Aberdeenshire
C O U N C I L **A** **Business Services**

REPORT TO THE AUDIT COMMITTEE – 31 JANUARY 2018

INTERNAL AUDIT REPORTS

1.   Recommendation

1.1   The Committee is requested to 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   Procurement of ICT Hardware, Software, Services and Consultancy (Internal Audit Report 1803 – December 2017)

4.1.1   The procurement of ICT hardware and software is processed either directly by ICT, or by Services following consultation with ICT. ICT expenditure for 2016/17, procured outwith ICT, was £2.43m.

4.1.2   The objective of this audit was to review Services' spend on ICT hardware, software, services and consultancy (outwith ICT), and ensure that adequate control is exercised in compliance with the Council's internal governance arrangements relating to ICT.

4.1.3   The Council has clear rules on the procurement process, and to ensure compliance there are established routes in place for the procurement of major systems, hardware, software and consultancy. When a Service wishes to procure computer hardware or software they are required to consult with ICT.

4.1.4   Sixty-two purchase orders were raised outwith ICT for computer hardware between April and June 2017 and in all but two cases there was evidence of the required consultation. During the course of the audit, ICT provided evidence of Education procuring software for numeracy and literacy teaching resources prior to consulting with ICT. Although the financial amount involved in these cases was not significant, failure to consult with ICT prior to procurement may result in resources being committed for software that cannot be used on Council hardware and is a breach of the Council's Financial Regulations. There is also evidence of Services using non-contract suppliers for items covered by approved contracts. Recommendations have been made, and agreed with management, that Commercial and Procurement Services ensure that all staff with procuring authority are aware of the requirements.

4.1.5   Education and Children's Services utilise iPad applications (Apps) as a classroom resource. When considering the installation of a new App or software that requires learners to upload personal information, the Learning Through Technology Team should be informed and a call logged with the ICT Service Desk to establish whether a Privacy Impact Assessment (PIA) is required. Failure to do so may put the Council in breach of the Data Protection Act, should pupil personal data be misused by a third party, which may result in penalties of up to £500,000. For one such system, parental consent was not evident and there was no evidence of a PIA having been completed. The Service has agreed to obtain parental consent for pupil use of all online resources to ensure compliance with the Data Protection Act and arrange for privacy impact assessments to be completed.

4.2   Purchase Cards (Internal Audit Report 1811 – January 2018)

4.2.1   Purchase cards are issued to Council employees, as approved by line managers, to purchase low value supplies on behalf of Services. 750 cards are in issue and, in the 12 months to May 2017, they were used to procure £1.2 million of goods and services. The objective of this audit was to ensure that appropriate procedures are in operation to control purchases and payments made through the purchase cards.

4.2.2   Purchase card manuals do not currently reflect all of the requirements of Financial Regulations. In addition, whilst guidance was issued to Service Administrators in November 2016 on how to monitor and report on card use, the purchase card manuals do not currently reflect this. Finance has agreed to update the manuals to address these issues.

4.2.3   There was evidence of significant delays, averaging 140 days, between purchase card applications being approved and cards being activated, pending receipt by Finance of required documentation from Services. Such delays may be indicative of a lack of need for a card and, in order to address this issue, Finance has agreed to develop a method of monitoring

applications with a proposed 6 week response time. If required documentation is not received, the related card will be cancelled.

4.2.4   Testing identified 40 active cards that had not been used in over a year, with an average period of inactivity of 872 days. Finance has agreed to issue a report detailing cards that have not been used for over a year to Support Service Managers to determine if they should still be in use.

4.2.5   Cardholders are required to maintain a log of all purchasing activity. These should be accompanied by receipts or invoices to substantiate the purchases and should be authorised by the cardholder's line manager. Testing on a sample of transactions identified that not all logs had been authorised and / or signed by the cardholder whilst some were lacking financial codes. Finance has agreed to issue a reminder to Service Administrators to ensure that logs are fully completed in a timely manner.

4.2.6   Testing of individual transactions identified areas where purchase orders should have been raised and contract suppliers used rather than the expenditure being routed through purchase cards. Such instances are in breach of Financial Regulations. Finance will inform Services of the requirements to use contract suppliers and raise purchase orders, so that they can confirm that the use of cards is appropriate.

4.2.7   The Financial Systems Team upload financial transactions, including those relating to purchase cards, on a quarterly basis, into a procurement analytics tool, for Commercial and Procurement Services (CPS). At present CPS do not analyse the purchase card expenditure. CPS has indicated that it would be desirable to do so, however it would be a time consuming process for a relatively low spend, due to the large number of monthly transactions and that the fact descriptions in the general ledger and procurement analytical tool are not always available or clear.

4.3   Climate Change Action Plan (Internal Audit Report 1819 – November 2017)

4.3.1   The Council approved its Environmental and Climate Change Policy and Climate Change Action Plan 2020 in November 2016. This highlighted the Council's desire to lead by example in demonstrating compliance with the Scottish Government's climate change legislation and to enact effective changes in the Council's environmental behaviour and performance.

4.3.2   In February 2017, the Council approved the first Carbon Budget to encourage consideration and active pursuit of carbon reductions through projects to be implemented throughout 2017/18. The Carbon Budget underpins the longer term Plan with actions in the short term in a bid to meet its target of a reduction of 44% by 2025.

4.3.3   Various challenges are faced by the Council in addition to the need for culture change: the measurement and determination of the sources of carbon emissions changes as science sheds increasing light on the extent and impact of emissions, and the technology available to combat climate change improves over time. Climate change action often has substantial staffing and financial demands which could impact on essential front line services.

4.3.4   Delivery of the Climate Change Action Plan and achievement of Carbon Budget savings is the responsibility of Service Directors. The Council's Sustainability and Climate Change Co-ordinator, who reports to the Head of Economic Development and Protective Services, monitors and assists Services in their efforts and as from June 2017 reports to the Sustainability Committee.

4.3.5   The objective of this audit was to ensure that the Council's Climate Change Action Plan ensures that statutory targets will be achieved and that action to achieve targets is being taken.

4.3.6   Whilst there are Plans in place, how 40% of planned carbon savings will be delivered to meet the 2017/18 Carbon Budget has still to be determined, and the associated monitoring mechanisms are insufficiently developed to track progress, and explain and correct variances in-year. A carbon neutral strategy for buildings has also to be finalised and costed, and embedding climate change consideration into the policy and decision making process has still to be implemented. There is therefore a risk of the Carbon Budget not being achieved, making achievement of longer term targets more challenging.

4.3.7   Economic Development & Protective Services has noted that although projects were not identified for full delivery in 2017/18, it is anticipated that, in addition to projects which have been taken forward, emissions factor revisions will ensure the budget can still be met. The Carbon Budget and associated monitoring process is being further developed, and for 2018/19 onwards Services will be required to commit to an action plan for its full achievement, and report more formally on progress.

4.3.8   Achieving carbon neutral buildings would require substantial investment. This will be reviewed over the next 6 months and a strategy presented to the Sustainability Committee. Developing an adaptation strategy to mitigate the effects of climate change is anticipated to take up to 3 years. The Council is working with external partners to take this forward. A combined impact appraisal is being developed in order to incorporate climate change into Committee decision making processes alongside equalities and other relevant considerations.

4.4   Homeless Persons Budget (Internal Audit Report 1829 – December 2017)

4.4.1   The Council has a legal and statutory 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 district, the Council is duty bound to assist them in securing permanent accommodation.

4.4.2   As at 31 October 2017, there were 391 households in temporary accommodation, comprising 291 in Council-owned temporary accommodation, 32 in Bed and Breakfast (B&B) accommodation, 19 in Housing Association owned temporary accommodation, 48 in hostels (25 of which were local authority owned), and 1 in a women's refuge. Budgeted net expenditure for providing this service for 2017/18 is £3.172 million.

4.4.3   The objective of this audit was to ensure that adequate control is being exercised over income and expenditure, and that best value is being obtained. In general, this area was found to be well managed although a number of recommendations have been made to make improvements in administration.

4.4.4   Compared to 2016/17, the average number of days spent in temporary accommodation during the first seven months of 2017/18 showed a 4.9% increase. However, there was a decrease of 18.2% in the number of days spend in more expensive bed and breakfast accommodation which is in line with the Service's strategy for reducing dependence on such accommodation.

4.4.5   Previous audits of this area have recommended that, because of the value of payments being made in respect of bed and breakfast accommodation, a framework agreement be put in place to ensure compliance with procurement legislation. As the Service was actively reducing its reliance on such accommodation, it was agreed that a framework would be considered when the reduced level was achieved. Spend on bed and breakfast accommodation was £697,000 in 2016/17 and £197,000 in the first six months of 2017/18. Although levels are reducing, there remains a requirement to have contracts in place to ensure compliance with legal requirements. The Service is working with Commercial and Procurement Services to resolve this and will have a solution in place by April 2018.

4.4.6   The Service has been given dispensation from raising purchase orders when placing homeless persons in bed and breakfast accommodation on the basis that they use a letter of introduction which is handed to the provider by the person being placed. However, one Housing Office had stopped issuing these.

4.5   Benefits (Internal Audit Report 1830 – December 2017)

4.5.1   Housing Benefit (HB) and Council Tax Reduction (CTR) are means tested social security benefits intended to help meet housing costs for rented accommodation and the cost of Council Tax. Local authorities reclaim most of the HB they have paid to claimants from the Department for Work and Pensions (DWP) by submitting subsidy claims certified by the appointed external auditor. Each Local Authority receives funding for the CTR scheme as part of the Revenue Support Grant.

4.5.2   In 2016/17, the Council made payments of £40.5 million for HB and £7.95 million for CTR. This was funded through a subsidy claim for £40.3 million and Revenue Support Grant of £7.318 million. The caseload, as at the quarter ending September 2017, comprised 10,184 HB and 11,322 CTR claims.

4.5.3   Internal Audit tested a sample of new and cancelled claims, changes of circumstances, overpayments, and reconciliations. With the exception of two errors, one resulting in an overpayment and one in an underpayment, the results of testing found that processing is accurate. The Service has addressed the errors and staff have been reminded of the importance of accurate data input.

4.5.4   In order to ensure the accuracy of input, a sample of cases is reviewed for each member of staff on a monthly basis. These checks evidenced 94.59% of claims were accurately processed to 31 August 2017; this compares to 95.94% for 2016/17. The Service has advised that the small drop in accuracy is a result of improvement in the processing times for new claims, and should improve as new staff become more experienced.

4.5.5   The Service has set a claim processing target of 22 days from the receipt of the claim. The Service's performance data for 2016/17 was 34.6 days whilst that for the current year, to the end of October 2017, is 25.2 days.

4.6   Pensions (Internal Audit Report 1831 – January 2018)

4.6.1   The Council is required to make arrangements for employees to become automatically enrolled into a pension scheme when certain qualifying conditions are met. Payroll is responsible for the enrolment and removal of employees from their applicable pension schemes; the collection and payment of employee and employer contributions; and reporting on employee contributions made and annual qualifying pensionable pay, to the respective pension schemes. The Scottish Public Pension Authority (SPPA) is the pension scheme administrator for the statutory pension fund for all teachers in Scotland whilst the North East Scotland Pension Fund (NESPF) is part of the Local Government Pension Scheme (LGPS), for local government employees.

4.6.2   The objective of this audit was to ensure that each payroll code which contributes towards an employee's gross pay is set up to account for employee and employer contributions correctly and that payments to the appropriate pension funds are accurate and timely. In addition, procedures when employees opt out of a scheme having been in a scheme were reviewed.

4.6.3   Based on the samples tested, employees were either being enrolled or not enrolled into their respective schemes correctly. Requests from employees to opt out of the appropriate scheme were being dealt with accurately and timeously. There were some initial issues with the payroll system temporarily losing the functionality to produce information required to generate reports for the NESPF, however, reporting is now timely and payments are being made to the respective scheme administrators correctly. However, errors in the calculation of some teachers' contributions, and the reasons for this, were identified. The Service has agreed to review these circumstances and make appropriate amendments by the end of the financial year.

4.6.4   Appropriate reconciliations are completed in relation to the NESPF, however, no annual reconciliation is currently undertaken in relation to the teachers' pension fund. Reports that would enable this cannot, at present, be run as the payroll system has incomplete data relating to some 1,200 former employees. Payroll is currently updating the system so that the necessary reports can be run and reconciliation completed by the end of the financial year.

4.7   Councillors' Induction and Training (Internal Audit Report 1834 – January 2018)

4.7.1   Councillors' induction and training has been a topic of interest for a number of years with the Scottish Local Authorities Remuneration Committee bringing the issue to the fore in 2006. It formed the view that it was important that Councillors actively engage with training and development opportunities on an ongoing basis and recommended that all Councillors, whether new to the role or long-serving, participate in a training needs analysis and agree a personal development plan.

4.7.2   Subsequent reviews by Audit Scotland have shown that progress was being made, across Scotland, but that Councillors' take-up of training was "at best variable". Reports stated that Councils must provide appropriate induction and training to support Councillors in their roles and that Councillors must make better use of training provided, ensure that they provide feedback on that training and explain their training needs to officers.

4.7.3   The objective of this audit was to ensure that appropriate arrangements were made for induction and training of Councillors following the May 2017 Local Government Elections, that training was delivered and was effective.

4.7.4   In the lead up to the Elections, detailed planning was undertaken involving Officers and Councillors with progress being monitoring by the Strategic Leadership Team. The detailed programme of induction training was made available to all Councillors, attendance was recorded and reported, and surveys were issued to determine attendees' views on the programme and help inform further programmes of training.

4.7.5   Attendance at the sessions provided was variable, ranging from 13% to 100%. Those Councillors that did not attend certain sessions will have missed the opportunity to learn about certain aspects of Council business that Audit Scotland has previously deemed to be essential for Councillors in understanding their roles and responsibilities. Two surveys were issued to Councillors on the induction programme, the second of which asked Councillors to express a view on whether they had gained an effective knowledge of the Council's Scheme of Governance and Council budgets, how to monitor the effectiveness of service delivery, ethical duties and responsibilities, and what is required when sitting on the board of a partner organisation. The response rates were poor (first survey 27 (38.6%), second survey 17 (24.3%)) with most being positive or offering constructive criticism regarding the sessions provided and positive assurance regarding their effectiveness.

4.7.6   In addition to the formal sessions provided, Councillors were advised, through the Induction Portal, of the availability of training via ALDO, the Council's online training portal. This system logs details of participation and completion of courses and shows that, as at 18 October 2017, 31 Councillors had registered for 108 courses, with 82 of these having been completed, since the May 2017 Elections. Some of these courses are deemed to be essential and one, in particular, is considered to be particularly important: Data Protection Act Awareness.

4.7.7   In 2013, the Chief Executive signed a formal undertaking with the Information Commissioner's Office, in response to a data protection breach, to provide all Council staff who process personal data with Data Protection awareness training. Whilst there is no specific mention of Councillors in the

undertaking, the ICO considers Councillors to be effectively the same as staff when they process Council personal data, for example when serving on Committees, and, in such cases, the Council is deemed to be the Data Controller. Only 27 Councillors have completed the required training. In view of the need to improve performance in this area, the Service has agreed to ensure that all Councillors are aware of the courses that are deemed to be essential and monitor progress with their completion.

4.7.8   In 2009, the Council approved a Policy on Councillors' Continuous Professional Development, although the actual Policy cannot be found. In addition, there is evidence that Training Needs Analyses and Personal Development Plans used to be in place for Councillors but these are no longer completed. In view of the passage of time since the Policy was approved, it has been agreed that this will be reviewed and approved by the current Council, and that Training Needs Analyses and Personal Development Plans will be reintroduced.

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 C.

5.1.2   Where it has been confirmed that all actions contained in reports issued before April 2017 have been fully completed, these reports are no longer shown.

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.
16 January 2018.

APPENDIX A

POSITION WITH AGREED RECOMMENDATIONS AS AT 16 JANUARY 2018

SUMMARY

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

On 14 December 2017, the Committee was advised that, as at 28 November 2017, there were 49 recommendations which were due to have been completed by 31 October 2017 which were not fully complete. This has reduced to 32.

The total not fully complete, which had an original due date of before 31 December 2017, is 62. Full details relating to progress, on a report by report basis, are shown in appendix B.

SERVICE	Recommendations						Grading of Overdue Recommendations		
	Agreed in reports shown in Appendix B	Due for completion by 31.10.17	Confirmed complete by Service	New in November and December 2017	Confirmed complete by Service	Not fully complete by original due date	Major	Significant	Important
Cross Service	36	13	9	1	1	**4**	0	2	2
Business Services	228	130	121	42	25	**26**	2	18	6
Health & Social Care	83	55	51	25	17	**12**	3	7	2
Education and Children's Services	140	115	105	13	10	**13**	2	5	6
Infrastructure Services	124	76	71	11	9	**7**	3	1	3
Total	611	389	357	92	62	**62**	10	33	19

APPENDIX B

POSITION WITH AGREED RECOMMENDATIONS AS AT 16 JANUARY 2018

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	**Not implemented by original due date**	
1705	**Recruitment Procedures**	October 2016	12	12	8	**4**	2 Significant 2 Important

CROSS SERVICE

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	HR&OD should review the job evaluation process to ensure that it remains fit-for-purpose and thereafter ensure that it is applied in all cases (2.1.5)	Significant April 2017	As reported to Committee in June 2017 these recommendations were to be progressed following publication of the Scottish Council Joint Scheme of Evaluation (v3). However, due to a delay in the commencement of the sampling exercise, the implementation of a revised version of the Scottish Joint Council Evaluation Scheme (v3) will be undertaken by December 2017. The exercise will also involve the testing of a computerised job evaluation system "Gauge".
Head of HR & OD	The Service should review all job profiles to ensure that they match the requirement if recruiting Services, and that they carry an up-to-date post grading. HR to review job profiles in conjunction with Recruiting Services (2.2.7)	Significant April 2017	The latest update from the Service is that the exercise will be complete by the end of April 2018. The sampling exercise has been concluded, and the outputs from the related interviews are currently being analysed to understand how the changes made to the scheme impact on the evaluation of jobs and to inform the implementation of the updated version of the SJC job evaluation scheme.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	

CROSS SERVICE (continued)

(1705 – Recruitment Procedures – Continued)

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	All officers who are, or may be, involved in the interview process should complete the relevant training available on ALDO (2.2.8)	Important August 2017	The Service has advised that this has not been achieved due to a number of factors and competing priorities. There is also a review of training provision and resources that will have an impact on timescales and resources. In order to allow an assessment of the impact of the training review on delivery of recruitment training the Service has requested an extension to the end of March 2018 for commencement of recruitment training to supplement that already delivered through ALDO.
Head of HR & OD	All interview panels should consist of at least two members of staff (2.2.9)	Important August 2017	As per 2.2.8, above.

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
1815	Business Continuity Planning	September 2017	14	1	1	0	0
1819	Climate Change Action Plan	November 2017	10	1	1	0	0

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
				Number of Recommendations			

BUSINESS SERVICES

| 1547 | Attendance Management | May 2015 | 9 | 9 | 8 | 1 | 1 Important |

The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	HR&OD should review options for recording adherence to the Attendance Management policy (2.3.5)	Important

December 2015 | As reported to Committee previously, this was being reviewed as part of the implementation of the new payroll system which went live in April 2016. The Service advised that use of the sickness absence functionality within iTrent was being considered, with pilots due to commence within specific service areas in August 2016. Options for recording adherence to the Attendance Management Policy were to be progressed as part of this work activity.

The Service then advised that recording adherence to the Attendance Management Policy was being considered as part of the design and development of the sickness functionality within iTrent. The intention was to pilot this functionality in October / November 2016 with its subsequent rollout across Services commencing thereafter. This was then delayed to November / December 2016.

HR&OD then advised that they have been reviewing the project plan for iTrent which includes the rollout of the absence management functionality and that options for recording adherence to the Absence Management Policy would be delayed until December 2017. A written update has not yet been provided, the service will provide a verbal update at Committee on 31 January 2018. |

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
1633	Cash Receipting 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	As reported to Committee since June 2017, the Service was upgrading Civica Icon and was also progressing with the implementation of e-Store, whilst Civica would only support one live date for the whole project. All the Pin Entry Devices that required replacing and the software update for these for PCIDSS compliance were all linked, as was a solution to the assisted telephone payments non-compliance. The end date for ensuring compliance with PCIDSS requirements is February 2018 and the Project Board, Project Team and software supplier are aware of this.

The Committee was advised in November 2017, that the Icon upgrade was implemented in September 2017 and the roll-out of encrypted chip and pin devices was to be complete in October 2017. The assisted telephone payments solution approved by the Digital Aberdeenshire Group is not compatible with the Council's telephony system as, when transferring the caller to the ATP system to enter their payment securely, the call is still within the Council network, which is not compliant. This issue was with ICT to investigate further, but there was no recommended solution. The Project Board has decided that, for now, the Council will accept this risk, based on there being no breaches to date, until a solution is available. Although the compliance deadline is February 2018, this was likely to be extended due to the number of businesses struggling to find a solution. The Service has been advised that further guidance is due in December 2017. |

BUSINESS SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1702	Disclosure Scotland Checks	March 2017	14	13	9	4	3 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&OD should formalise arrangements for identifying post Disclosure Scotland check requirements and update the Disclosure Scotland procedure as appropriate (2.1.5 a)	Significant June 2017	As reported to Committee since September 2017, posts have been identified although the procedure has still to be updated. The Service has advised that this will now be done by the end of December 2017 to ensure that processes are aligned with other areas. The latest update from the Service is that, following various changes in guidance through Disclosure Scotland, SSSC and GTCS, it is important to bring all policies in line and also to reflect the future implementation of online Disclosure Scotland Checks. A paper for agreement on exemption/dispensation for PVG and Overseas Criminal Record Checks is going to SLT in early 2018. Decisions following that paper will be reflected in the Disclosure Scotland and Overseas Criminal Record Check procedures, which will be completed, consulted on and in place by April 2018.
Head of HR & OD	Central volunteer lists should be maintained for each Service identifying the volunteer role number and Disclosure / PVG application progress (2.4.3)	Important December 2017	The Service has advised that this will require an extension to March 2018 as it ties in with recommendation 2.8.2 in Internal Audit report 1712 (Data Protection).

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	**Not implemented by original due date**	

BUSINESS SERVICES (continued)

(1702 – Disclosure Scotland Checks – Continued)

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	The Disclosure / PVG Exemption procedure should be reviewed and updated to reflect current practice (2.7.3 a)	Significant September 2017	As reported to Committee in November 2017, the Service advised that, in order to ensure that this is given the correct level of consideration and for background work to be completed, this would now be completed by the end of December 2017.

The latest update from the Service is as detailed against recommendation (2.1.5 a) above. |
| Head of HR & OD | The Disclosure Scotland / PVG Procedure should be presented to Senior Leadership Team for approval (2.7.3 c) | Significant September 2017 | As reported to Committee in November 2017, the Service advised that, in order to ensure that this is given the correct level of consideration and for background work to be completed, this would now be completed by the end of December 2017.

The latest update from the Service is as detailed against recommendation (2.1.5 a) above. |

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1712	**Data Protection**	October 2016	15	15	14	**1**	1 Significant

BUSINESS SERVICES (continued)

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 June 2017	As reported to Committee since February 2017, HR&OD advised that they will work with Services to establish an appropriate process for identifying such personnel and that this will be concluded by September 2017. The latest update from the Service, as reported to Committee in December 2017, is that this is a highly labour intensive exercise and will take until March 2018 to complete.

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
1713	**Electronic Document Management System**	November 2016	8	6	6	**0**	0

BUSINESS SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1724	Creditors System	March 2017	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 Finance	The possibility of re-introducing audit tables to the Payables System, detailing changes to supplier bank details, should be investigated as part of the Financial Systems Review (2.2.11)	Significant September 2017	The Committee was advised in November 2017 that the Service has stated that the Financial Systems Review / Tender is not yet concluded and the recommendation will now be implemented by 31 March 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1731	Treasury Management	May 2017	17	17	16	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 borrowing in advance is reported in line with Scottish Government requirements (2.3.9)	Important September 2017	The Committee was advised in November 2017 that this would be complete by the end of October 2017. The latest update from the Service is that various reports are required to be prepared which will not be completed until the end of June 2018.

BUSINESS SERVICES (continued)

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1732	**Benefits**	June 2017	7	7	7	**0**	0
1733	**Fixed Asset Register**	May 2017	5	5	5	**0**	0
1734	**Cleaning Payroll**	February 2017	23	23	22	**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 check that all other PVGs have been obtained at the correct level (2.2.8 c)	Significant December 2017	A written update has not yet been provided, the service will provide a verbal update at Committee on 31 January 2018.

1735	**Budget Monitoring**	July 2017	6	6	6	**0**	0

BUSINESS SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1737	Health and Safety	May 2017	16	11	4	7	2 Major 2 Significant 3 Important

The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Service Health and Safety Reps	Review dates should be included on the procedures (2.2.10 b)	Significant December 2017	With the exception of Education, this has been completed. Education's Health and Safety policies are available on Arcadia however the majority were last reviewed in 2005. Education will undertake a review of all policies by January 2019.
Head of Service (Secondary Education and Additional Support)	The Procedures for all off-site Excursions will be updated to include the requirement to use Evolve. As part of this, the definition, of what constitutes an Excursion, will be more closely specified to give clarity to establishments on the type of trips which must be included (2.2.12 a)	Important December 2017	The Service has advised that procedures are being updated and will be complete by the end of March 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

(1737 – Health and Safety – Continued)

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Service (Secondary Education and Additional Support)	Consideration should be given to requiring schools to complete the evaluation module following each completed excursion (2.2.12 b)	Important December 2017	The Service has advised that procedures are being updated and will be complete by the end of March 2018.
Service Health and Safety Reps	Each Service should complete a training needs analysis to identify mandatory and recommended Health & Safety training requirements by job role (2.3.7)	Significant December 2017	The following areas have still to complete this recommendation: The Business Services representative on the Health and Safety Subgroup has requested updates from all services within Business Services. A single Health and Safety training needs analysis by job role for Business Services is to be developed. A comprehensive training analysis needs exercise has been completed for all secondary schools teaching and support staff. However, work has to be completed on a similar exercise for Nursery, Primary and Special Schools which will be completed by December 2018. Work needs to be completed in relation to Roads in Infrastructure Services to clarify whether the identified training is mandatory and when it is due to be renewed.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

(1737 – Health and Safety – Continued)

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Service Health and Safety Reps	Services should monitor and follow up to ensure completion of all mandatory Health & Safety training (2.3.8)	Major December 2017	The following areas have still to complete this recommendation: The Business Services representative on the Health and Safety Subgroup has requested updates from all services within Business Services. There is presently no mandatory Health and Safety training however this may change once training needs analysis is completed. Education has to complete its training needs analysis before monitoring of mandatory training can commence. Training needs analysis partially complete for Infrastructure Services required to identify mandatory training for monitoring purposes.
Service Health and Safety Reps	Services should ensure that mitigating controls / actions from risk assessments are followed up to ensure implementation (2.4.3)	Major December 2017	The following areas have still to complete this recommendation: The Business Services representative on the Health and Safety Subgroup has requested updates from all services within Business Services. Infrastructure Services and Business Services have to make their risk assessments available to staff on Arcadia.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

(1737 – Health and Safety – Continued)

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Service Health and Safety Reps	Audit actions should be followed up on a monthly basis to ensure implementation. Services are required to monitor progress with implementation of H&S audit recommendations. Services will report progress to H&S Subgroup as part of new audit standing item (2.5.6 a)	Important December 2017	New standing item has not yet been added to agenda, but a commitment has been made that it will be.

| 1741 | Debtors System | May 2017 | 7 | 5 | 5 | 0 | 0 |

BUSINESS SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1743	Deployment of Microsoft Technology	June 2017	3	3	1	**2**	2 Significant

The position with the overdue recommendations 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	The Service has advised that delays are largely due to Education requesting that the rollout of Skype telephony be halted due to health and safety concerns. ICT are engaging with Education to review the schools' telephony model, understand any concerns and revise the solution if necessary. ICT expects to get agreement to the design of the model by the end of June 2018 and thereafter conclude delivery. The non-schools roll-out is continuing and telephone lines are being switched off to the greed schedule.
Head of ICT	Skype for Business performance and usage reporting arrangements should be reviewed to determine if they are adequate for monitoring purposes (2.5.3)	Significant December 2017	The Service has advised that the ICT Management Team will receive a summary performance and usage report from the Skype for Business monitoring tool in January 2018. Should there be any concerns or changes in performance or usage this will be escalated to the Digital Aberdeenshire Group for further consideration.

BUSINESS SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1745	**Payroll System and Processes**	October 2017	21	10	9	**1**	1 Significant

The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	The Service should identify the reason for the iConnect file inconsistencies, and rectify them (2.5.3 b)	Significant October 2017	The Committee was advised in December 2017 that the Service had advised that they were still reconciling differences in reports. The Development Team and ICT are to make changes to the report and the file produced by the Payroll System and this will be done by the end of March 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1746	**Social Media**	August 2017	10	10	9	**1**	1 Significant

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Customer Communication and Improvement	The Service should ensure that guidance on Arcadia is up to date, links are accurate, and previous versions of documents are removed (2.1.6)	Significant December 2017	This recommendation will be fully implemented by the end of January 2018 when broken / invalid links in Arcadia are remedied.

BUSINESS SERVICES (continued)

| Report Number | Report Title | Date Issued | Agreed in Report | Number of Recommendations | | | Grading of overdue recommendations |
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1801	Overtime	October 2017	8	3	2	**1**	1 Significant

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	All Services should ensure that where employees work in excess of the WTR permitted hours an opt-out form is completed and fully authorised with an accompanying risk assessment (2.4.8)	Significant December 2017	A written update has not yet been provided, the service will provide a verbal update at Committee on 31 January 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
1803	Procurement of ICT Hardware, Software, Services and Consultancy	December 2017	8	1	1	**0**	0
1804	Payroll Reconciliations	August 2017	4	2	2	**0**	0

BUSINESS SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1809	New Governance Arrangements	October 2017	7	4	3	1	1 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 & Procurement Services should ensure training in respect of new procurement guidance is made available to all Services (2.1.13)	Significant November 2017	A written update has not yet been provided, the service will provide a verbal update at Committee on 31 January 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1814	Social Work Tendering	November 2017	13	2	1	1	1 Significant

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 ensure authorisation is obtained for Direct Awards in line with Financial Regulations (2.5.7)	Significant December 2017	Based on the circumstances of the issue identified, the Service has advised that this will need changes to the Financial Regulations. A report is scheduled to go to the Procedures Committee in April 2018 so work on this will be completed by February 2018.

BUSINESS SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1824	**Compliance with Procurement Related Legislation and Council Regulations**	October 2017	16	9	7	**2**	2 Significant

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Commercial and Procurement Services	Guidance available on Arcadia will provide a definition of "Procurement Process" (2.5.2 (i))	Significant November 2017	The Service has advise that they are working on a Procurement Manual for the 3 Shared Service Councils to use and this will be complete by the end of February 2018.
Head of Finance	Finance should determine how compliance with Financial Regulations regarding the recording of Contract References can be enforced and advise Services of the requirements (2.6.5)	Significant November 2017	The Service has advised that a field has been made mandatory in iProcurement for recording the contract number. However, training on the BOrganised System which is being provided by Commercial and Procurement Services (CPS) needs to be completed so that users know how to obtain their contract reference number and CPS needs to feed this information into the guidance. Because of this the recommendation will not be fully implemented until the end of January 2018.

		Number of Recommendations			
Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations

HEALTH & SOCIAL CARE PARTNERSHIP

| 1635 | Home Care System and Service | October 2016 | 19 | 19 | 18 | 1 | 1 Significant |

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Chief Officer – Aberdeenshire Health and Social Care Partnership	The Service should implement charging for planned care (2.9.6)	Significant April 2017	As reported to Committee since June 2017, the Service is in the process of moving all clients on to the SDS Pathway which will result in charging based on planned care. Progress is being made but the Service has stated that it will take until December 2017 to complete the exercise. The latest update from the Service is that they are in the process of moving clients from traditional to planned care and the numbers moving are increasing. The follow up work to implement the charges will then take until April 2018 to complete.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1718	Care First System	March 2017	11	11	10	1	1 Major

HEALTH & SOCIAL CARE PARTNERSHIP (continued)

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Chief Officer – Aberdeenshire Health and Social Care Partnership	The Service should ensure that it complies with Financial Regulations and Procurement Legislation in terms of the Service's Case Recording System (2.1.3)	Major October 2017	The Committee was advised in December 2017 that the Service has still to go through the process of publishing a Voluntary Ex-Ante Transparency (VEAT) Notice. A written update has not yet been provided, the service will provide a verbal update at Committee on 31 January 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1730	**Social Work Client Transport**	March 2017	15	15	13	**2**	2 Major

HEALTH & SOCIAL CARE PARTNERSHIP (continued)

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Chief Officer – Aberdeenshire Health and Social Care Partnership	Social Work / PTU should work together to review and correct both systems to reflect actual current transport requirements and the arrangements which are in place to meet them (2.5.10 a)	Major August 2017	As reported to Committee since September 2017, the PTU has advised that they have reconciled databases and identified discrepancies which have been advised to Social Work. There is ongoing dialogue between the Services regarding this data and it will be completed by the end of January 2018.
Chief Officer – Aberdeenshire Health and Social Care Partnership	Social Work should then review the arrangements currently in place to ensure they are correct, and in conjunction with the PTU make changes if necessary (2.5.10 b)	Major August 2017	As reported to Committee since September 2017, the PTU has advised that they have reconciled databases and identified discrepancies which have been advised to Social Work. There is ongoing dialogue between the Services regarding this data and it will be completed by the end of January 2018.

HEALTH & SOCIAL CARE PARTNERSHIP (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1742	Criminal Justice Service	September 2017	20	17	16	1	1 Significant

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Chief Officer – Aberdeenshire Health and Social Care Partnership	The Service will seek dispensation from raising purchase orders for interpretation services from the Head of Finance (2.3.8)	Significant

September 2017 | The Service has confirmed that a request has not yet been made to the Head of Finance seeking dispensation from raising purchase orders. This will be done by the end of January 2018. |

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	

HEALTH & SOCIAL CARE PARTNERSHIP (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
1812	Day Service Establishment Visits	September 2017	18	18	11	7	5 Significant 2 Important

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Chief Officer – Aberdeenshire Health and Social Care Partnership	The Service should ensure comprehensive written procedures are in place at all establishments covering all financial activities (2.1.3)	Significant December 2017	The Service has provided a set of procedures that were in place before the audit took place which contains a number of broken links to other documents. Internal Audit has requested clarification regarding when these will be updated as agreed in the report.
Chief Officer – Aberdeenshire Health and Social Care Partnership	The Service should ensure that records of income generating activities are retained and periodically reconciled with banked income (2.2.7)	Significant December 2017	The Service has advised that an instruction has been issued for this to be done and requesting managers' comments. Internal Audit has asked to view the Managers comments to ensure that actions subsequently taken by individual Managers satisfy the requirements of the recommendation. requested clarification regarding whether this has been implemented.
Chief Officer – Aberdeenshire Health and Social Care Partnership	The Service should ensure all amenity fund expenditure requires two signatures (2.4.6)	Significant December 2017	The Service has advised that an instruction has been issued for this to be done and requesting managers' comments. Internal Audit has asked to view the Managers comments to ensure that actions subsequently taken by individual Managers satisfy the requirements of the recommendation. Requested clarification regarding whether this has been implemented.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	

HEALTH & SOCIAL CARE PARTNERSHIP (continued)

(1812 – Day Service Establishment Visits – Continued)

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Chief Officer – Aberdeenshire Health and Social Care Partnership	The Service should ensure an independent check of amenity fund records is carried out and documented periodically (2.4.8)	Important December 2017	The Service has advised that an instruction has been issued for this to be done and requesting managers' comments. Internal Audit has asked to view the Managers comments to ensure that actions subsequently taken by individual Managers satisfy the requirements of the recommendation. Requested clarification regarding whether this has been implemented.
Chief Officer – Aberdeenshire Health and Social Care Partnership	The Service should ensure it can account for all funds associated with the WEEE project (2.4.10)	Important December 2017	The Service has provided a report on the funds but this does not identify the remaining funds or what they have been / will be used for.
Chief Officer – Aberdeenshire Health and Social Care Partnership	The Service should ensure revenue generating schemes are reviewed in conjunction with Procurement (2.4.15)	Significant December 2017	The Service has met with Commercial and Procurement Services and produced notes of the meeting. It is unclear whether the recommendation has been fully implemented and Internal Audit has sought clarity from the Service.
Chief Officer – Aberdeenshire Health and Social Care Partnership	The Service should ensure it is satisfied that adequate value has been obtained from donated items (2.4.17)	Significant December 2017	The Service has advised that an instruction has been issued for this to be done and requesting managers' comments. Internal Audit has asked to view the Managers comments to ensure that actions subsequently taken by individual Managers satisfy the requirements of the recommendation. Requested clarification regarding whether this has been implemented.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1541	**Teachers Payroll**	July 2015	15	15	14	**1**	1 Significant

EDUCATION & CHILDREN'S SERVICES

The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of HR & OD	HR&OD should review the process of paying Teachers to ensure that it is as straightforward and transparent as possible (2.1.9)	Significant

May 2016 | As reported to Committee since March 2017, the process was being reviewed following iTrent going live in April 2016 but there had been challenges with elements of the system which delayed this action being moved forward more quickly. The process was being reviewed but the Service stated that it needs the buy-in of other parties as this relates to teachers who have nationally agreed terms and conditions. A meeting was held between the iTrent system supplier and their local authority customers in July 2016 to discuss requirements and reach an understanding on a cross-authority solution. They were reviewing and rewriting the system for Scottish Teachers terms and conditions with a completion date of August 2017.

This has now been delayed to August 2018 due to a delay in agreeing revised national conditions. |

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
						2	

EDUCATION & CHILDREN'S SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
1606	Education Lets	December 2015	11	11	9	2	2 Important

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 consider streamlining the booking process with all availability and bookings made through Gladstone (2.2.6 b)	Important December 2016	As reported to Committee since March 2017, the Service confirmed that the process needs to be streamlined but that a new corporate booking system will be used to fully implement the recommendations. The bookings system will eventually cover all booking types across the Council and there will be a need to prioritise how the different booking types are moved across to the system. The school lets booking process has been identified as an early priority in the business case, however, it was not clear when the system will become operational. ICT confirmed that the business case for a corporate booking system will be considered by the Digital Aberdeenshire Group (DAG) in April 2017.
Head of Resources and Performance	The Service should use Gladstone to monitor the income from education lets in order to ensure that properties are used effectively and efficiently (2.6.1)	Important December 2016	The Committee was advised in June 2017 that the business case was approved by DAG in April although funding had still to be approved by Strategic Leadership Team. If approved, it is anticipated that Education Lets will go-live by February 2018. The Committee was advised in December 2017 that, following a decision by ECS SLT to explore the option of extending the functionality of the Gladstone system to incorporate on line bookings and payments, a formal proposal has been submitted to the ICT Digital Board to consider this option and implement for the new financial year in April 2018.

EDUCATION & CHILDREN'S SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1631	SEEMiS	April 2016	10	10	8	2	2 Major

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 current arrangements and where appropriate seek advice from the Principal Information Security Officer and Legal and Governance Service (2.4.7)	Major December 2016	As reported to Committee since March 2017, the Principal Information Security Officer advised that the Service make contact with the Scottish Government and SQA to discuss data sharing with them. It was expected that they would have standard data sharing agreements in place. The Service advised that this matter was progressing: contact had been made with the SQA who were reviewing their data sharing governance, and a data sharing agreement was being finalised to sit under a Memorandum of Understanding that was already in place with the NHS. The Committee was advised in June 2017 that the SQA has advised that no Scottish Local Authority has an agreement in place and they are looking into the issue and how best to resolve it. The latest update from the SQA is that they will be dealing with this a part of their General Data Protection Regulation compliance plan due to be complete by May 2018.
Head of Resources and Performance	The Service should ensure that all staff who have access to SEEMIS complete the Data Protection training (2.4.3)	Major March 2017	As reported to Committee since June 2017, the latest update from the Service is that they now have a SEEMiS report and need to cross check this against the overall data protection list. The Service will then have to and ensure that those who have not undertaken the training do so. This will take until March 2018 to resolve.

EDUCATION & CHILDREN'S SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1708	Teachers' Recruitment Procedures	November 2016	15	15	13	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	HR&OD should ensure that the payroll system is configured to automatically calculate teachers' pay and leave payments, prior to the scheduled change date of August 2017 (2.4.3)	Important April 2017	As reported to Committee in June 2017, the Service had advised that this needed to be extended to August 2017, as an upgrade was awaited from the payroll system supplier.

The latest update from the Service, reported to Committee since September 2017, is that the national change has now been delayed until August 2018 and the recommendation will, as a result, be completed by July 2018. |
| Head of HR & OD | The Overseas Criminal Records Check procedure should be updated to clarify when cases should be referred to the Determination Panel (2.1.22) | Significant April 2017 | As reported to Committee since June 2017, the Service has advised that this will now be done by the end of December 2017 to ensure that processes are aligned with other areas.

The latest update from the Service is that, following various changes in guidance through Disclosure Scotland, SSC and GTCS, it is important to bring all policies in line and also to reflect the future implementation of online Disclosure Scotland Checks. A paper for agreement on exemption/dispensation for PVG and Overseas Criminal Record Checks is going to SLT in early 2018. Decisions following that paper will be reflected in the Disclosure Scotland and Overseas Criminal Record Check procedures, which will be completed, consulted on and in place by April 2018. |

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1719	IT in Schools	March 2017	16	14	12	**2**	2 Significant

EDUCATION & CHILDREN'S SERVICES (continued)

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 consider whether Glow should be used as an alternative more cost-effective solution to Show My Homework. If an alternative to Glow is considered the best option, the contract should be procured in compliance with Financial Regulations (2.2.13)	Significant August 2017	The Committee was advised in November 2017 that this issue has been referred to the Education and Children's Services Committee to undertake a Stage 1 review. The review commenced on 10 January 2018 with members of the Education and Children's Services Committee and Audit Committee invited to attend an away day at Hill of Banchory.
Head of Resources and Performance	The Service should develop a process for monitoring devolved spend per supplier to ensure compliance with Financial Regulations (2.4.6)	Significant September 2017	The Service has advised that an initial assessment of devolved expenditure for a four year period will be carried out at year end on 31 March 2018, after which a quarterly assessment will be carried out, based on budget monitoring reports of devolved spend.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	

EDUCATION & CHILDREN'S SERVICES (continued)

1738	Sports Facilities	May 2017	17	15	13	2	1 Significant 1 Important

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Lifelong Learning and Leisure	The Service should review vending machine provision and implement a corporate strategy maximising income to the Council (2.7.1 a)	Significant December 2017	The Service has advised that an inventory of vending provision has been undertaken and a report has been provided for the Service Manager which includes draft proposals for a strategy. The Service Manager has advised that other managers are to be given an opportunity to review and comment on the report before a decision is made by the Service. This will be done by the end of February 2018.
Head of Finance	The Service should review the budget allocations at a facility level and arrange with Finance to adjust as appropriate. (2.9.3 b)	Important December 2017	The Service has advised that regular meetings have been held and, once the December 2017 monitoring is produced, a decision will be taken regarding virements. This will be done in January 2018.

1744	Children's Homes	June 2017	21	19	19	0	0

EDUCATION & CHILDREN'S SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1806	Libraries Income and Expenditure	September 2017	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 Lifelong Learning and Leisure	The Service should ensure that performance issues are addressed in accordance with the terms and conditions of the contract (2.2.2).	Significant November 2017	The Service has advised that this needs to be extended to February 2018 to allow or discussion to take place with Operational Director of the system supplier (in January) to discuss the number of development days to be received as compensation. Printers have been installed in Libraries by ICT with receipts being issued to customers.

1807	Proposed Sport and Culture Trust	November 2017	16	16	0	0	0

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Lifelong Learning and Leisure	All	Major (1) Significant (11) Important (4) November 2017	Aberdeenshire Council agreed on 18 January 2018 to take no further action progressing Aberdeenshire Culture & Sport Trust. In view of this decision, Internal Audit will not be following up the recommendations made in this report and they are not being treated as either overdue or implemented. They ae not included in the table shown in Appendix A.

EDUCATION & CHILDREN'S SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1808	**Primary School Visits**	August 2017	15	15	14	**1**	1 Important

The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Resources and Performance	Any eligible payment of the allowance for Strathdon should be applied to all staff working at the school. If not eligible, then payments should be stopped and recovered (2.4.4 a)	Important October 2017	The Committee was advised in December 2017 that the Service had advised that the application of allowances has been reviewed and one allowance should have ceased being paid in August 2016. A formal request has be passed to HR to request that the payment be withdrawn. The Head of Service will seek the agreement of the Head of HR and the Head of Finance to write off the overpayment. A written update has not yet been provided, the service will provide a verbal update at Committee on 31 January 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
1825	**Education Maintenance Allowances**	October 2017	7	4	4	**0**	0
1827	**PFI / PPP Schools**	November 2017	4	1	1	**0**	0

INFRASTRUCTURE SERVICES

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1362	**Building Maintenance Stores**	March 2014	12	12	11	1	1 Important

The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Housing	The Service should investigate the possibility of introducing random van checks (2.8.4)	Important January 2016	As reported to Committee since March 2017, this was linked to the introduction of the system to replace the SAVE system which had been delayed by ICT issues. The Service advised that, as a result, introduction of the recommendation would be delayed until December 2016. The Service then advised that the system was scheduled to go live by the end of February 2017 and would incorporate real-time monitoring of stock levels on a depot and van basis. The Service then advised that there had been further slippage and the revised project plan agreed with the system supplier had a "go live" date of 26 April 2017 for Fraserburgh, with other areas following after the first phase has been successfully introduced. The Committee was advised in November 2017, that the system is live in Fraserburgh and that other areas will be live by the end of December 2017. However, the Service has advised that there have been issues with the interface to the iProcurement system. Whilst Housing and Finance have been working to resolve this, the project board decided not to go live with other areas until the interface is working. The revised implementation date is now April 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1602	**Rent Assessment Scheme**	October 2015	7	6	6	0	0

INFRASTRUCTURE SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1637	Waste Collection and Disposal	June 2016	21	21	18	**3**	3 Major

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Roads, Landscape Services and Waste Management	The Service should seek Committee approval to continue under the terms of their most recent contracts with suppliers pending the procurement of new agreements (2.4.6 a)	Major June 2017	The Committee was advised in September 2017 that the Service had advised that it will take until March 2018 to fully complete these recommendations.
Head of Roads, Landscape Services and Waste Management	The Service should ensure EU compliant tender exercises are completed for expired contracts and areas of substantial expenditure without contracts in excess of the relevant thresholds as a matter of priority (2.4.6 b)	Major June 2017	The Committee was advised in September 2017 that the Service had advised that it will take until March 2018 to fully complete these recommendations.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	

INFRASTRUCTURE SERVICES (continued)

(1637 – Waste Collection and Disposal – Continued)

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Roads, Landscape Services and Waste Management	The Service should ensure expenditure over £60,000 is only incurred following a Committee approved competitive tendering exercise (2.4.6 c)	Major June 2017	The Committee was advised in September 2017 that the Service had advised that it will take until March 2018 to fully complete these recommendations.

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
1727	**Burial Grounds Strategy**	March 2017	7	5	5	**0**	0
1736	**School and Supported Bus Service Tendering**	April 2017	11	11	11	**0**	0

INFRASTRUCTURE SERVICES (continued)

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1740	**Transportation Purchasing and Creditors**	July 2017	19	16	15	**1**	1 Significant

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Property and Facilities Management	Estates should ensure all Services are aware of the requirement for details of existing and proposed property lease arrangements to be provided to them (2.3.10)	Significant September 2017	The Service is undertaking additional work in this area to ensure that it captures all leases entered into by Services along with all facilities used on a regular basis. Given the expansion in the scope of the work being undertaken the Service will be issuing information to Services in November with a return date in January 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
1747	**Housing Repairs Year End Stock Checks**	August 2017	6	2	2	**0**	0

INFRASTRUCTURE SERVICES (continued)

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	
1805	Taxi MOT and Licensing	September 2017	15	12	10	**2**	2 Important

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Legal and Governance	Legal & Governance should ensure Taxi Guidance on the Council's website is revised and kept up to date (2.1.4)	Important December 2017	The Service has advised that they will be progressing this in January 2018 with the intention of taking it to Committee for approval in February 2018. The guidance will be placed on the website after.
Head of Legal and Governance	Licensing and Fleet should consider only booking MOT's where vehicle insurance and police checks have been satisfactorily completed (2.5.15 b)	Important December 2017	The Service has advised that this is still being considered and will be complete by the end of April 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.12.17	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
1813	EAFRD Grant Claim	October 2017	18	0	0	**0**	0
1828	Vehicle Usage	November 2017	8	2	2	**0**	0

APPENDIX C

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	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. Financial Regulations have been consistently breached.
Significant within audited area	Addressing this issue will enhance internal controls. An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on a system's adequacy and effectiveness. Financial Regulations have been breached.
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.