

REPORT TO THE AUDIT COMMITTEE – 19 SEPTEMBER 2019

INTERNAL AUDIT REPORTS

1. Recommendations

The Committee is requested to:

- 1.1 Confirm whether or not it is content to “reset” the original implementation date for those recommendations affected by the implementation of iTrent as detailed in appendix C to this report;
- 1.2 Note that HR&OD will provide an update report on these recommendations to the Committee at its meeting on 26 March 2020; and otherwise
- 1.3 Review, discuss and comment on the issues raised within this report and the attached appendices.

2. Discussion

- 2.1 This report advises the Committee of completed audits (section 4), and of progress with implementing agreed recommendations (section 5 and Appendices A and B).
- 2.2 Appropriate officers agreed the factual accuracy of the Internal Audit reports prior to issue and action has been agreed to address the issues identified. Assurances have been sought from officers regarding the implementation of agreed recommendations. Service Directors have had an opportunity to comment on the data included in Appendices A and B.
- 2.3 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report. Any comments made have been incorporated within the report and they are satisfied that the report complies with the Scheme of Governance and relevant legislation.

3. Scheme of Governance

- 3.1 The Committee is able to discuss this item in terms of Sections G.1.1.d and G.1.4 of the List of Committee Powers in Part 2A of the Scheme of Governance as the Committee is responsible for Internal Audit matters and reviewing the activities of Internal Audit.

4. Internal Audit Reports

4.1 Housing Waiting List / Allocations (Internal Audit Report 1902 – July 2019)

- 4.1.1 The management of housing waiting lists and the allocation of housing are governed by the Housing (Scotland) Acts 1987 and 2001. The Council's Housing Allocation policy has been prepared in accordance with this legislation. Under the policy, Council housing applicants are assessed and prioritised in terms of their housing need, and applicant choices, including letting area(s) and property size selected.
- 4.1.2 Applications are made and maintained by applicants electronically through the Apply4Homes website. This website allows applicants to apply for Council and Housing Association properties in Aberdeenshire and Moray and some properties within Aberdeen City. The Council's housing waiting list is currently maintained on the Northgate Housing System.
- 4.1.3 As at 31 March 2019 the Council had 12,903 houses for rent throughout Aberdeenshire. There were 6,241 households on the Council's waiting list at that date. In the year to 31 March 2019, 1,184 applicants were housed from the waiting list.
- 4.1.4 Based on the testing undertaken it was confirmed that the Council's housing waiting list was being accurately maintained, and applicants had been given appropriate priority or rejected where applicable. Housing allocations were being made in accordance with the Council's Housing Allocation policy, with reasons for bypassing applicants on the waiting list appropriately justified and supported. Where a previous reasonable offer had been rejected, tenants had been suspended from the waiting list as expected.
- 4.1.5 The Service is monitoring performance through internal performance measures and also reports on performance annually to the Scottish Housing Regulator. The Service is performing well in terms of the number of applicants accessing affordable housing however it was noted that the average time taken to re-let homes was below target, and this has been a recurring issue. The Service has agreed to implement a revised exception reporting framework, which requires corrective action, implementation dates and responsible officers to be identified, to address performance targets being missed on a recurring basis.
- 4.1.6 The Service has a Conflict of Personal Interest Declaration form, but this had not been completed by all relevant staff as expected. The Service has agreed to address this.

4.2 Affordable Housing (Internal Audit Report 1922 – June 2019)

- 4.2.1 The Scottish Government has set a target of 50,000 affordable homes to be delivered across Scotland between 2016 and 2021 (current parliamentary term), and has made £3 billion available for the affordable housing supply programme, with £122.78 million allocated to Aberdeenshire. The Council planned to increase the supply of affordable houses across Aberdeenshire

by 2,125, over the 2018-2023 five-year period, in partnership with Registered Social Landlords (RSLs) and private developers.

- 4.2.2 The objective of this audit was to provide assurance over the Council's arrangements to mitigate the risks identified in Infrastructure Services Risk ISSR005 relating to Affordable Housing, including: a lack of affordable house development sites being available for affordable housing, meaning a dependence on section 75 agreements (planning permission obligations) with developers; the oil and gas downturn reduces the rate of house building, causing Government affordable housing targets to be missed; a fall in the average cost of rental properties making mid-market properties less desirable and harder to let; and, demand for affordable housing exceeding supply, resulting in a rise in homelessness.
- 4.2.3 The strategic affordable housing targets for Aberdeenshire, for 2016/17, 2017/18 and 2018/19, agreed with the Scottish Government, as reported in the Council's Strategic Housing Investment Plans (SHIPs), have not been met, with 592 new affordable homes built by all partners compared to a target of 1,025. During this three year period, £48.427 million was drawn down by the Council and its partners of an available £63.598 million of Scottish Government affordable housing grant, meaning that the Council and Registered Social landlords have been unable to use £15.171 million, since there is no carry forward facility to allow grant allocations to be carried forward into future years.
- 4.2.4 The Council's strategic housing investment plans are being missed, mainly because 70% of Aberdeenshire's strategic housing investment plan relies on developer obligations. The Service has reported that the downturn in the local housing market in the current economic climate, has meant affordable housing contributions through developer obligations are not occurring timeously. The Service has also advised that it is rarely viable to develop affordable housing, due to the level of grant contribution, of £57,000 per unit, being insufficient, due to higher land and construction costs in the North East of Scotland, compared to the rest of Scotland. However, there have also been procurement delays in the Council House New Build Programme at the tender stage, which has contributed to the affordable housing target being missed.
- 4.2.5 The Service has taken measures to increase the supply of affordable housing, including: regularly meeting with partners, through its membership of the Affordable Housing Hub, to resolve planning blockages, at a site level; regularly attending the Asset Disposal Group to discuss suitability of surplus assets and land owned by the Council, for use for affordable housing; seeking and promoting alternative sources of funding for affordable housing (Scottish Government Housing Infrastructure Fund and Rural Housing Fund); participating in the development of a New Build Residential Construction Framework Agreement with other Local Authorities to address Council New Build Programme procurement delays; and helping bring back empty homes into use by offering advice and support to owners and buyers of empty properties, while penalising long term empty home owners through additional Council Tax charges.
- 4.2.6 A Local Housing Strategy annual report for 2017/18, describing the number of affordable homes completed and acquired by housing type, compared to

LHS targets, was not reported to Committee in 2017/18, as it was in previous years, because a new Local Housing Strategy was being drafted. Whilst it was reported to Committee that the number of new affordable homes developed in 2017/18 was below target, the report lacked the numerical performance indicator detail, by affordable housing type, to enable effective scrutiny of performance. The Service has agreed to report the Local Housing Strategy affordable housing performance indicators to Committee at least annually.

- 4.2.7 Other recommendations were also made to improve Service procedures concerning developer obligations and to document reasons for Affordable Housing Hub agreed actions not being implemented.
- 4.2.8 In relation to homelessness, the number of presentations in Aberdeenshire increased by 5% in 2018/19 compared to 2017/18, with cases completed increasing by 20% and the average time to complete a homeless case decreasing by 3.7%. It is not clear whether the supply of affordable housing has affected the level of homelessness. The Council has a legal duty to assist people presenting as homeless or at risk of homelessness and must offer a minimum of temporary accommodation, advice and assistance. Where the person is found to be unintentionally homeless and has a 'local connection' to the area, the Council is duty bound to assist them in securing permanent accommodation, where they will be given a priority place on the housing waiting list.
- 4.2.9 Mid-market rental properties include housing offered at rents higher than Council house rent, but lower than the Local Housing Allowance and that available on the open market. Create Homes Aberdeenshire has 51 homes available in Aberdeenshire for mid-market rental. The Service has advised that Create Homes does not presently plan to develop any more mid-market sites, due to the downturn in demand for mid-market rental properties. The Service intends to address the decrease in demand by improving the marketing strategy and reviewing tenant affordability criteria, to ensure it is in line with other mid-market rent providers.

4.3 GIRFEC (Internal Audit Report 1933 – July 2019)

- 4.3.1 Getting It Right For Every Child (GIRFEC) is a national policy framework intended to improve outcomes and support the wellbeing of children and young people by offering the right help at the right time from the right people. It aims to support children as they grow and develop into successful learners, confident individuals, effective contributors, and responsible citizens by supporting them and their parent / carer(s) to work in partnership with the services that can help them, where this is needed.
- 4.3.2 It is based on the principles of the United Nations Convention on the Rights of The Child and looks to promote the rights of children and make sure they are reflected in practices across the country. Development of GIRFEC began in 2004 and began as a pathfinder programme in the Highlands in 2007. The original guide to GIRFEC was released in 2008 and a number of iterations have followed since. Certain aspects of GIRFEC have been ingrained in law through the Children and Young People (Scotland) Act 2014, and the amendment to this of the Children and Young People (Information Sharing) (Scotland) Bill (not yet enacted). Partnership

implementation within Aberdeenshire has been supported by the post of the Service Transformation Manager (GIRFEC), with individual Council Services accountable for specific duties under the Act. A GIRFEC Implementation Officer within Education and Children's Services was in post for a 23 month secondment.

- 4.3.3 The objective of this audit was to provide assurance that the Council has taken steps to ensure effective and integrated partnership working to deliver improved outcomes for more children and families, as detailed in Education and Children's Services Risk ECSSR003 which highlighted a risk of inability to engage effectively with Third Sector partners; and a risk of a reduced range of appropriate transition opportunities from school destinations.
- 4.3.4 The Council is one of multiple partners acting together to deliver GIRFEC. The majority, but not all, of these are statutory partners in the Community Planning Partnership. The Service cannot therefore take unilateral action, but can influence direction through the GIRFEC Strategic Group (Partners) and Executive Group for Public Protection (Chief Officers), and will share this Internal Audit report with them to help inform future planning.
- 4.3.5 There are no partnership agreements in place to document relationships and responsibilities. The Service has stated that the work is statutory, and done in a range of ways at different levels therefore, except where specific pieces of work are commissioned, a partnership agreement is not necessary and would be impossible to implement as there are changing partners and a range of different levels of involvement, which also includes children and young people. However, the Service is currently reviewing the partnership roles and responsibilities document. This document will clearly highlight the expectation of partners in terms of their statutory requirements and will be signed off by the GIRFEC Strategic Group and Executive Group for Public Protection as part of the current review of GIRFEC arrangements.
- 4.3.6 Attendance at multi-agency meetings at a strategic level, and on a frontline level has been highlighted as a risk. The Service has noted that escalation routes are available via line-management structures. Revised multi-agency GIRFEC Guidance is being relaunched in 2019 including clarification of roles, responsibilities and process. The guidance will also support further understanding and use of consistent terminology to aid practitioners and service users. A programme of self-evaluation exercises is under development, to support multi-agency quality assurance and continuous improvement.
- 4.3.7 Performance against the Children's Services Plan is reported annually and contains narrative highlights within each GIRFEC theme. Whilst these are aligned with the aims set out in the original Plan, there is limited reference to specific measures and targets, and whether these had been achieved. The Service has noted that the GIRFEC Strategic Group will provide quality assurance and feedback, and will be reviewing the role of the Data, Intelligence & Planning group who have the potential to support reporting arrangements.
- 4.3.8 Thematic sub-groups progress specific GIRFEC actions. The format in

which this is monitored varies, and it is not always being made clear where there are risks and how they are being mitigated. Where plans or measures have changed, there is no audit trail to document that appropriate governance has been applied. Roles and responsibilities are to be clarified as part of a current review. The Service has noted that a standardised tracking proforma has been developed, and further review is being undertaken by the Intelligence, Data and Planning Group regarding target setting and tracking of progress against key performance indicators.

4.4 Integration Joint Board Business Continuity Planning (Internal Audit Report 1940 – July 2019)

The following relates to an audit undertaken in the Aberdeenshire Integration Joint Board and was reported to the Integration Joint Board Audit Committee on 21 August 2019. The summary of the report is being presented to the Aberdeenshire Audit Committee under the agreed protocol for sharing Internal Audit outputs.

- 4.4.1 Business continuity is the strategic and tactical capability of an organisation to plan for and respond to incidents and business disruptions in order to continue business operations at an acceptable predefined level. This is achieved through the use of risk assessments, business impact analyses, the development of business continuity plans, and the continual testing, reviewing and updating of these plans.
- 4.4.2 Business impact analyses (BIAs) involve establishing the critical activities of an organisation so that these areas can be prioritised in the event of an incident. A Business Continuity Plan (BCP) will typically contain action plans and task lists, resource requirements, responsible person(s) and forms, templates and annexes.
- 4.4.3 The Civil Contingencies Act (2004) establishes both NHS Grampian (NHSG) and Aberdeenshire Council as Category 1 responders. The Act requires Category 1 responders to maintain plans to ensure that they can continue to exercise all of their functions in the event of an emergency so far as is reasonably practicable. It is therefore expected that the Integration Joint Board (IJB) ensures business continuity arrangements are in place for the Aberdeenshire Health and Social Care Partnership (AH&SCP), including ensuring BCPs are maintained, tested, reviewed and updated.
- 4.4.4 The objective of this audit was to provide assurance that Business Continuity arrangements and related plans are fully integrated, tested and harmonise with Care for People, CONTEST (the United Kingdom's Strategy for Countering Terrorism), occupational health, fire safety, manual handling, Healthcare Associated Infections (HAI), Health & Safety, governance and winter planning arrangements.
- 4.4.5 The Partnership has high level resilience and business continuity planning governance arrangements and procedures in place.
- 4.4.6 BCPs are produced at an operational level for individual establishments. There are no plans at Locality level, and no plan to implement this – each separate service and establishment has its own set of plans and priorities. These are in the process of being combined with BIAs, Business Continuity

Detailed Response Plans and Recovery (BCDRP) and Emergency Response Plans (ERP) into one framework known as the “Red Folder”. These are not yet all in place, and some have not been updated since Integration in 2016 and are therefore not accessible through shared Partnership systems. Procedures for creating, reviewing, testing and updating the Folders’ contents have not been documented. The Service is continuing to develop the process, clarify procedures, and will provide relevant training. It is planned to have all establishments’ Folders updated by January 2020.

- 4.4.7 The extent to which these can be applied will vary depending on the incident. The Service has stated that incidents are categorised at the point the Senior Manager On Call (SMOC) takes ownership. Decisions to declare an incident are taken by the Executive Director On Call (EDOC) or Disaster and Emergency Response Coordinator (DERC), and will be escalated to the relevant Partner/s as necessary. When this happens the Partnership will act as instructed.
- 4.4.8 Reliance is also placed on contracted suppliers of services to deliver many of the Partnership’s requirements. A standard email will go out to practitioners (other than GP’s for which assurance is already obtained) requesting annual assurance that an up to date BCP is in place.

4.5 Scottish Regulator Code of Practice (Internal Audit Report 1947 – June 2019)

- 4.5.1 The Scottish Regulators’ Strategic Code of Practice was published by the Scottish Government in 2015 and outlines how Scottish regulators should apply regulatory principles and build good practice when setting regulations. In doing so it seeks to support the UK Regulators’ Code, published in 2014, working under the Legislative and Regulatory Reform Act 2006 and the Regulatory Reform (Scotland) Act 2014.
- 4.5.2 The Code expects regulators to adopt the following high-level operational approaches:
- Adopt a positive enabling approach in pursuing outcomes that contribute to sustainable economic growth.
 - In pursuing their core regulatory remit be alive to other interests, including relevant community and business interests; taking business factors appropriately and proportionately into account in their decision-making processes; and protecting public health and safety.
 - Adopt risk and evidence-based protocols which help target action where it’s needed and help to ensure the achievement of measurable outcomes.
 - Develop effective relationships with those they regulate and have clear two-way communication in place.
 - Tailor their approach depending on the nature of the sector they are regulating and the desired outcomes. This includes a commitment to advice and support for those who seek to comply, allied with robust and effective enforcement when justified.
 - Recognise, in their policies and practice, a commitment to the five principles of better regulation: regulation should be transparent,

accountable, consistent, proportionate, and targeted only where needed.

- Pursue continuous improvement in regulatory practice based on the principles of better regulation.

4.5.3 The objective of this audit was to provide assurance that all regulatory functions carried out by Infrastructure Services have been reviewed to ensure compliance with the code. This links to Infrastructure Services risk ISSR009.

4.5.4 Assurance was obtained that the functions had been reviewed appropriately. However, The Scottish Regulators' Code of Practice requires an annual statement of compliance with the Code. There is no record of a statement being published by the Council since the Code was approved in January 2015. The Service has agreed to do so in 2019.

4.5.5 Each section of the Service has a different set of rules and regulations to apply, and generally they are compliant with the principles of the Code.

4.5.6 Recommendations to further enhance the Service's ability to demonstrate adherence to the principles have been made. Actions have been agreed with the Service in respect of formalising programmes of engagement with businesses, and updating and publishing policies, procedures and performance information more regularly on the Council's website. The Service is also further developing cross-service communication and collaborative working to encourage consistency and ensure information sharing and action is appropriate, proportionate, and targeted, to improve compliance and the customer experience.

4.6 Travel and Subsistence (Internal Audit Report 1950 – July 2019)

4.6.1 The Council's travel and subsistence procedure details what can be claimed by employees and in what circumstances. This is supplemented by guidance notes for both employees and managers.

4.6.2 The objective of this audit was to undertake a cross-Service review of travel and subsistence claims, ensuring that procedures are being applied and that best value is being obtained. In general, claims were well completed, as they were in previous audits. However, a number of issues were identified as detailed below.

4.6.3 Claims for travel and subsistence can now be submitted on-line through Employee Self Service. On-line processing was intended to modernise processes and to make efficiency and financial savings in relation to claim form completion (across the Council) and input to the system by Corporate Travel. There have not yet been any costed reductions in costs in relation to claim form input (although, according to the Service, printing and postage costs have reduced). However, the onus and cost of processing appears to have migrated to claimants and authorising officers. HR&OD has agreed to undertake an on-line survey of users and determine, from the results, the most appropriate action.

- 4.6.4 In January 2018, the Strategic Leadership Team agreed to change the way in which mileage claims should be calculated by introducing the “excess commute” provision in the travel and subsistence procedure for all staff. This resulted in a change from claiming mileage based on the “lesser of” rule (being able to claim mileage based on the lesser of actual mileage travelled and the mileage from an employee’s base to location visited, return) to the mileage travelled in excess of the employees’ normal daily commute.
- 4.6.5 Data provided by HR&OD regarding claims submitted through Employee Self Service was interrogated and this showed that some of the claims did not have the normal daily commuting mileage deducted from journeys claimed. Three groups of staff were identified for further examination where this was the case and clarification was sought from Service management and documentation held in HR files. The results of testing suggest that employees have changed their claiming methodology, by including their home as a work base, which was not the case prior to the change in procedure. This has resulted in mileage remaining the same or, in some instances, increasing.
- 4.6.6 As this was not the intention of the change in procedure agreed by SLT, it has been agreed that Directors will review instances where commuting mileage is not being deducted from claims, SLT will be requested to confirm whether additional guidance issued relating to multi-based employees meets with their expectations, and potential implications arising from the Work Smart Policy in relation to travel and subsistence will be considered with the Policy and travel and subsistence procedure being aligned.
- 4.6.7 The Council can recover VAT from the petrol element of the mileage allowance and any business expenses paid as long as these are supported by an appropriate VAT receipt. VAT is being reclaimed on business mileage, however, there were claims which had no VAT receipt attached. Whilst the amount of VAT recovered in these instances was not material, it is currently an HMRC requirement that a VAT receipt be available. HR&OD has confirmed that there is still a requirement to retain VAT receipts and will, therefore, ensure that the Travel Team challenge claims without receipts and develop reporting tools to ensure that managers are advised where there is no receipt attached to a claim prior to authorisation.
- 4.6.8 Expenses claims are regularly being coded incorrectly in the system. VAT is being recorded as reclaimable when there is no VAT receipt attached or the receipt fails to show the VAT, and claims that have a valid VAT receipt are being coded as not VAT’able. However, HR&OD has advised that a decision was taken during system implementation to disable the functionality to recover VAT on expenses payments. This means that approximately £4,800 of VAT is not being recovered per annum. HR&OD has agreed to revisit this decision with Finance.
- 4.6.9 When Employee Self Service for travel and subsistence claims was set up, the Project Team was aware that authorisation tasks would be sent to the claimant’s reporting manager and that those individuals may not have the

requisite authority. To address this, sections on delegated authority and task redirection were included within the manager guidance documentation. In a sample of thirty officers authorising claims through Employee Self Service, twenty-four had documented delegated authority to do so. The Services relating to the remaining six have taken action to address the situation. HR&OD has agreed to investigate how the system can be configured to ensure that permission to authorise claims in Employee Self Service reflects the authority delegated by Service Directors.

- 4.6.10 Other recommendations have been agreed regarding improving the use the available Car Club vehicles instead of employees using their own cars, examining the possibility of providing Council vehicles to high mileage claimants, checking changes to standing data in the system, and verifying changes in the rate of VAT that can be reclaimed through the mileage allowance paid.

4.7 Complaints Procedure (Internal Audit Report 2002 – August 2019)

- 4.7.1 Aberdeenshire Council is committed to providing high quality services to the community. Occasionally things go wrong and when this happens it is important to act quickly to resolve the situation. Complaints show where the Council is not achieving what people expect, and where it is failing to meet its own standards, providing an opportunity to put things right, learn from mistakes, and improve services.
- 4.7.2 The Council therefore has a standardised complaints handling procedure. This is aligned with best practice as set out by the Scottish Public Services Ombudsman (SPSO).
- 4.7.3 The Council's Feedback team, within Customer Communication and Improvement, in Business Services, developed the procedure and associated training, and maintains a log of all comments, complaints and compliments that are sent in from customers and service users via various modes of communication. Using this data, the team supports front line Services to respond appropriately to customers and the SPSO (where required) within agreed timescales.
- 4.7.4 The objective of this audit was to ensure that the Council's complaints procedure is being complied with and that data generated is used by Services to monitor and improve performance. In general, this was found to be the case.
- 4.7.5 Whilst complaints are being addressed and action recorded, the Service has agreed to raise awareness of the requirement to log all data with the Feedback team to ensure records are complete, and the need to keep customers updated in the event of delays in providing a response. Procedures for identifying appropriate officers within Services to address complaints will also be further developed and documented.

4.7.6 Feedback is collated and reported regularly to Services, Strategic Leadership Team, and Area Managers. Some delays attributed to team resource and system issues were identified, which have been resolved with the introduction of a new system and team members. Services are provided with and use data differently. There is no corporate guidance regarding how Services should review and address it. Content is tailored to their requirements, but implementation of a new system provides an opportunity to review these with them.

4.7.7 Committee reporting has been varied to date, and the Service has determined that an annual report will be provided to the Audit Committee.

4.8 Development Management and Building Standards (Internal Audit Report 2006 – July 2019)

4.8.1 Planning is concerned with how a development looks, fits in with its surroundings, its effect on the local neighbourhood, community, traffic and the historic and natural environment. Planning permission is required as authorisation to do development work.

4.8.2 A building warrant is the legal permission to start building work. This permission is to make sure that the development meets building regulations. It covers structural stability, fitness of materials, damp proofing, sound insulation, conservation of fuel and power, drainage, ventilation, health and safety aspects, energy efficiency, emergency escape routes, ease of access and facilities for the disabled.

4.8.3 The Development Management and Building Standards teams are responsible for handling all planning applications and building warrants received. They will check the validity of the application, calculate all fees due and then be in contact with the client regarding the approval status of the request.

4.8.4 For 2018/19, £1.9 million of income was received by the Council in respect of Development Management and £1.8 million for Building Standards.

4.8.5 The objective of this audit was to consider whether control over income is robust. In general, this was found to be the case. Procedures and a sample of transactions and associated paperwork were reviewed for each section within the Service, and these were complete and accurate.

4.8.6 Minor financial coding discrepancies have been highlighted to the Service, which will implement a process to identify and correct these.

4.8.7 Refunds are available where it is ascertained that no fee is due, or if an overpayment has been made. There can be delays in processing refunds, pending receipt of instructions from customers or their agents. The Service has agreed to introduce a follow up process to ensure these are appropriately accounted for.

4.9 Code of Corporate Governance (Internal Audit Report 2007 – July 2019)

- 4.9.1 The Council's Code of Corporate Governance (the Governance Code) details principles of good governance that the Council is required to abide by, including: creating and implementing a vision for the Council; defining roles and responsibilities of officers and members; promoting high standards of conduct and behaviour; taking informed and transparent decisions, subject to effective scrutiny, with consideration of risk; developing the capacity and capabilities of members and officers; and engaging with stakeholders to ensure robust public accountability.
- 4.9.2 To demonstrate compliance with the Governance Code principles, the Council undertakes an annual self-assessment and evaluation of performance against its requirements, and reports the outcome to the Audit Committee. The Council is also required by the Local Authority Accounts (Scotland) Regulations 2014 to include an Annual Governance Statement within the Annual Accounts, which describes how the Council complies with the Governance Code.
- 4.9.3 The objective of this audit was to provide assurance that the Council's Code of Corporate Governance is being complied with and reported as appropriate. In general, this was found to be the case. A self-assessment and evaluation of the Council's compliance with the Governance Code took place in 2017/18 and 2018/19, the latter of which was informed by consultation with Senior Management and involved an assessment of compliance with the six core principles of the Governance Code. The 2017/18 Annual Governance Statement was also produced as expected, informed by the related Governance Code self-assessment process, with adequate consultation with relevant officers and members, concluding that the Council's governance arrangements were adequate and operating effectively. This was signed by the Chief Executive and Leader of the Council as required by the Local Authority Accounts (Scotland) Regulations 2014.
- 4.9.4 The self-assessment process relies on senior managers attending 3 hour workshops to provide their input. Despite a number of reminders, only 55 of 121 (45%) senior managers attended. Set against the requirement to have as much input to the self-assessment as possible is the cost of senior managers attending. The Service has agreed to review the self-evaluation process to determine if there are ways of improving the level of input, through the use of a variety of delivery methods.
- 4.9.5 Improvement actions arising as a result of the Governance Code self-assessment are currently not considered until the next annual self-assessment. The Service has agreed to use the Council's performance management system to record improvement actions, related responsible officers, and implementation dates to monitor progress.

5. Progress with agreed recommendations

- 5.1.1 Appendices A and B show progress made by Services with completing agreed Internal Audit recommendations. Where these have not been completed by their original due date, reasons are provided along with the grading applied to the recommendation in the original Internal Audit report. An explanation of the gradings used is shown at appendix D.
- 5.1.2 Where it has been confirmed that all actions contained in reports issued before April 2019 have been fully completed, these reports are no longer shown.
- 5.1.3 Following the Committee's last meeting on 4 July 2019, a workshop session was held in which HR&OD advised members of the Committee about progress with the implementation of iTrent, the Council's HR and Payroll system. Progress with implementing this system has had an impact on HR&OD's ability to implement a number of previously agreed Internal Audit recommendations. It was suggested during the workshop that some of these might have their original implementation date "reset" if alternative arrangements have not already been implemented that address the risk that the recommendation was intended to address, and that HR&OD would provide an update in relation to progress with these recommendations to the Committee at its meeting on 26 March 2020.
- 5.1.4 Appendix C to this report provides an update on the affected recommendations. Management has suggested an alternative completion date and, if the Committee is content to do so, the implementation dates for these recommendations will be reset accordingly and only reported back to this Committee should the revised dates not be achieved.

6. Implications and Risk

- 6.1 An equality impact assessment is not required because the reason for this report is for Committee to discuss and comment on the findings of Internal Audit work and there will be no differential impact, as a result of this report, on people with protected characteristics.
- 6.2 There are no staffing or financial implications arising directly from this report other than those implicit in the tightening of internal controls recommended in the Internal Audit reports.
- 6.3 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 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.

CHIEF INTERNAL AUDITOR

Report prepared by David Hughes, Chief Internal Auditor.
2 September 2019.

APPENDIX A

POSITION WITH AGREED RECOMMENDATIONS AS AT 2 SEPTEMBER 2019

SUMMARY

The following table provides a summary of progress being made by Services with completing agreed recommendations.

On 4 July 2019, the Committee was advised that, as at 18 June 2019, there were 50 recommendations which were due to have been completed by 31 May 2019 which were not fully complete. This has reduced to 39.

The total not fully complete, which had an original due date of before 31 July 2019, is 53. Full details relating to progress, on a report by report basis, are shown in appendix B.

| Recommendations | | | | | | | Grading of Overdue Recommendations | | |
|--|---------------------------------------|--------------------------------|-------------------------------|---------------------------|-------------------------------|---|------------------------------------|-------------|-----------|
| SERVICE | Agreed in reports shown in Appendix B | Due for completion by 31.05.19 | Confirmed complete by Service | New in June and July 2019 | Confirmed complete by Service | Not fully complete by original due date | Major | Significant | Important |
| Cross Service | 33 | 30 | 29 | 0 | 0 | 1 | 0 | 0 | 1 |
| Business Services | 236 | 168 | 137 | 36 | 25 | 42 | 2 | 33 | 7 |
| Health & Social Care | 68 | 25 | 24 | 13 | 13 | 1 | 1 | 0 | 0 |
| Education and Children's Services | 73 | 66 | 63 | 4 | 2 | 5 | 0 | 5 | 0 |
| Infrastructure Services | 94 | 46 | 43 | 5 | 4 | 4 | 0 | 4 | 0 |
| Total | 504 | 335 | 296 | 58 | 44 | 53 | 3 | 42 | 8 |

APPENDIX B

POSITION WITH AGREED RECOMMENDATIONS AS AT 2 SEPTEMBER 2019

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

CROSS SERVICE

| | | | | | | | |
|-------------|-----------------------------------|---------------|----|---|---|----------|-------------|
| 1819 | Climate Change Action Plan | November 2017 | 10 | 8 | 7 | 1 | 1 Important |
|-------------|-----------------------------------|---------------|----|---|---|----------|-------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|--|--|------------------------|--|
| Head of Customer Communication and Improvement | Combined Impact Appraisal Screening should be developed and implemented (2.1.14) | Important June 2018 | <ul style="list-style-type: none"> The Committee was advised in September 2018 that this would be complete by December 2018. The Committee was advised in January 2019 that this would be complete by the end of June 2019. The Committee was advised in July 2019 that this would be complete by the end of December 2019. |

| | | | | | | | |
|-------------|----------------------------------|-------------|----|----|----|----------|---|
| 1906 | Timesheets and Allowances | August 2018 | 23 | 22 | 22 | 0 | 0 |
|-------------|----------------------------------|-------------|----|----|----|----------|---|

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES

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|-------------|------------------------------|------------|---|---|---|----------|---------------|
| 1633 | Cash Receiving System | March 2016 | 2 | 2 | 1 | 1 | 1 Significant |
|-------------|------------------------------|------------|---|---|---|----------|---------------|

The position with the overdue recommendation is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------|---|---------------------------|---|
| Head of Finance | The Service should implement a solution to current non-compliance at the earliest opportunity (2.5.2) | Significant March 2017 | <ul style="list-style-type: none"> The Committee was advised in July 2017 that this would be completed by February 2018. The Committee was advised in May 2018 that this would be completed by June 2018. The Committee was advised in September 2018 that this would be completed by December 2018. The Committee was advised in January 2019 that this would be complete by the end of April 2019. The Committee was advised in May 2019 that this would be complete by the end of June 2019. <p>The latest update from the Service is that there continue to be issues with the software required to complete the audit recommendation and a further extension is required. The supplier has assured Finance that they are working hard with Mastercard to resolve the issues as quickly as possible and are aware that this affects all their customers who take face to face payments. This has now been extended to September 2019</p> |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|-------------|------------------------|--------------|----|----|----|----------|---------------|
| 1712 | Data Protection | October 2016 | 15 | 15 | 14 | 1 | 1 Significant |
|-------------|------------------------|--------------|----|----|----|----------|---------------|

The position with the overdue recommendation is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------|--|----------------------------------|--|
| Head of HR & OD | A central list should be maintained of all staff members who are recruited through an agency (outwith a framework agreement), volunteers, placement students and contractors, including whether a signed confidentiality agreement is in place (2.8.2) | Significant November 2016 | <ul style="list-style-type: none"> The Committee was advised in February 2017 that this would be completed by September 2017. The Committee was advised in December 2017 that this would be completed by March 2018. The Committee was advised in July 2018 that this would be completed by September 2018. The Committee was advised in September 2018 that this would be completed by December 2018. The Committee was advised in January 2019 that this would be complete by the end of July 2020. <p>This issue has been discussed between Internal Audit and the Director of Business Services and an alternative action has been agreed to address the recommendation. Once guidance has been issued to all Services by the Director of Business Services (August 2019) this action will be complete.</p> |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|-------------|--|---------------|---|---|---|----------|-------------|
| 1713 | Electronic Document Management System | November 2016 | 8 | 8 | 7 | 1 | 1 Important |
|-------------|--|---------------|---|---|---|----------|-------------|

The position with the overdue recommendation is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------|---|-------------------------|--|
| Head of Finance | The Service should ensure that data is not held longer than required in line with the data protection act (2.6.5) | Important March 2018 | <ul style="list-style-type: none"> The Committee was advised in May 2018 that this would be completed by June 2018. The Committee was advised in September 2018 that this would be completed by February 2020. |

| | | | | | | | |
|-------------|---|-----------|---|---|---|----------|---------------|
| 1743 | Deployment of Microsoft Technology | June 2017 | 3 | 3 | 2 | 1 | 1 Significant |
|-------------|---|-----------|---|---|---|----------|---------------|

The position with the overdue recommendation is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---------------|---|------------------------------|---|
| Head of ICT | Reasons for delays should be established and appropriate corrective action taken to ensure telephone lines are closed as required and the schedule for the remaining locations is met (2.4.8) | Significant December 2017 | <ul style="list-style-type: none"> The Committee was advised in January 2018 that this would be completed by June 2018. The Committee was advised in September 2018 that this would be completed by March 2020 (re schools) although ICT is trying to bring this forward. |

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| | | | Number of Recommendations | | | | |
|--|--|--|---------------------------|--|--|--|--|

| Report Number | Report Title | Date Issued | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | Grading of overdue recommendations |
|---------------|--------------|-------------|------------------|------------------------------------|----------------------------------|--------------------------------------|------------------------------------|
|---------------|--------------|-------------|------------------|------------------------------------|----------------------------------|--------------------------------------|------------------------------------|

BUSINESS SERVICES (continued)

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|------|------------------------------|--------------|----|----|----|---|--------------------------|
| 1745 | Payroll System and Processes | October 2017 | 21 | 21 | 18 | 3 | 1 Major 2 Significant |
|------|------------------------------|--------------|----|----|----|---|--------------------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------|---|---------------------------|--|
| Head of HR & OD | The Service should determine the best way to grant access to the iTrent system, balancing compliance with the third principle of the Data Protection Act 1998 and the administrative costs of setting up more specific access rights (2.2.13) | Major March 2018 | <ul style="list-style-type: none"> See Appendix C |
| Head of HR & OD | The Service should undertake annual user audits to ensure user access remains appropriate (2.2.15a) | Significant March 2018 | <ul style="list-style-type: none"> See Appendix C |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| <i>(1745 – Payroll System and Processes – Continued)</i> | | | | |
|--|--|-------------------------------|--|--|
| Chief Officer | Overdue Recommendation | Grading / Due Date | Position | |
| Head of HR & OD | As part of the first user audit, the Service should review existing users' access levels, with their line managers, to ensure they are appropriate and not excessive (2.2.15b) | Significant March 2018 | <ul style="list-style-type: none"> See Appendix C | |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|-------------|--------------------------------|-------------|---|---|---|----------|---------------|
| 1804 | Payroll Reconciliations | August 2017 | 4 | 4 | 2 | 2 | 2 Significant |
|-------------|--------------------------------|-------------|---|---|---|----------|---------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------|--|---------------------------|--|
| Head of HR & OD | Payroll should review outstanding reconciling differences pre-dating 2016/17 and determine, in consultation with the Head of Finance, what should be done to clear them (2.2.7a) | Significant March 2018 | <ul style="list-style-type: none"> See Appendix C |
| Head of HR & OD | Payroll should ensure any current year items outstanding for more than two months are investigated and cleared as soon as practically possible (2.2.7b) | Significant March 2018 | <ul style="list-style-type: none"> See Appendix C |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|-------------|------------------------------|---------------|----|----|----|----------|---------------|
| 1814 | Social Work Tendering | November 2017 | 13 | 13 | 11 | 2 | 2 Significant |
|-------------|------------------------------|---------------|----|----|----|----------|---------------|

The position with the overdue recommendation is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---|--|------------------------------|--|
| Head of Commercial and Procurement Services | The Service should ensure that the contracts register is complete and in accordance with legislative requirements (2.4.4) | Significant February 2019 | <ul style="list-style-type: none"> The Committee was advised in May 2019 that this would be completed by February 2020. |
| Head of Commercial and Procurement Services | The Service in conjunction with the CareFirst Team should review options for reconciling service agreements and payments with the contracts register (2.4.8) | Significant April 2019 | <ul style="list-style-type: none"> The Committee was advised in July 2019 that this would be completed by April 2020. |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|-------------|--------------------------------------|-------------|---|---|---|----------|------------------------------|
| 1817 | Balance Sheet Code Monitoring | August 2018 | 5 | 5 | 3 | 2 | 1 Significant 1 Important |
|-------------|--------------------------------------|-------------|---|---|---|----------|------------------------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------|--|---------------------------|---|
| Head of Finance | The utilities suspense accounts should be cleared (2.5.5) | Significant March 2019 | <ul style="list-style-type: none"> The Committee was advised in May 2019 that this would be completed by September 2019. |
| Head of Finance | The Service should review payroll reconciliation files on a monthly basis and retain evidence that this has been completed (2.5.8) | Important March 2019 | <ul style="list-style-type: none"> The Committee was advised in May 2019 that this would be completed by September 2019. |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|-------------|------------------------------|----------|----|----|----|----------|------------------------------|
| 1818 | Attendance Management | May 2018 | 13 | 13 | 10 | 3 | 2 Significant 1 Important |
|-------------|------------------------------|----------|----|----|----|----------|------------------------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---------------|---|-------------------------------|--|
| Head of HR&OD | HR should roll out the People Manager module to all Services as soon as possible (2.2.15) | Important April 2019 | <ul style="list-style-type: none"> See Appendix C |
| Head of HR&OD | HR should ensure that all reporting managers receive trigger reports (2.2.16) | Significant September 2018 | <ul style="list-style-type: none"> See Appendix C |
| Head of HR&OD | HR should ensure that the reporting hierarchy information in iTrent is accurate and up to date (2.2.17) | Significant April 2019 | <ul style="list-style-type: none"> See Appendix C |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|---------------|--|-----------------------|--|---|---|----------|-------------|
| 1831 | Pensions | January 2018 | 5 | 5 | 4 | 1 | 1 Important |
| Chief Officer | Overdue Recommendation | Grading / Due Date | Position | | | | |
| Head of HR&OD | The Service should update the missing information in order to allow for the TSS1 and TSS2 reports to be run and should perform a year end reconciliation (2.8.5) | Important May 2019 | <ul style="list-style-type: none"> See Appendix C | | | | |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|-------------|---------------------------------------|--------------|---|---|---|----------|---------------|
| 1835 | Partnerships and Joint Working | January 2018 | 8 | 8 | 6 | 2 | 2 Significant |
|-------------|---------------------------------------|--------------|---|---|---|----------|---------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|--|--|---------------------------|--|
| Head of Customer Communication and Improvement | Evidence of assessments and approvals should be collated for each Partnership (2.3.3c) | Significant April 2019 | <ul style="list-style-type: none"> The Committee was advised in July 2019 that this would be completed by November 2019. |
| Head of Customer Communication and Improvement | Dates of reviews completed and due should be entered onto the Register of Partnerships with follow-up action being taken as appropriate to ensure compliance with Policy requirements (2.3.3d) | Significant April 2019 | <ul style="list-style-type: none"> The Committee was advised in July 2019 that this would be completed by July 2019. <p>The latest update from the Service is that the Partnership Register has been populated as far as possible with existing partnerships and dates for review. This will be complete by the end of November 2019.</p> |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|-------------|------------------------------|--------------|----|----|---|----------|------------------------------|
| 1837 | HR Leavers Procedures | January 2018 | 11 | 11 | 9 | 2 | 1 Significant 1 Important |
|-------------|------------------------------|--------------|----|----|---|----------|------------------------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---------------|---|-----------------------------|---|
| Head of HR&OD | The Employee Exit Information procedure should be updated to indicate who has responsibility for issuing exit questionnaires once HR&OD conclude their review of the procedure (2.1.3). | Important September 2018 | <ul style="list-style-type: none"> The Committee was advised in November 2018 that progress with this will be reviewed in June 2019. <p>The latest update from the Service is that, as part of the review of the Employee Exit Information procedure, they are working to establish an automated process for issuing exit questionnaires, which will be linked to the completion of an Employee Leaver Form on askHR, which will be completed by September 2019. As such, there won't be a need to identify who has responsibility for undertaking this task within the updated procedure.</p> |
| Head of HR&OD | Exit information reports should be provided to the HR Manager and SLT on a quarterly basis (2.6.2) | Significant April 2019 | <ul style="list-style-type: none"> The Committee was advised in July 2019 that this would be completed by September 2019. |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|-------------|-------------------------------------|-----------|---|---|---|----------|---|
| 1840 | Councillors' Code of Conduct | June 2018 | 3 | 3 | 3 | 0 | 0 |
|-------------|-------------------------------------|-----------|---|---|---|----------|---|

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|-------------|-------------------------------|--------------|---|---|---|----------|------------------------------|
| 1844 | Estate Rationalisation | October 2018 | 5 | 5 | 3 | 2 | 1 Significant 1 Important |
|-------------|-------------------------------|--------------|---|---|---|----------|------------------------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|--|--|---------------------------|--|
| Head of Property and Facilities Management | The Service should ensure that the Surplus Property Policy is updated and approved by Committee (2.1.2.2 a). | Important March 2019 | <ul style="list-style-type: none"> The Committee was advised in May 2019 that this would be complete by the end of October 2019. |
| Head of Property and Facilities Management | The Service should update the WorkSPACE Strategy and seek approval at the appropriate Committee (2.3.5 a). | Significant March 2019 | <ul style="list-style-type: none"> The Committee was advised in May 2019 that this would be complete by the end of June 2019. <p>The latest update from the Service is that any changes to the approved WorkSPACE Strategy have been approved by the relevant Area or Policy Committees. In addition, the Office Space Strategy Working Group received regular updates on the current situation with the workSPACE programme. However, in order that this information is shared with all Members an overarching report is being prepared to be considered by the Business Services Committee in November 2019 with prior consultation with Area Committees.</p> |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|--------|-------------------|---------------|---|---|---|---|---------------|
| AW1802 | Supplier Payments | November 2018 | 5 | 5 | 4 | 1 | 1 Significant |
|--------|-------------------|---------------|---|---|---|---|---------------|

The position with the overdue recommendation is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------|--|---------------------------|--|
| Head of Finance | The Council's Anti-Fraud and Corruption policies should be refreshed and made accessible (2.1.12). | Significant April 2019 | <ul style="list-style-type: none"> The Committee was advised in July 2019 that this would be completed by August 2019. <p>The latest update from the Service is that the Council's existing strategy for the Prevention and Detection of Fraud and Corruption, which has been in existence since 1998, has been updated to reflect CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption. The Draft Counter Fraud Strategy will be submitted to the Council's Corporate Integrity Group and SLT for comment and agreement. The Audit Committee and the Area Committees will then be consulted on the Draft Strategy before it is submitted to Business Services Committee for approval in January 2020.</p> |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|------|------------------------------|-----------|---|---|---|---|---------------|
| 1903 | Temporary Employee Contracts | July 2018 | 9 | 9 | 8 | 1 | 1 Significant |
|------|------------------------------|-----------|---|---|---|---|---------------|

The position with the overdue recommendation is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---------------|---|---------------------------|--|
| Head of HR&OD | HR&OD should terminate payments to staff where there is no authority to make the payment (2.5.2). | Significant April 2019 | <ul style="list-style-type: none"> The Committee was advised in July 2019 that the Service provided an update to Internal Audit and clarification had been requested by Internal Audit to confirm if the recommendation had been completed. <p>The latest update from the Service is that they are supportive of ceasing payment to employees on Fixed Term Contracts where the end date is reached and authorisation from Services to extend is not in place. In order for this to be accurately and effectively implemented it needs to be aligned with the work being undertaken on the roll-out of self-service functionality within iTrent. This involves ensuring that the reporting relationships are accurate so that the correct line manager is advised of the ending of fixed term contracts and they are able to take any necessary action to terminate or extend these contracts. Until this is in place the enactment of ceasing payments unilaterally causes hardship to employees who are in fact continuing to work for the Council and an unacceptable workload for already over-stretched Transactional and Payroll teams. It is anticipated that the iTrent work will be completed by the end of this financial year meaning that this recommendation can be put in place with effect from 1 April 2020 and will be supported by an effective communications plan to ensure compliance.</p> |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|--------------------------------------|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|------|---------------------------|---------------|---|---|---|---|---|
| 1905 | Creditors System Payments | February 2019 | 6 | 1 | 1 | 0 | 0 |
|------|---------------------------|---------------|---|---|---|---|---|

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|------|-----------------------------|--------------|---|---|---|---|---------------|
| 1908 | Year-End Cut-Off Procedures | October 2018 | 8 | 8 | 5 | 3 | 3 Significant |
|------|-----------------------------|--------------|---|---|---|---|---------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------|---|------------------------------|--|
| Head of Finance | Accountancy teams should update centrally held versions of the debtors and creditors invoice spreadsheets prepared by the FST, to indicate if income or expenditure has been reallocated by journal to a different financial year (2.2.3 b) | Significant February 2019 | <ul style="list-style-type: none"> The Committee was advised in May 2019 that the completed information will be available for external audit to complete their audit process. |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| <i>(1908 – Year-End Cut-Off Procedures – Continued)</i> | | | |
|---|--|----------------------------------|--|
| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
| Head of Finance | A final peer review of the FST debtor and creditor invoice spreadsheets should take place, to identify any income or expenditure recorded in the wrong financial year which has not been reallocated as required (2.2.3 c) | Significant February 2019 | <ul style="list-style-type: none"> The Committee was advised in May 2019 that the completed information will be available for external audit to complete their audit process. |
| Head of Finance | Finance should review the process of credit noting invoices that are in dispute to ensure that it is appropriate in terms of accounting practice and in compliance with Financial Regulations (2.3.3) | Significant March 2019 | <ul style="list-style-type: none"> The Committee was advised in May 2019 that the completed information will be available for external audit to complete their audit process. |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|--------------------------------------|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|-------------|--------------------------|--------------|---|---|---|----------|------------------------------|
| 1909 | Printing Contract | January 2019 | 8 | 7 | 4 | 3 | 2 Significant 1 Important |
|-------------|--------------------------|--------------|---|---|---|----------|------------------------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---|--|---------------------------|--|
| Head of Commercial and Procurement Services | The Service should seek approval from Committee for the contract variation (2.4.3) | Significant March 2019 | <ul style="list-style-type: none"> The Committee was advised in May 2019 that Internal Audit had received an update from the Service, and this is subject to further discussion. The Committee was advised in July 2019 that this would be completed by September 2019. <p>The latest update is that as the negotiation of the current contract change (primarily for the Managed Print Service (MPS)) is continuing, it is requested to extend this to December 2019, to allow the approval of the negotiated agreement. As this needs to go through the revised process under the 2018 Financial Regulations extra steps also require to be incorporated in advance of reporting to committee.</p> |
| Head of Commercial and Procurement Services | The Service should review the Bulk Printing and mailing Services (BPMS) work referred to Xerox for the purpose of renegotiating future service charges and obtaining a share of BPMS profits (2.4.6) | Significant March 2019 | <ul style="list-style-type: none"> The Committee was advised in May 2019 that this would be completed by September 2019. <p>The latest update is that as the negotiation of the current contract change (primarily for the Managed Print Service (MPS)) is continuing, it is requested to extend this to December 2019. Work on gathering this BPMS information is almost complete.</p> |

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|--|---|---------------------------------|--|
| <p>Head of Commercial and Procurement Services</p> | <p>The Service should perform a benchmarking exercise for the BPMS function (2.6.3)</p> | <p>Important March 2019</p> | <ul style="list-style-type: none">• The Committee was advised in May 2019 that this would be completed by August 2019. <p>The latest update is that this is underway and is being completed in line with recommendation 2.4.6 and an extension until December 2019 is requested.</p> |
|--|---|---------------------------------|--|

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|-------------|-----------------------------|--------------|---|---|---|----------|---|
| 1913 | Bank Reconciliations | January 2019 | 6 | 1 | 1 | 0 | 0 |
|-------------|-----------------------------|--------------|---|---|---|----------|---|

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|-------------|-------------|---------------|----|----|---|----------|---------------|
| 1914 | GDPR | February 2019 | 11 | 10 | 8 | 2 | 2 Significant |
|-------------|-------------|---------------|----|----|---|----------|---------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---------------|---|--------------------------|--|
| All Services | All Service Data Representatives should work with C&PSS and Legal and Governance to ensure that all existing contracts are reviewed to confirm GDPR compliance, and that evidence of this is retained (2.9.3) | Significant June 2019 | Services have advised that there is more work to be done than originally thought and it will take until June 2020 to complete. |
| All Services | Services should ensure that existing Agreements are reviewed for compliance with GDPR (2.10.3b) | Significant June 2019 | Services have advised that there is more work to be done than originally thought and it will take until June 2020 to complete. |

| | | | | | | | |
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| 1918 | Capital Plan | March 2019 | 4 | 1 | 1 | 0 | 0 |
|-------------|---------------------|------------|---|---|---|----------|---|

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|--------------------------------------|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|------|---|------------|---|---|---|---|--------------------------|
| 1925 | Prevention of Fraud, Bribery and Corruption | March 2019 | 7 | 7 | 3 | 4 | 1 Major 3 Significant |
|------|---|------------|---|---|---|---|--------------------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------|---|--------------------------|--|
| Head of Finance | The Service should ensure that policies covering fraud, whistleblowing and hospitality are up to date, correctly reference the relevant protocols, are approved at the appropriate level, and are easily accessible (2.1.4) | Major June 2019 | The Council's existing strategy for the Prevention and Detection of Fraud and Corruption, which has been in existence since 1998, has been updated to reflect CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption. The Draft Counter Fraud Strategy will be submitted to the Council's Corporate Integrity Group and SLT for comment and agreement. The Audit Committee and the Area Committees will then be consulted on the Draft Strategy before it is submitted to Business Services Committee for approval in January 2020. |
| Head of Finance | The Service should raise awareness of fraud risks across the Council, including developing and publishing further guidance to assist in fraud prevention and detection (2.1.8) | Significant June 2019 | The Fraud Risk Response Plan within the Draft Counter Fraud Strategy includes the development of a communication plan aimed at promoting a better understanding of the risk of fraud, where and how to report fraud, and the importance of the Council's control procedures in preventing fraud. This will be complete by January 2020. |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|--------------------------------------|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

(1925 – Prevention of Fraud Bribery and Corruption – Continued)

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------|--|--------------------------|---|
| Head of Finance | The Service should develop mechanisms to record and notify appropriate officers of all instances where fraud is alleged, suspected, or identified (2.2.5a) | Significant June 2019 | The Draft Counter Fraud Strategy proposes that the Chair of the Corporate Integrity Group submits an annual report to Business Services Committee, which will include data on the number and type of referrals, the outcome of investigations and lessons learned. This will be complete by January 2020. |
| Head of Finance | The Service should ensure there are clear channels for members of the public to report concerns regarding fraudulent activity (2.2.6b) | Significant June 2019 | The Service has agreed in principle with the Service Manager for Customer Communications and Improvement that the existing Customer Feedback process will be promoted as a means by which members of the public can report concerns regarding fraudulent activity. This will be complete by January 2020. |

| | | | | | | | |
|-------------|------------------------|------------|----|---|---|----------|---|
| 1928 | Risk Management | April 2019 | 13 | 8 | 8 | 0 | 0 |
|-------------|------------------------|------------|----|---|---|----------|---|

| | | | | | | | |
|-------------|-----------------|-----------|---|---|---|----------|---|
| 1936 | Benefits | June 2019 | 3 | 2 | 2 | 0 | 0 |
|-------------|-----------------|-----------|---|---|---|----------|---|

| | | | | | | | |
|-------------|--------------------------------|-----------|---|---|---|----------|---|
| 1938 | Approved Budget Savings | June 2019 | 7 | 3 | 3 | 0 | 0 |
|-------------|--------------------------------|-----------|---|---|---|----------|---|

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

| | | | | | | | |
|------|---|------------|----|----|----|----------|---------------|
| 1939 | Compliance with Procurement Legislation, etc | March 2019 | 25 | 22 | 17 | 5 | 5 Significant |
|------|---|------------|----|----|----|----------|---------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---|---|--------------------------|--|
| Head of Commercial and Procurement Services | Commercial and Procurement Shared Service should ensure that appropriate officers are approved as Procuring Officers and maintain a register as required by Financial Regulations. (2.1.5 a)) | Significant June 2019 | The Service has advised that significant work has been undertaken by a short life working group to review all aspects of the process to award Delegated Procurement Authority to procuring officers and to set up and maintain a register. A Project Plan has been created to monitor the implementation of this work which will be complete by the end of January 2020. |
| Chief Officer IJB | All Services should ensure that there is evidence to support the consultation outcome with the relevant service management team (2.2.16 a) | Significant July 2019 | The actions taken by the Health and Social Care Partnership to address this are being reviewed by Internal Audit. |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date |

BUSINESS SERVICES (continued)

(1939 – Compliance with Procurement Legislation, etc – Continued)

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------|---|--------------------------|--|
| Head of Finance | Any payments that are considered to be Grants that have been included in the Contracts Register should be removed from the Contracts Register (2.2.20 b) | Significant June 2019 | The Service has advised that this will be undertaken as part of the 2020/21 budget setting process. The intention is to identify all contracts and grants for the proposed rebasing exercise. This will be completed in November 2019. |
| Head of Finance | Finance should confirm if Following the Public Pound Code of Practice checks have been undertaken as required in relation to all grant payments made (2.2.22) | Significant June 2019 | The Service has advised that this exercise is being undertaken in line with the budget setting process. There have been differing approaches to the FPP process, and Finance is looking to standardise the process and provide online advise and training to support services. This will be done by November 2019. |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

BUSINESS SERVICES (continued)

(1939 – Compliance with Procurement Legislation, etc – Continued)

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---|--|--------------------------|--|
| Head of Commercial and Procurement Services | Commercial and Procurement Shared Service should ensure that Services are requested to provide prescribed information relating to shared services on an annual basis and that a register of such arrangements is maintained (2.2.27) | Significant June 2019 | The Service has advised that it has proposed that this requirement be removed from the Scheme of Governance. This will be submitted to Committee for approval by September 2019. |

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|-------------|---------------------|------------|---|---|---|----------|---|
| 1943 | Council Plan | March 2019 | 5 | 4 | 4 | 0 | 0 |
|-------------|---------------------|------------|---|---|---|----------|---|

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|-------------|-------------------------------------|-----------|---|---|---|----------|---|
| 2007 | Code of Corporate Governance | July 2019 | 3 | 0 | 0 | 0 | 0 |
|-------------|-------------------------------------|-----------|---|---|---|----------|---|

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|--------------------------------------|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

HEALTH & SOCIAL CARE PARTNERSHIP

| | | | | | | | |
|-------------|---|-----------|----|----|----|----------|---------|
| 1845 | Joint Occupational Therapy Store | June 2018 | 17 | 17 | 16 | 1 | 1 Major |
|-------------|---|-----------|----|----|----|----------|---------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---|---|----------------------------|---|
| Chief Officer IJB / Head of Commercial and Procurement Services | The Service, in conjunction with Commercial & Procurement Services, should ensure all supplies of over £50,000 are approved at the appropriate level, subject to an appropriately tendered contract, and recorded on the contracts register (2.3.9) | Major December 2018 | <ul style="list-style-type: none"> The Committee was advised in January 2019 that this would be complete by the end of July 2019. <p>The latest update from the Service is that the tender publication was delayed whilst the viability of including other areas of significant spend in relation to children's equipment, along with the possibility of reducing / combining lots and numbers of items, was investigated. This has now been concluded and the tender will be published by the end of August with the intention of letting the framework by the end of October 2019.</p> |

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|-------------|------------------------------|---------------|----|----|----|----------|---|
| 1920 | Financial Assessments | November 2018 | 21 | 20 | 20 | 0 | 0 |
|-------------|------------------------------|---------------|----|----|----|----------|---|

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|-------------|------------------------------------|------------|---|---|---|----------|---|
| 1930 | National Care Home Contract | March 2019 | 9 | 1 | 1 | 0 | 0 |
|-------------|------------------------------------|------------|---|---|---|----------|---|

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|-------------|-------------------------------|----------|----|---|---|----------|---|
| 1942 | Very Sheltered Housing | May 2019 | 21 | 0 | 0 | 0 | 0 |
|-------------|-------------------------------|----------|----|---|---|----------|---|

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

EDUCATION & CHILDREN'S SERVICES

| | | | | | | | |
|-------------|--------------------------|-------------|---|---|---|----------|---------------|
| 1847 | Pupil Equity Fund | August 2018 | 9 | 9 | 8 | 1 | 1 Significant |
|-------------|--------------------------|-------------|---|---|---|----------|---------------|

The position with the overdue recommendation is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------------------------|---|--------------------------|---|
| Head of Resources and Performance | QIOs should identify best practice in completed plans and share this with Head Teachers (2.2.2) | Significant June 2019 | The Service has stated that the Quality Improvement Manager has received a template from the Attainment Advisor and will be working to identify many aspects of PEF usage including best practice. This will then be shared with Head teachers by September 2019. |

| | | | | | | | |
|-------------|--------------------------------------|---------------|---|---|---|----------|---------------|
| 1901 | Education Maintenance Repairs | November 2018 | 9 | 9 | 7 | 2 | 2 Significant |
|-------------|--------------------------------------|---------------|---|---|---|----------|---------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-----------------------------------|--|---------------------------|--|
| Head of Resources and Performance | The Service should review repairs and maintenance expenditure to ensure future budgets are appropriate (2.3.3) | Significant April 2019 | <ul style="list-style-type: none"> The Committee was advised in July 2019 that this would be completed by June 2019. <p>The latest update from the Service is that the repairs and maintenance budget is devolved on a formula related basis with a weighting factor for condition, however a formal review has not been completed. The Service is working with Finance to determine appropriate action and timescales.</p> |

| | | | |
|-----------------------------------|--|---------------------------|--|
| Head of Resources and Performance | The Service should ensure schools have guidance over the use of repairs and maintenance budgets, and ensure that use of these is monitored (2.3.6) | Significant April 2019 | <ul style="list-style-type: none">• The Committee was advised in July 2019 that this would be completed by June 2019. <p>The latest update from the Service is that the work of the DEM review group is ongoing, taking account of the new empowerment agenda coming into effect. A new DEM handbook is being created to support this which will have links to required elements including the property maintenance handbook. The timescale for this has yet to be determined.</p> |
|-----------------------------------|--|---------------------------|--|

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|--------------------------------------|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

EDUCATION & CHILDREN'S SERVICES (continued)

| | | | | | | | |
|-------------|---------------------------|--------------|----|----|----|----------|---------------|
| 1916 | Leisure Facilities | January 2109 | 27 | 25 | 24 | 1 | 1 Significant |
|-------------|---------------------------|--------------|----|----|----|----------|---------------|

The position with the overdue recommendation is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---------------------------------------|--|---------------------------|---|
| Head of Lifelong Learning and Leisure | The Service should instigate a process whereby cancelled memberships are deleted in line with the Service privacy notice (2.2.2) | Significant March 2019 | <ul style="list-style-type: none"> The Committee was advised in January 2019 that this would be complete by the end of July 2019. <p>The Service has stated that it placed an order to upgrade the system with the software company in February 2019, however due to ongoing delays in securing a suitable date for both the software company and ICT, unfortunately this work has not yet taken place. ICT have now confirmed that the upgrade required will now be taking place on 02nd and 03rd October 2019, once installed the software would then allow the Service to test and then complete the purge almost immediately afterwards. Providing all works do go ahead as planned in early October, the expected date for the purge to be completed is the 31st October 2019.</p> |

| | | | | | | | |
|-------------|----------------------|------------|----|----|----|----------|---|
| 1927 | Music Tuition | April 2019 | 11 | 11 | 11 | 0 | 0 |
|-------------|----------------------|------------|----|----|----|----------|---|

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

EDUCATION & CHILDREN'S SERVICES (continued)

| | | | | | | | |
|-------------|------------------------|--------------|----|----|----|----------|---------------|
| 1929 | Primary Schools | January 2019 | 17 | 16 | 15 | 1 | 1 Significant |
|-------------|------------------------|--------------|----|----|----|----------|---------------|

The position with the overdue recommendation is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|-------------------|--|------------------------------|--|
| Head of Education | The Service should introduce a process to ensure that aggregate spend across the Service is fully identified to ensure compliance with the Scheme. (Dependant on PowerBI reporting function rolled out) (2.3.4.2 b)) | Significant June 2019 | The Service has advised that a Coordinator has been identified to undertake collation of expenditure within schools for non-PEF related expenditure (PEF expenditure is being addressed under a separate action). PowerBI is currently being rolled out to Coordinators, and this may provide data to assist in this exercise. This is still being investigated. In order to inform the Service procurement work-plan which will be presented to Committee in February 2020 this work will be concluded by the end of December 2019. |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

INFRASTRUCTURE SERVICES

| | | | | | | | |
|-------------|-------------------------------------|---------------|---|---|---|----------|---------------|
| 1810 | Housing Tendering Procedures | November 2018 | 4 | 4 | 3 | 1 | 1 Significant |
|-------------|-------------------------------------|---------------|---|---|---|----------|---------------|

The position with the overdue recommendations is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---|---|---------------------------|--|
| Head of Housing / Head of Commercial and Procurement Services | Property and Housing should work with C&PSS to ensure specifications are compliant, justifiable and meet their needs (2.3.10) | Significant April 2019 | <ul style="list-style-type: none"> The Committee was advised in July 2019 that progress with implementing this recommendation is under discussion between Internal Audit and the Service. <p>The latest update from the Service is that the Procurement Manual for use across the Council details how specifications should be compliant, justifiable and fit for purpose. Where the contract requires (based on the published Procurement Model re value / risk), C&PSS will work directly with Property and Housing and promote this same outcome. C&PSS is in the process of converting supporting e-learning documents to the correct format for uploading to ALDO. Training will therefore be available by September 2019.</p> |

| | | | | | | | |
|-------------|----------------------|---------------|---|---|---|----------|---|
| 1828 | Vehicle Usage | November 2017 | 8 | 4 | 4 | 0 | 0 |
|-------------|----------------------|---------------|---|---|---|----------|---|

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|---|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

INFRASTRUCTURE SERVICES (continued)

| | | | | | | | |
|-------------|-----------------|--------------|----|----|----|----------|---------------|
| 1839 | Quarries | October 2018 | 16 | 16 | 15 | 1 | 1 Significant |
|-------------|-----------------|--------------|----|----|----|----------|---------------|

The position with the overdue recommendation is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---|--|---------------------------|--|
| Head of Roads, Landscape and Waste Services | The Service should ensure all recurring spend over £50,000 is in compliance with Financial Regulations (2.4.2) | Significant March 2019 | <ul style="list-style-type: none"> The Committee was advised in May 2019 that this would be complete by the end of June 2019. <p>The latest update from the Service is that work is ongoing with Commercial and Procurement Services. Framework documents / business cases are being produced to enable tenders to be issued in the autumn with a target date for starting agreements by February 2020.</p> |
| | | | |

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|--------------------------------------|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

INFRASTRUCTURE SERVICES (continued)

| | | | | | | | |
|-------------|------------------------|--------------|----|----|----|----------|---------------|
| 1842 | Roads Tendering | October 2018 | 17 | 17 | 15 | 2 | 2 Significant |
|-------------|------------------------|--------------|----|----|----|----------|---------------|

The position with the overdue recommendation is as follows:

| Chief Officer | Overdue Recommendation | Grading / Due Date | Position |
|---|---|--------------------------|--|
| Head of Roads, Landscape and Waste Services | The Service should ensure its decisions to outsource work are supported by internal data (2.2.5) | Significant June 2019 | The Service has advised that the new system that was to be used to provide this data is not yet live. This will now be done by the end of September 2019. |
| Head of Roads, Landscape and Waste Services | The Service should ensure that the Master Monitoring Spreadsheet is kept up to date to enhance control over the Roads Maintenance Programme and related tenders (2.6.2) | Significant June 2019 | The Service has advised that the new system that was to be used to replace the existing spreadsheet is not yet live. This will now be done by the end of September 2019. |

| | | | | | | | |
|-------------|---|-----------|----|---|---|----------|---|
| 1853 | Project Management and Job Control | June 2019 | 12 | 0 | 0 | 0 | 0 |
|-------------|---|-----------|----|---|---|----------|---|

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|-------------|---|-----------|---|---|---|----------|---|
| 1902 | Housing Waiting List / Allocations | July 2019 | 5 | 0 | 0 | 0 | 0 |
|-------------|---|-----------|---|---|---|----------|---|

| | | | | | | | |
|-------------|----------------------|---------------|---|---|---|----------|---|
| 1919 | Active Travel | November 2018 | 6 | 4 | 4 | 0 | 0 |
|-------------|----------------------|---------------|---|---|---|----------|---|

| Report Number | Report Title | Date Issued | Number of Recommendations | | | | Grading of overdue recommendations |
|---------------|--------------|-------------|---------------------------|------------------------------------|----------------------------------|--------------------------------------|------------------------------------|
| | | | Agreed in Report | Due for implementation by 31.07.19 | Confirmed Implemented by Service | Not implemented by original due date | |

INFRASTRUCTURE SERVICES (continued)

| | | | | | | | |
|------|---------------------------------------|------------|----|---|---|---|---|
| 1922 | Affordable Housing | June 2019 | 4 | 0 | 0 | 0 | 0 |
| 1923 | Economic Development | March 2019 | 4 | 3 | 3 | 0 | 0 |
| 1937 | Trapeze System | April 2019 | 11 | 3 | 3 | 0 | 0 |
| 1947 | Scottish Regulators' Code of Practice | June 2019 | 7 | 0 | 0 | 0 | 0 |

APPENDIX C

Outstanding IA Recommendations relating to iTrent

| IA Report No. | Overdue Recommendation | Risk that recommendation was to address | Grading/Originally Agreed Due Date | Position |
|------------------------------------|---|--|------------------------------------|---|
| 1745 Payroll System & Processes | The Service should determine the best way to grant access to the iTrent system, balancing compliance with the third principle of the Data Protection Act 1998 and the administrative costs of setting up more specific access rights (2.2.13) | Access had been granted to users than was in excess of that required. This increases the risk of breaching the, then, Data Protection Act. | Major March 2018 | <ul style="list-style-type: none"> • The Committee was advised in May 2018 that this would be completed by October 2018. • The Committee was advised in November 2018 that this would be completed by January 2019. • The Committee was advised in March 2019 that this would be completed by April 2019. • The Committee was advised in May 2019 that this would be completed by July 2019. <p>In order to mitigate this risk, it is intended that access rights to the system will be held against the relevant post within iTrent and this will solely determine what level of access a user is allocated. This should ensure that a consistent approach is adopted.</p> <p>The projected completion date for this recommendation is <u>May 2020</u>.</p> |

| IA Report No. | Overdue Recommendation | Risk that recommendation was to address | Grading/Originally Agreed Due Date | Position |
|---------------|---|---|------------------------------------|--|
| 1745 | The Service should undertake annual user audits to ensure user access remains appropriate (2.2.15a) | Where iTrent users change role, there was no control (other than line manager notification) to ensure that their user access was amended. | Significant March 2018 | <ul style="list-style-type: none"> • The Committee was advised in May 2018 that this would be completed by October 2018. • The Committee was advised in November 2018 that this would be completed by January 2019. • The Committee was advised in March 2019 that this would be completed by April 2019. • The Committee was advised in May 2019 that this would be completed by July 2019. <p>As part of the work associated with recommendation 2.2.13 above, a process will be established for undertaking an annual audit of user access, ensuring that all users have the correct access, as held against their respective posts within the system. The projected completion date for this recommendation is <u>May 2020</u>.</p> |

| IA Report No. | Overdue Recommendation | Risk that recommendation was to address | Grading/Originally Agreed Due Date | Position |
|---------------|--|--|------------------------------------|--|
| 1745 | As part of the first user audit, the Service should review existing users' access levels, with their line managers, to ensure they are appropriate and not excessive (2.2.15b) | To address the potential that users had access rights in excess of their operational requirements. | Significant March 2018 | <ul style="list-style-type: none"> • The Committee was advised in May 2018 that this would be completed by October 2018. • The Committee was advised in November 2018 that this would be completed by March 2019. • The Committee was advised in May 2019 that this would be completed by July 2019. <p>As part of the work associated with recommendation 2.2.13 above, a review will be undertaken of existing users' access levels, with their line managers. The outputs from this exercise will inform the access rights held against posts within the system.</p> <p>The projected completion date for this recommendation is <u>May 2020</u>.</p> |

| IA Report No. | Overdue Recommendation | Risk that recommendation was to address | Grading/Originally Agreed Due Date | Position |
|---------------|---|---|------------------------------------|---|
| 1818 | HR should ensure that all reporting managers receive trigger reports (2.2.16) | Managers were not all receiving absence trigger reports when their staff had reached trigger points. There is a risk that appropriate action will not be taken as a result. | Significant September 2018 | <ul style="list-style-type: none"> • The Committee was advised in November 2018 that work is underway to correct reporting relationships recorded in iTrent. • The Committee was advised in December 2018 that this would be complete by March 2019. • The Committee was advised in May 2019 that this would be completed by July 2019. <p>The rollout of trigger reports is dependent on the correct reporting lines being held within iTrent. If these are not in place then there is a risk of material Data Protection breaches if managers are being issued reports that include individuals they do not manage. In order to meet this recommendation and mitigate the above risk, the rollout of the outstanding trigger reports is being aligned with the implementation of the People Manager platform, which requires services to review their reporting lines in advance of rollout.</p> <p>The projected completion date for this recommendation is <u>January 2020</u>.</p> |

| IA Report No. | Overdue Recommendation | Risk that recommendation was to address | Grading/Originally Agreed Due Date | Position |
|---------------|---|--|------------------------------------|--|
| 1818 | HR should roll out the People Manager module to all Services as soon as possible (2.2.15) | Benefits from rollout not fully realised | Important April 2019 | <ul style="list-style-type: none"> The Committee was advised in July 2019 that this would be completed by March 2020. <p>During the period August 2019 – January 2020, HR&OD are planning a PM rollout and ESS upgrade programme with the aim of implementing self-service functionality i.e. online travel & subsistence claims and absence recording to outstanding staff groups. The rollout of online timesheets will be informed by the outputs from the ongoing and planned pilots, including whether this functionality can be configured to meet the needs of all staff groups.</p> <p>This plan is currently subject to review the Project Sponsor and Senior Responsible Officer i.e. the Head of HR&OD and Director of Business Services.</p> <p>The projected completion date for this recommendation is March 2020.</p> |

| IA Report No. | Overdue Recommendation | Risk that recommendation was to address | Grading/Originally Agreed Due Date | Position |
|---------------|---|---|------------------------------------|---|
| 1818 | HR should ensure that the reporting hierarchy information in iTrent is accurate and up to date (2.2.17) | Managers receiving data regarding employees that they do not line manage / Managers not receiving data regarding employees that they line manage. | Significant April 2019 | <ul style="list-style-type: none"> <li data-bbox="1458 296 1944 400">• The Committee was advised in July 2019 that this would be completed by December 2019. <p data-bbox="1413 443 1980 695">As of August 2019, the reporting hierarchy information has been updated within those services and service areas where PM and ESS has been rolled out i.e. Chief Exec, Business Services, Infrastructure Services, the H&SCP and Children's Services.</p> <p data-bbox="1413 738 1995 954">The updating of the reporting hierarchies within the remaining service areas i.e. Live Life Aberdeenshire and E&CS (excluding Children's Services) has a targeted completion date of <u>January 2020.</u></p> |

| IA Report No. | Overdue Recommendation | Risk that recommendation was to address | Grading/Originally Agreed Due Date | Position |
|------------------------------------|---|--|------------------------------------|--|
| 1804 Payroll Reconciliations | Payroll should review outstanding reconciling differences pre-dating 2016/17 and determine, in consultation, with the Head of Finance, what should be done to clear them (2.2.7a) | Errors are not identified and corrected. | Significant March 2018 | <ul style="list-style-type: none"> • The Committee was advised in May 2018 that these would be completed by March 2019. • The Committee was advised in May 2019 that this would be completed by June 2019. • The Committee was advised in July 2019 that this would be completed by September 2019. <p>Additional resources have been allocated from within HR&OD to support Payroll staff in progressing this recommendation. Due to the scale of the outstanding reconciling differences and the ongoing need for experienced Payroll staff to support the continuing development of the HR/Payroll system, it is recognised that even with the allocation of additional resources this will be a lengthy process with a projected completion date of <u>October 2020</u>.</p> |

| IA Report No. | Overdue Recommendation | Risk that recommendation was to address | Grading/Originally Agreed Due Date | Position |
|------------------|--|---|------------------------------------|--|
| 1804 | Payroll should ensure any current year items outstanding for more than two months are investigated and cleared as soon as practically possible (2.2.7b). | Errors are not identified and corrected. | Significant March 2018 | <ul style="list-style-type: none"> The Committee was advised in May 2018 that these would be completed by March 2019. The Committee was advised in May 2019 that this would be completed by December 2019. <p>As with recommendation 2.2.7a, the additional resources allocated will support Payroll staff in progressing this work. Due to the same resourcing challenges being encountered, the projected completion date is also <u>October 2020</u>.</p> |
| 1831 Pensions | The Service should update the missing information in order to allow for the TSS1 and TSS2 reports to be run and should perform a year end reconciliation (2.8.5) | Inability to obtain assurance that accurate pension contributions have been paid. | Important May 2019 | <ul style="list-style-type: none"> The Committee was advised in July 2019 that this would be completed by June 2019. <p>The TSS1 and TSS2 reports are now being produced and submitted to the SPPA, however the year end reconciliation remains outstanding as there has been a requirement to reallocate resources to the rollout of Employee Self Service and complete the work arising from the teachers' pay award. As a consequence, it is now planned to conclude this recommendation by the end of <u>October 2019</u>.</p> |

APPENDIX D

Grading of Recommendations

| GRADE | DEFINITION |
|---|--|
| Major at a Corporate Level | 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. |
| Major at a Service Level / within audited area | <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> |
| Significant within audited area | <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> |
| Important within audited area | 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. |

