclosure check for Chief Officers has been required since 2018. This check has been undertaken on Chief Officers recruited since this date. In addition, standard disclosure checks are also required for certain professionals, including accountants and solicitors and have 53 been completed on current employees.

However, the review identified some control weaknesses that should be addressed by management, including:

- **Checks, post classification and exception reporting** – One (4%) employee out of a sample of 22 reviewed in detail, in posts identified as requiring a PVG check based on the nature of work undertaken and establishment in which they worked, did not have a PVG arranged by the Council¹. Posts are not categorised by Disclosure Scotland check type within the HR / Payroll system (CoreHR). Furthermore, there is no system of exception reporting to identify where checks have not been completed or recorded. This increases the risk that the need for a Disclosure Scotland check will be missed by a recruiting manager and the Customer Function. The Customer Function has advised work has commenced to begin recording post requirements in the HR/Payroll system (CoreHR) to address this.
- **Unclear checks** – Recruiting managers are notified of the requirement to seek guidance / support from the Customer Function, where a Disclosure Scotland check comes back unclear.

¹ This is not considered representative of issues across 4% of all 8,015, recognising development in practices and controls since 2011.

However, whilst officers are required to assess such information, there is no detailed guidance on how to do so, nor is there a means of recording management decisions. In the absence of detailed guidance and a means of recording management decisions, there is a greater risk unclear checks will be risk assessed inappropriately or where not completed this will not be identified, leading to inappropriate employment decisions.

The above exceptions increase the risk that checks will not be undertaken where necessary or completed inappropriately, risking operational, compliance and financial penalties for the Council as well as reputational damage.

Recommendations have been made to address identified control weaknesses, including formalising check requirements for posts and the outcomes for unclear checks; recording post requirements; and establishing a system of exception reporting for missing checks to ensure these are investigated and resolved.

Whilst we recognise this as an area with many stakeholders across the Council, the central team provide oversight and second line control. As such, our recommendations have been targeted towards the Customer Function, whilst recognising they will need to engage across the business to implement enhancements.

Severe or major issues / risks

No severe or major issues / risks were identified as part of this review.

2.3 Management response

The service has welcomed the input of Internal Audit in this area and have worked in partnership to identify potential risks and improvement actions.

There has been significant change in systems for recording PVG and Disclosure Checks since the introduction of the Council's HR/Payroll system, CoreHR in April 2019. As a result, some information is held in our current HR/ Payroll system, some historical information is in the process of being transferred from our previous system and some is in manual operational recording systems. All data is being updated or transferred aligned to recommendations within this report.

Posts are both identified as requiring a check by the recruiting manager, and this is checked by the HRSC with advice and guidance from the Talent team, it's agreed that listing the requirements against the post will remove the risk of human error and allow for exception reporting.

The findings of this audit have therefore identified the need to accelerate our workplan to record PVG/ Disclosure requirements against each job role within the HR/Payroll system (CoreHR) and work has already commenced on this.

In terms of unclear checks, it is accepted that whilst guidance is in place for managers to assess the details on unclear checks against the job requirements for the role, this will be strengthened based on the advice of Internal Audit. It is true that although managers are alerted to the outcome of the disclosure check and the need to undertake a risk assessment, there is not a recording system in place to record a managers decision in terms of appointment. It is not, however, appropriate that this is recorded within personal files that are accessible by officers, but could be added to our operational recording system. Once again, work on this is being undertaken as a priority.

3 Issues / Risks, Recommendations, and Management Response

3.1 Issues / Risks, recommendations, and management response

| Ref | Description | Risk Rating | Moderate |
|---|---|------------------|------------------|
| 1.1 | <p>Written Policies, Procedures and Training – A suite of resources relating to Disclosure Scotland checks and those responsible for the process are available within People Anytime, on the Council’s intranet site. Recruiting managers are required to identify if a check is needed and at what level as part of the recruitment process. Once a vacancy has been approved a comprehensive recruitment checklist is created containing key information about the vacancy and whether a Disclosure Scotland check is required.</p> <p>The People and Organisational Development Manager (Talent) is the Council’s lead counter signatory for Disclosure Scotland, with appropriate officers from the HR Service Centre responsible for processing Disclosure Scotland applications. There is information available surrounding the role of counter signatories. In addition, the list of signatories is agreed with Disclosure Scotland annually and held on file for reference.</p> <p>The Customer Function has indicated that a refresh of recruitment & selection guidance is planned, however the following control weaknesses were identified by Internal Audit in existing guidance generally:</p> <ul style="list-style-type: none"> • Guidance on when a basic disclosure check would be required is not formalised. • The Council’s internal ‘PVG Guidance’ lacked detail around how the Council are notified of new information received by Disclosure Scotland and specific actions to be taken if an unclear check outcome is received, i.e. how is continued suitability of prospective employees or existing employees assessed thoroughly as required by the guidance and how is the outcome of the risk assessment recorded. <p>Where there is a lack of comprehensive guidance available to staff, this increases the risk of inconsistencies and errors.</p> | | |
| IA Recommended Mitigating Actions | | | |
| <p>It is recommended that:</p> <ol style="list-style-type: none"> a) The Customer Function should ensure that as part of their review of guidance on recruitment and selection, disclosure check guidance is reviewed and updated in line with operational requirements. b) The Customer Function should update guidance to include specific actions to be taken and by whom where a Disclosure Scotland check comes back unclear or a notification is received from Disclosure Scotland concerning an employee. c) A training session should be delivered to recruiting managers to inform them when PVG & Disclosure Scotland checks are required and at what level. | | | |
| Management Actions to Address Issues/Risks | | | |
| <p><i>Agreed., The guidance relating to PVG and Disclosure Checks will be reviewed and updated to provide clarity on all aspects of the process, including unclear checks. Furthermore, guidance on PVG and Disclosure check requirements has been added into the corporate Re & Selection Training, for new managers and for those having refresher training. In addition, it will be added as a news item to the recruitment news feature on the Leadership Forum.</i></p> | | | |
| Risk Agreed | | Person(s) | Due Date |
| Yes | | Talent Manager | 31 December 2023 |

| Ref | Description | Risk Rating | Moderate | | | | | | | | | | | | | | |
|---|--|---------------------------|-------------------|--------|-------|----------|-------|-------------------|-------|------------------|-----|---------------------|----|--------------|--------------|--|--|
| 1.2 | <p>Checks, post classification and exception reporting – PVG checks are required for work with protected groups. A basic disclosure check will highlight at a particular date any unspent criminal convictions or conditional cautions. Whilst Disclosure Scotland does not prescribe when a basic disclosure is required, it is a Council operational requirement for a Chief Officer to be subject to this check. In addition, standard disclosure checks are also required for certain professionals, including accountants and solicitors. Between 2011 and March 2023, the following number of checks were undertaken. (note these figures will include employees who have since left the Council):</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="background-color: #003366; color: white;">Level of Check Recorded</th> <th style="background-color: #003366; color: white;">Total No Recorded</th> </tr> </thead> <tbody> <tr> <td>Adults</td> <td style="text-align: right;">1,453</td> </tr> <tr> <td>Children</td> <td style="text-align: right;">5,127</td> </tr> <tr> <td>Children & Adults</td> <td style="text-align: right;">1,435</td> </tr> <tr> <td>Basic Disclosure</td> <td style="text-align: right;">183</td> </tr> <tr> <td>Standard Disclosure</td> <td style="text-align: right;">53</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">8,251</td> </tr> </tbody> </table> <p>Internal Audit selected a sample of 22 existing employees from the above system report mentioned. The following exceptions were noted:</p> <ul style="list-style-type: none"> There was one (4%) instance where a PVG check had not been undertaken for a post requiring these based on contact with vulnerable groups. The Customer Function confirmed that the candidate was a PVG Scheme Member in relation to a prior employment based on the candidate's application for employment with the Council, but due to human error an update application was not undertaken by Aberdeen City Council. The Customer Function have confirmed that action has been taken to address this specific error. <p>Whilst the HR/Payroll system is used to maintain details of checks having been completed and the outcome it does not currently capture check requirements by post and there is therefore no exception reporting in place to identify where checks have not been recorded as complete.</p> <p>Given the recording omission described above there is a greater risk of check omissions, risking fine and reputational damage for the Council or of inappropriate employment decisions.</p> | Level of Check Recorded | Total No Recorded | Adults | 1,453 | Children | 5,127 | Children & Adults | 1,435 | Basic Disclosure | 183 | Standard Disclosure | 53 | Total | 8,251 | | |
| Level of Check Recorded | Total No Recorded | | | | | | | | | | | | | | | | |
| Adults | 1,453 | | | | | | | | | | | | | | | | |
| Children | 5,127 | | | | | | | | | | | | | | | | |
| Children & Adults | 1,435 | | | | | | | | | | | | | | | | |
| Basic Disclosure | 183 | | | | | | | | | | | | | | | | |
| Standard Disclosure | 53 | | | | | | | | | | | | | | | | |
| Total | 8,251 | | | | | | | | | | | | | | | | |
| IA Recommended Mitigating Actions | | | | | | | | | | | | | | | | | |
| <p>It is recommended that:</p> <ol style="list-style-type: none"> a) The Customer Function should ensure posts within the CoreHR system are classified to indicate what level of Disclosure Scotland check is required as appropriate., in consultation with relevant Clusters, Disclosure Scotland and the Litigation team as appropriate. b) A system of exception reporting should be established to identify Disclosure Scotland checks which have not been recorded as complete for corrective action to be taken. | | | | | | | | | | | | | | | | | |
| Management Actions to Address Issues/Risks | | | | | | | | | | | | | | | | | |
| <p><i>Agreed. Work has already commenced as a priority to ensure that PVG/ Disclosure Check requirements are captured against each role within the HR/Payroll system. This will also enable exception reporting to take place.</i></p> | | | | | | | | | | | | | | | | | |
| Risk Agreed | | Person(s) | Due Date | | | | | | | | | | | | | | |
| Yes | | Business Services Manager | 31 December 2023 | | | | | | | | | | | | | | |

| Ref | Description | Risk Rating | Moderate |
|---|---|-------------|----------|
| 1.3 | <p>Recruitment and Recording of Checks – Internal Audit reviewed a sample of 20 current vacancies via the MyJobScotland website to ensure the requirement to undertake a Disclosure Scotland check had been appropriately advertised for each vacancy. One advert and recruitment checklist (5%) stated the requirement to undertake an adult and children check, despite only needing one level (i.e., children). This increases the risk of inconsistencies and could lead to unnecessary checks being undertaken.</p> <p>When a preferred candidate has been selected, the recruiting manager updates the TalentLink system to allow the HR Service Centre to commence relevant preferred candidate checks. Once complete, the HR Service Centre will take necessary steps to ensure candidates complete the appropriate Disclosure Scotland check. The recruitment checklist is updated to reflect each stage of this process, including dates that applications were submitted and when certificates were returned.</p> <p>At present, the HR/Payroll system (coreHR) is used to capture that a PVG / Disclosure Scotland check has been undertaken for an individual. In addition, a manual spreadsheet is used to record any employees who have been subject to Disclosure Scotland checks and their outcome. This spreadsheet, which is maintained on a SharePoint site, has been in use since early 2021, prior to this a database was used, which is now unsupported. The Customer Function are in the process of transferring details from the old database to the new spreadsheet.</p> <p>Between 1 April 2022 and 1 March 2023 there were 799 newly filled posts requiring a Disclosure Scotland check. Internal Audit reviewed a sample of 20 (2.5%) of these. This information was cross referenced to the manual spreadsheet referred to above, to ensure the appropriate check had been undertaken timeously and recorded correctly in internal systems. The below exceptions were noted:</p> <ul style="list-style-type: none"> • One employee (5%) not included on manual spreadsheet but recorded as having undertaken a check on the HR / Payroll system. • One instance (5%) where the Disclosure Scotland certificate date of issue was different to that captured on CoreHR and the recruitment checklist. • In addition, recording of Disclosure Scotland checks was reviewed for a sample of 22 current employees. The following exception was noted: • Three instances (13%) where employees were recorded on the manual spreadsheet as having undertaken a check, but not recorded on the HR/Payroll system. <p>The current system of control presents an issue where checks are not being recorded in all internal systems accurately and completely. This could lead to operational, compliance and financial risks for the Council, where for example exception reporting cannot identify if a check has been carried out or not.</p> | | |
| IA Recommended Mitigating Actions | | | |
| <p>Due to the issues identified, Internal Audit recommend enhancing system controls and administrative functions to improve gaps in the current process. The Customer Function should look to identify how these instances occurred and strengthen the control framework to prevent future occurrence. Specific work should be carried out in areas such as:</p> <ol style="list-style-type: none"> a) Consistency in the level of checks required and ensuring this is documented. b) Receiving, reviewing, and recording check documentation. c) Consistency in the recording between the HR/ Payroll system and any manual records held; this should tie back to the certificates received. | | | |
| Management Actions to Address Issues/Risks | | | |
| <p><i>Agreed. Work has already commenced as a priority to ensure that PVG/ Disclosure Check requirements are captured against each role within the HR/Payroll system.</i></p> | | | |

| Risk Agreed | Person(s) | Due Date |
|-------------|---------------------------|------------------|
| Yes | Business Services Manager | 31 December 2023 |

| Ref | Description | Risk Rating | Moderate | | | | | | |
|-------------|--|------------------|-----------|----------|-----|----------------|------------------|--|--|
| 1.4 | <p>Unclear checks – It is important that where an unclear disclosure check result is returned from Disclosure Scotland, management consideration of the check is recorded, to ensure necessary risks are assessed, and avoid work being undertaken by unsuitable individuals.</p> <p>Whilst guidance is in place describing the need to investigate and assess disclosure information received as part of a recruitment process, guidance could be improved on how to undertake such an assessment and is not present on how to record.</p> <p>One (5%) of the 20 recently filled vacancies reviewed as described in 1.3 above, had a check come back unclear. The Customer Function notified the recruiting manager of the unclear outcome advising the manager to email for guidance / support.</p> <p>However, internal systems did not indicate support had been provided and did not document the risk assessment outcome. The Customer Function has confirmed unclear check risk assessment records are not maintained.</p> <p>Where management decisions relating to unclear checks, for employees engaged in work with vulnerable individuals, are not documented this presents operational, reputational, and financial risks.</p> <p>IA Recommended Mitigating Actions</p> <p>Unclear check decisions should be recorded and unclear check guidance should be enhanced to describe how risk assessments should be undertaken.</p> <p>Management Actions to Address Issues/Risks</p> <p><i>Agreed. Guidance is in place for managers to assess the details on unclear checks against the job requirements for the role, however it's not been deemed necessary to record that the manager has considered this and the decision they've taken as a result. It's not appropriate that this is held in an employee's personal file. It is therefore true that there is not a recording system in place to record a manager's decision in terms of appointment. Work to rectify this will be undertaken in an appropriate way, i.e. by recording a response from the manager within our operational management file.</i></p> | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Risk Agreed</th> <th>Person(s)</th> <th>Due Date</th> </tr> </thead> <tbody> <tr> <td>Yes</td> <td>Talent Manager</td> <td>31 December 2023</td> </tr> </tbody> </table> | Risk Agreed | Person(s) | Due Date | Yes | Talent Manager | 31 December 2023 | | |
| Risk Agreed | Person(s) | Due Date | | | | | | | |
| Yes | Talent Manager | 31 December 2023 | | | | | | | |

| Ref | Description | Risk Rating | Moderate |
|-----|--|-------------|----------|
| 1.5 | <p>Leavers – When a scheme member decides to end their employment with the Council, it is their responsibility to notify Disclosure Scotland. However, to prevent unnecessary notifications for former employees, it is good practice for organisations to notify Disclosure Scotland of terminations, and helps ensure data protection compliance, since the organisation no longer requires to be notified by Disclosure Scotland in relation to former employees.</p> <p>The HR Service Centre are responsible for completing a checklist included in the leavers process. One of the checks require that if the individual leaving is part of the PVG Scheme, they are recorded in the PVG removal spreadsheet.</p> | | |

| Ref | Description | Risk Rating | Moderate |
|-----|--|---------------------------|------------------|
| | <p>Internal Audit obtained a copy of all leavers between January 2022 to February 2023 so a sample could be selected. personnel files and the PVG removal spreadsheet were reviewed to ensure Disclosure Scotland had been notified timeously of leavers and key details were recorded accurately internally. Testing found that the manual spreadsheet used to record leavers details was incomplete and out of date. Under the 'to be removed' tab, there were multiple entries from 2021, suggesting that leavers had yet to be removed. The removal spreadsheet does not detail specific dates when the HR Service Centre were notified of the leaver or when Disclosure Scotland were notified of this, therefore Internal Audit were unable to determine if this had been done timeously, or at all.</p> | | |
| | IA Recommended Mitigating Actions | | |
| | <p>It is recommended that Email notifications to Disclosure Scotland of leavers should be retained in the employee's personnel file. An exercise should also be carried out where the information is provided to Disclosure Scotland to ensure all ex-Council staff have been notified.</p> | | |
| | Management Actions to Address Issues/Risks | | |
| | <p><i>Agreed. Work has already commenced to ensure that Disclosure Scotland are notified of employees with PVG membership leaving the organisation timeously. This is undertaken as part of the termination process and will be logged accordingly with a copy of the notification retained within the employee personal file.</i></p> | | |
| | Risk Agreed | Person(s) | Due Date |
| | Yes | Business Services Manager | 31 December 2023 |

| Ref | Description | Risk Rating | Moderate |
|-----|--|-------------|----------|
| 1.6 | <p>Temporary Dispensations – Confirmation of a check outcome should be received from Disclosure Scotland prior to a successful candidate beginning work with the Council. In the event that a Cluster were at risk of losing the preferred candidate due to a delay in receiving back a check, a temporary dispensation may be granted by a Chief Officer, in consultation with the counter signatory (currently the Talent Manager), on the basis that the candidate had been appropriately risk assessed and did not commence work within a setting with vulnerable adults and / or child setting. The Scottish Government's website indicates that most Disclosure Scotland checks will be returned within 14 days.</p> <p>Internal Audit requested a list of all temporary dispensations that had been granted between January 2022 to January 2023, from the Council's Disclosure Scotland lead counter-signatory, but this could not be provided as a list is not currently maintained. This information can however be traced on the HR/Payroll system by matching an employee's start date against their check received date.</p> <p>The Customer Function advised of one known recent exception, where an employee on a fixed term contract requiring an adult PVG, was 'employed' prior to their PVG check coming back, so funding would not be lost. In this instance, a risk assessment was completed based on specific advice and guidance given by the Talent team that indicated that only office-based work could progress until the PVG check was returned.</p> <p>Whilst temporary dispensations are very uncommon, it would be beneficial to develop guidance outlining temporary dispensation requirements and who is authorised to grant these to reduce the risk of employment commencing without appropriate approval and / or a</p> | | |

| Ref | Description | Risk Rating | Moderate |
|-----|--|------------------|------------------|
| | suitable candidate. It would also be beneficial to maintain a record of these for monitoring purposes. | | |
| | IA Recommended Mitigating Actions | | |
| | It is recommended that: <ul style="list-style-type: none"> a) A procedure should be formalised outlining the requirements of granting temporary dispensations, who can approve such dispensations and restrictions on working arrangements. b) A list should be maintained detailing all temporary dispensations granted for monitoring dispensation approval and subsequent commencement of protected work. | | |
| | Management Actions to Address Issues/Risks | | |
| | <i>Agreed.</i> | | |
| | Risk Agreed | Person(s) | Due Date |
| | Yes | Talent Manager | 31 December 2023 |

Appendix 1 – Assurance Terms and Rating Scales

3.2 Overall report level and net risk rating definitions

The following levels and ratings will be used to assess the risk in this report:

| Risk level | Definition |
|-----------------------|---|
| Corporate | This issue / risk level impacts the Council as a whole. Mitigating actions should be taken at the Senior Leadership level. |
| Function | This issue / risk level has implications at the functional level and the potential to impact across a range of services. They could be mitigated through the redeployment of resources or a change of policy within a given function. |
| Cluster | This issue / risk level impacts a particular Service or Cluster. Mitigating actions should be implemented by the responsible Chief Officer. |
| Programme and Project | This issue / risk level impacts the programme or project that has been reviewed. Mitigating actions should be taken at the level of the programme or project concerned. |

| Net Risk Rating | Description | Assurance Assessment |
|-----------------|--|----------------------|
| Minor | A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. | Substantial |
| Moderate | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited. | Reasonable |
| Major | Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited. | Limited |
| Severe | Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited. | Minimal |

| Individual Issue / Risk Rating | Definitions |
|--------------------------------|---|
| Minor | Although the element of internal control is satisfactory there is scope for improvement. Addressing this issue is considered desirable and should result in enhanced control or better value for money. Action should be taken within a 12 month period. |
| Moderate | An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on the audited area's adequacy and effectiveness. Action should be taken within a six month period. |
| Major | The absence of, or failure to comply with, an appropriate internal control, which could result in, for example, a material financial loss. Action should be taken within three months. |
| Severe | This is an issue / risk that could significantly affect the achievement of one or many of the Council's objectives or could impact the effectiveness or efficiency of the Council's activities or processes. Action is considered imperative to ensure that the Council is not exposed to severe risks and should be taken immediately. |

4 Appendix 2 – Assurance Scope and Terms of Reference

4.1 Area subject to review

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. The Council has a statutory duty under the Act to obtain appropriate Disclosure Scotland 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.

Disclosure Scotland is an executive agency of the Scottish Government. It is designed to assist employers to make safer recruitment and appointment decisions in relation to paid and unpaid work, by providing criminal records disclosure services. Disclosure Scotland maintains records of an individual's registration and consults 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.

The 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.

4.2 Rationale for review

The objective of this audit is to provide assurance that appropriate Disclosure Scotland checks are being obtained, in advance of employment, as required.

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. This review has been included in the 2022-23 audit plan to ensure the Council is meeting its statutory obligations and due to the associated reputational damage of failing to do so. The last Internal Audit review of the Council's PVG and Disclosure Scotland checks took place in 2016-17. It found that in general appropriate arrangements were in place however recommendations were made to formalise procedures, enhance recruitment processes, and improve record keeping.

Where individual managers are responsible for their part of the process, this review is focused on the central control framework and the second line operations as managed by the Customer Function. Where we recognise many different stakeholders in the process, any recommendations made will be targeted at those centrally to help improve operations across the Council as a whole.

4.3 Scope and risk level of review

This review will offer the following judgements:

- An overall **net risk** rating at the Function level.
- Individual **net risk** ratings for findings.

4.3.1 Detailed scope areas

As a risk-based review this scope is not limited by the specific areas of activity listed below. Where related and other issues / risks are identified in the undertaking of this review these will be reported, as considered appropriate by IA, within the resulting report.

The specific areas to be covered by this review are:

- Policies and Procedures
- Identification of posts
- Checks
- Dispensations

4.4 Methodology

This review will be undertaken through interviews with key staff involved in the process(es) under review and analysis and review of supporting data, documentation, and paperwork. To support our work, we will review relevant legislation, codes of practice, policies, procedures, guidance.

Due to hybrid working across the Council, this review will be undertaken primarily remotely.

4.5 IA outputs

The IA outputs from this review will be:

- A risk-based report with the results of the review, to be shared with the following:
 - Council Key Contacts (see 1.7 below)
 - Audit Committee (final only)
 - External Audit (final only)

4.6 IA staff

The IA staff assigned to this review are:

- Cassie Jamieson, Auditor (**audit lead**)
- Andrew Johnston, Audit Team Manager
- Jamie Dale, Chief Internal Auditor (**oversight only**)

4.7 Council key contacts

The key contacts for this review across the Council are:

- Isla Newcombe
- Jacqui McKenzie

4.8 Delivery plan and milestones

The key delivery plan and milestones are:

| Milestone | Planned date |
|------------------------|--------------|
| Scope issued | 24-Nov-22 |
| Scope agreed | 02-Dec-22 |
| Fieldwork commences | 09-Jan-23 |
| Fieldwork completed | 27-Jan-23 |
| Draft report issued | 17-Feb-23 |
| Process owner response | 10-Mar-23 |
| Director response | 17-Mar-23 |
| Final report issued | 24-Mar-23 |