

REPORT TO THE AUDIT COMMITTEE – 20 SEPTEMBER 2018

INTERNAL AUDIT REPORTS

1. Recommendations

The Committee is requested to:

1.1 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 Balance Sheet Codes Monitoring (Internal Audit Report 1817 – August 2018)

4.1.1 The Council's ledger currently has 398 active codes (out of 708) used for balance sheet accounts which are managed primarily by Accountants. These can be generally divided into 5 categories: Control accounts; Suspense accounts; Assets; Liabilities; and Reserves.

4.1.2 Regular monitoring and reconciliations are carried out to identify and correct miscoding promptly, to ensure the financial ledger and forecasts are up to date, to ensure budget monitoring reports to Services and Committee

are accurate, to facilitate budgetary control, to assist in preparing financial statements to timetable, and to ensure the financial position is clearly understood.

- 4.1.3 The objective of this audit was to review the process in place for monitoring balance sheet codes, to ensure that there is an understanding of the requirement for the codes and that they are actively managed.
- 4.1.4 The Balance Sheet responsibilities list, used to identify officers responsible for balance sheet code monitoring, was not aligned with the financial ledger system, in terms of the number of codes and the number of those that were active and inactive. This increases the risk of errors going unnoticed and balances not being checked or cleared. The Service has agreed to reconcile the Balance Sheet responsibilities list with the ledger system, to ensure all active codes are allocated a responsible officer.
- 4.1.5 Suspense accounts for utilities were found to have significant balances which were under investigation. The site specific water rates charges provided by the supplier had not been recharged to Service budgets for 2016/17 and 2017/18, since they were found to be incorrect by the Energy Management Unit and Finance. The Service has agreed to clear the utilities suspense accounts and centralise the monitoring of these accounts to prevent a recurrence.
- 4.1.6 Guidance for year-end duties in relation to balance sheet codes was comprehensive and up-to-date, however there was no guidance on when or whether additional monitoring should be carried out during the year. Recommendations made to create procedures for balance sheet monitoring during the year, including guidance on how often checks should be carried out, how they should be evidenced and how to activate and deactivate balance sheet codes, have been agreed.

4.2 ICT – Change Management (Internal Audit Report 1838 – June 2018)

- 4.2.1 ICT change management is the process of ensuring that prior to changing computer software or hardware, the process is documented; the risks are considered and approval occurs, with the aim of ensuring the change is appropriate and disruption is minimised. Changes are classified by ICT based on the urgency and level of risk as standard (e.g. request system access or new PC); non-standard (e.g. planned introduction of new application or software patch); and, emergency (e.g. unplanned requirement to restore system). 441 standard, 878 non-standard and 187 emergency change requests were made in 2017/18.
- 4.2.2 The objective of this audit was to ensure that appropriate change management procedures are in place and being followed in respect of operational change to ensure that the impact of change is understood and managed.
- 4.2.3 All normal and high priority non-standard changes must be presented to the Change Advisory Board (CAB) for a review of the risks and the impact of the change. CAB approval must then be given for any such changes to progress to the build phase. The ability to approve within Cherwell on behalf of the CAB members has been delegated to the ICT Development

Team Leader and the ICT Service Transition Analyst, meaning CAB member approval is not being evidenced. In addition, 'virtual' CAB meetings are being held via Skype or through email for which records are not being maintained. The Service has agreed to make available to all CAB members, non-standard change approvals made outwith normal CAB meetings, for review and has agreed to nominate delegate minute takers to ensure all CAB decisions are documented.

- 4.2.4 The ICT Release Management Checklist procedure requires the project leader or solutions analyst to complete a Release Management Checklist before CAB can accept the release of a project or significant business change. Release management checklists are not being completed. The Service has agreed to ensure these are completed for all changes approved by CAB.
- 4.2.5 Emergency changes, with the exception of requests for hardware, must be approved by the Emergency Change Advisory Board (eCAB), and the change must be discussed at the next scheduled CAB meeting as part of the review and post-implementation process. There was evidence this process was not always being followed. The Service has agreed to perform post-implementation reviews and refer emergency changes to the next scheduled CAB meeting; ensure emergency change forms are completed; and ensure testing of emergency changes takes place and is documented in the IT case management system.
- 4.2.6 Financial information is requested in release management checklists, however these are not being completed. This means that the cost of change is not considered prior to being approved. The lack of financial details increases the risk of budget overspend. Internal Audit recommended the Service consider including financial codes and cost estimates in non-standard change management requests, however, management did not agree as budget monitoring was felt to be tracked elsewhere. Non-standard change requests are equivalent to purchase orders for work to be completed by ICT. Like purchase orders these should indicate the cost and financial code for consideration by the approver, to ensure budget is available prior to work beginning.

4.3 Councillors' Code of Conduct (Internal Audit Report 1840 – June 2018)

- 4.3.1 The Ethical Standards in Public Life etc. (Scotland) Act 2000 created a framework whereby local authorities and devolved public bodies are required to adopt Codes of Conduct for their members.
- 4.3.2 The Standards Commission for Scotland is an independent body whose purpose is to encourage high ethical standards in public life through the promotion and enforcement of Codes of Conduct for councillors and those appointed to the boards of devolved public bodies. It publishes guidance for councillors on how to interpret the provisions within the Code of Conduct, and it is each councillor's responsibility to ensure that they comply with it.
- 4.3.3 Complaints about breaches of these Codes are investigated by the Commissioner of Ethical Standards in Public Life in Scotland. If the Commissioner considers there may have been a breach of a Code of

Conduct, he will report the matter to the Standards Commission for adjudication. If the Commission finds that there has been a breach of the code it can apply various sanctions including disqualification for a period of up to five years from being a Councillor. It may also direct the Commissioner to carry out further investigations.

- 4.3.4 The objective of this audit was to ensure that arrangements for dealing with potential Code of Conduct issues are clear and understood, and that issues are dealt with in an appropriate manner. In general this is the case – there is training, guidance and support available for Councillors in their role.
- 4.3.5 Action taken in respect of allegations of misconduct is limited, as the Council has no power to act, this being reserved to the Commission. The Council’s Feedback Team collates, passes on comments to Legal and Governance, and responds to complaints from members of the public in a similar manner to service requests and customer comments and complaints. In each case complainants are advised to contact the Commissioner should they wish to take the matter further.
- 4.3.6 After due consideration and application of professional judgement Legal and Governance may investigate the basis and substance of allegations and provide advice to Councillors. Legal and Governance currently has limited guidance in place covering the process to be undertaken and the areas in which and by whom professional judgement might be applied. A clearer framework will be developed to provide assurance that consistent and fair treatment is being applied as appropriate, and records of non-sensitive queries and advice will be reviewed to promote consistency.
- 4.3.7 In order to comply with the code of conduct Councillors must complete registers of interests, and declare interests in advance of taking part in Council and Committee discussions on related business. Registers are being completed promptly following elections, but updates to this information are not all in the format set out in The Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003. Legal and Governance will publish the form and encourage its use.
- 4.3.8 Checks are in place to ensure Councillors with arrears of Council Tax do not vote on related issues, however there is no legal basis for checking arrears of other debts to the Council, which the Code of Conduct indicates might also be perceived to present a conflict of interest. Councillors are encouraged to seek advice from Legal and Governance as appropriate.

4.4 Town Regeneration (Internal Audit Report 1846 – July 2018)

- 4.4.1 In March 2016 a regeneration strategy was agreed by the Infrastructure Services Committee for Fraserburgh, Peterhead, Banff and Macduff: “Regeneration, From Strategy to Action: Developing Excellence in our North Coast Communities”.
- 4.4.2 Development Partnerships were established for each town and they developed regeneration action plans, which were agreed at Area Committees in August 2016, and thereafter approved by the Policy and Resources Committee in September 2016. A budget of £4,888,000 was allocated from a Regeneration Reserve to cover the projects across all four

towns, as well as staffing costs and joint actions, from 2016 to 2021.

- 4.4.3 The objective of this audit was to ensure that these action plans have been progressed and that measures of success have been established.
- 4.4.4 Six-monthly updates are provided to Area Committees and Infrastructure Services Committee showing the current action plans for each town and summarising progress. However, there is limited detail provided within these reports of progress with individual projects. The Service will be implementing procedures to monitor projects and use of funds more consistently across each town to ensure that progress towards the projected outcomes and targets is being achieved as expected.
- 4.4.5 A small number of financial variations were identified, and have been rectified by the Service and Finance. Governance over grant and loan disbursement is still being developed, including the extent of delegated authority. The Service is consulting with Legal and Governance to conclude this.

4.5 Pupil Equity Fund (Internal Audit Report 1847 – August 2018)

- 4.5.1 Pupil Equity Funding (PEF) is additional funding from the Scottish Government's £750 million Attainment Scotland Fund, allocated directly to schools and targeted at closing the poverty related attainment gap. This funding is to be spent at the discretion of Head Teachers (HTs) working in partnership with each other and their local authority, in consultation with parents, carers, children and young people.
- 4.5.2 The allocation per school was based on £1,200 per pupil, in primary 1 to secondary 3, in receipt of free school meals (FSM). In 2017/18 Aberdeenshire schools received a total of £2.569 million and the allocation for 2018/19 increased to £2.907 million.
- 4.5.3 The objective of this audit was to ensure that risks identified in the December 2016 Risk Management Review relating to "raising attainment and closing the gap" are actively managed and that there is evidence of success. In general, this was found to be the case, however a number of recommendations have been made to improve procedures and practice.
- 4.5.4 In developing plans to use available funding, schools are required by both national and local guidance to consult with interested parties, e.g. Parent and Pupil Councils. This was not included in the plan template developed by the Service and none of the sample tested made mention of any such consultation. The plans were also found to vary in quality in terms of how they addressed the requirements of the Scottish Government National Operational Guidance. The Service has agreed to address these issues to ensure compliance and the sharing of best practice in plan completion.
- 4.5.5 The guidance suggests that cluster spend should form part of any initial planning carried out by schools. In a number of clusters funding was pooled to ensure best value for the cluster, or to offer centralised training for more staff. However, the guidance did not include a process for monitoring such spend and the Quality Improvement Officer checks of submitted plans did not include identification of spend which should have

been grouped to ensure compliance with procurement rules. In addition, it was identified that some PEF funding was being paid to school funds to reimburse them for expenditure met. Whilst the spend was appropriate, it should have been processed through Council systems to ensure compliance with the Council's governance arrangements. The Service has agreed to address these issues through enhancing guidance and aggregating proposed spend to ensure procurement compliance.

- 4.5.6 PEF funding is expected to run for the length of the current Scottish Parliament (to financial year 2020/21), meaning there is potential for staff to be recruited on a continuous temporary basis for 2 or more years. Guidance did not address the additional costs that can be incurred as a result, for example redundancy costs. The Service has agreed to consult with HR and then ensure Head Teachers are informed of the implications should staff on fixed term contracts go beyond the two year limit and are provided with guidance regarding how to proceed.
- 4.5.7 In January 2018, following a detailed review of forecast spend for each school by Finance, a £419,000 underspend was identified for 2017/18. The majority of this underspend related to staffing expenditure not being incurred. Schools did not plan to spend available budget due to recruitment delays. The Service has agreed to update the 2019/20 plan guidance and template to include provision for schools to identify a contingency plan for recruitment delays.
- 4.5.8 Plan templates required each school to detail how they would identify pupils that would benefit from targeted support, measure the impact of PEF funds and how they would report data required to track pupil progress. However, limited detail was provided by some schools. The Service has agreed to ensure that Head Teachers are aware of the detail required and where sufficient detail has not been provided, QIOs will follow up with the school(s) concerned. A collegiate service approach is being developed for communication to Head Teachers.
- 4.5.9 The normal pupil tracking and reporting system does not have the functionality to allow pupils supported by PEF funds to be tracked as they move between school or to report improvements in attainment. The Service has agreed to enquire of the system provider as to whether the system can record pupil targeted support and learner progress in relation to this support.

4.6 Integration Joint Board Transformational Funding (Internal Audit Report 1848 – June 2018)

The following relates to an audit undertaken in the Aberdeenshire Integration Joint Board and was reported to the Integration Joint Board Audit Committee on 12 September 2018. The summary of the report is being presented to the Aberdeenshire Audit Committee under the agreed protocol for sharing Internal Audit outputs.

- 4.6.1 The Scottish Government expects Health and Social Care Partnerships to transform the way health and social care services are delivered in order to meet future demand more effectively and efficiently.

- 4.6.2 The objective of this audit was to ensure that appropriate governance is in place within Aberdeenshire Health and Social Care Partnership to manage the delivery and funding of projects which are intended to transform services so that they can affordably meet future demand.
- 4.6.3 The Partnership's priorities are set out in its Strategic Plan 2016-2019 and are aligned to the Scottish Government's National Outcomes. Four work programmes contain a total of 49 projects which are aligned to the Partnership priorities. Each Programme, the current versions of which were approved by the Integration Joint Board (IJB) in December 2017, is managed by one of the four Partnership Managers.
- 4.6.4 The extent of progress with the work programmes varies as does the detail they report concerning progress and the related funding. The Service has agreed to document management expectations and to provide standard project template documentation which will provide greater assurance over governance in the delivery and funding of projects.
- 4.6.5 The Work Programmes are funded from various recurring funds but commitments to projects have been limited as a result of the overall financial pressures the Partnership is facing. Some transformational funding has been required to reduce core budget deficits. The Service has stated that it will continue to use managerial discretion steered by formal IJB decision-making around the total use of the IJB resource envelope. The programme approach will support as much resource as possible to be used for change programmes whilst ensuring services remain safe.
- 4.6.6 In addition to limitations relating to funding, assurance over the delivery of transformation has been limited in the absence of a set project prioritisation methodology to demonstrate that funding is channelled to best effect. In this respect the Service has highlighted the complexity of project interdependency but has agreed to provide assurance through provision of a projects map.
- 4.6.7 In terms of management reporting, the IJB receives regular revenue budget updates and is updated through various means on service delivery including Outcomes reporting. Indicators are being updated by the Partnership in conjunction with the IJB to ensure these remain relevant and effectively demonstrate the partnership's performance.
- 4.6.8 Reporting at project level is less well developed, but the Service intends to show the source, allocation and use of funds more clearly both in the work programme spreadsheets and through RAG style reporting. It has agreed to ensure statements within IJB and project level reports regarding project delivery and use of funds are adequately supported by project documentation.
- 4.7 Temporary Employee Contracts (Internal Audit Report 1903 – July 2018)**
- 4.7.1 Fixed-term contracts provide Services with the necessary flexibility to appoint individuals who have a specific set of skills, to employ additional staff as required, or to provide cover during another employee's absence. 15,900 staff were employed by the Council as at 3 April 2018 and there

were 1,544 fixed-term contracts held by 1,487 employees; 1,002 FTE.

- 4.7.2 The employing Service gives authority for the temporary arrangement to be paid up until a certain date and this date is recorded in the HR / payroll system. Once that date is past, there is no authority, in terms of the Council's Financial Regulations, for the arrangement to continue.
- 4.7.3 The objective of this audit was to provide assurance that robust arrangements are in place to manage temporary appointments.
- 4.7.4 A review of fixed-term contract extensions found that in certain cases, contracts are being extended by individuals without the delegated authority, and are being extended late or not at all, with payments continuing when fixed-term contracts have expired. HR&OD has agreed to review fixed-term contract end dates in the HR / payroll system to ensure they are in line with the related employment contracts and where they are not to take appropriate corrective action. HR&OD has confirmed payments will be ceased when fixed-term contracts end.
- 4.7.5 Under the Employment Rights Act (the Act), an employee is dismissed by their employer if a fixed-term contract expires and is not renewed. An employee has the right not to be unfairly dismissed by their employer after two years of continuous employment under the Act. A fixed-term contract of an employee working on a temporary project was ended early, indicating that the requirement for the work of a particular kind in a particular place had ceased or diminished and the former employee may have been entitled to a redundancy payment. No redundancy payment was made. Records of subsequent employment and redeployment outcomes required to determine eligibility to redundancy payments are not currently maintained. The Service has agreed to update fixed term guidance to include circumstances in which redundancy applies, to make training available on ending fixed term contracts and to maintain a central record of redeployment outcomes and subsequent employment, for redundancy payment calculation purposes.
- 4.7.6 HR&OD has also agreed to update guidance to reflect current arrangements in relation to forms used and to ensure contract end dates and durations are included on vacancy requests, since these were absent from an advert reviewed, while Education and Children's Services has agreed to review arrangements for reminding managers of fixed term contracts coming to an end to ensure they are fit for purpose.

4.8 Timesheets & Allowances (Internal Audit Report 1906 – August 2018)

- 4.8.1 Council employees are paid for any hours worked either as part of their contracted hours or additional hours up to 37 hours per week at plain time (normal hourly rate). Contracted hours are paid automatically having been set up on the payroll system whilst additional hours, and those attracting an enhancement, have to be claimed.
- 4.8.2 The objective of this audit was to undertake a review of timesheets and allowance claim forms (excluding Teachers and Craft Workers) to ensure that they are being completed and authorised properly and, where appropriate, Services could support and justify the hours being claimed. A

sample of 500 timesheets, plus an additional 100 where overtime had been claimed, was tested.

- 4.8.3 In general, most timesheets had been completed and input to the payroll system accurately. However, errors were identified in timesheet completion which, if representative of all timesheets, would suggest that overpayments amounting to £128,000 are being made per annum. A small number of input errors were also identified which resulted in errors ranging from an overpayment of £6,000 to an underpayment of £520. Some services are now submitting payroll data to Payroll via spreadsheet with the data being uploaded from that source. One establishment submitted a previous, rather than current, month's data in error, and this was uploaded and paid. As a result, all of the additional payments made to 84 employees was incorrect. In order to address these issues, HR&OD has reissued timesheet completion guidance to managers and will ensure that controls are established to test the accuracy and completeness of payroll data input.
- 4.8.4 Where payroll costs are to be allocated to a financial ledger code other than the employee's substantive code, the revised code should be recorded on the timesheet. It was identified that Services are regularly recording employees' substantive codes which results in Payroll staff inputting these to the system unnecessarily. Where revised codes are not complete, these are not input as Payroll cannot determine what the full code should be. As a result, there are both inefficiencies and inaccuracies arising. HR&OD has issued instructions to Services to ensure that improvements are made in this area.
- 4.8.5 One hundred of the sampled timesheets were reviewed to ensure that the officer approving them for payment had the delegated authority to do so. This identified that nineteen did not have that authority. Similar issues have been raised regularly in the past by Internal Audit and Services have confirmed that they had taken appropriate action. Action has again been by Services to address this issue and, when electronic timesheets are fully introduced, this should be fully resolved as managers will require to be authorised to gain access to use the payroll system to approve payments.
- 4.8.6 The European Working Time Directive requires that employees receive certain rest breaks in and between their working hours. In general, although there are exceptions, if an employee works for more than six hours general HR&OD advice is that an unpaid break of 30 minutes should be taken. In April 2018, Services were advised of a change to the Council's Working Time Policy and Procedure which required Services to revisit their exemptions and, if still applicable, have them submitted to HR electronically.
- 4.8.7 Internal Audit identified eighteen members or groups of staff where shifts had exceeded 6 hours with no in-work rest break having been evidenced that had not been notified to HR&OD in accordance with the above. These included employees who had exemptions pre-April 2018. This provides little assurance that Services have adequately addressed this issue and, as a result, they have agreed to review the situation within their Services and submit the necessary documentation to HR&OD.

4.9 Sheltered Housing Guest Room Income (Internal Audit Report AW1901 – July 2018)

- 4.9.1 At the request of the Sheltered Housing Manager a review of guest room income collection and banking at three sheltered housing schemes has been completed. The request resulted from the Service identifying unbanked income collected at one of the establishments.
- 4.9.2 During 2017/18, guest room income totalling £28,592 was credited to the financial ledger for the Council's 40 sheltered housing schemes. This ranged from £12 to £6,207 per scheme.
- 4.9.3 Internal Audit testing identified that: paperwork was incomplete or missing; income collected was not always being deposited at the local cash office timeously; there was no segregation of duties between bookings being recorded and money collected; there was no requirement for Sheltered Housing Co-Ordinators to review paperwork at the schemes to ensure accuracy and completeness; and, income was being miscoded. The Service has agreed to implement recommendations made in respect of these issues.
- 4.9.4 A central guest room usage spreadsheet is maintained by the Assistant Housing Officer (AHO). However, this does not act as an independent record of expected income, as it relies on the Mobile Sheltered Housing Officers (SHOs), who are responsible for collecting and banking guest room income, notifying the AHO of any room usage. In addition, there was no reconciliation / check between the centralised spreadsheet and the ledger (money banked) and it was not possible to calculate confirmed guest room income due to the format of the spreadsheet. The Service has agreed to address these issues.
- 4.9.5 The Service did have recent written procedures, but they were considered to lack the necessary detail. These have subsequently been updated and now adequately describe the revised process.

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 2018 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.
21 August 2018.

APPENDIX A

POSITION WITH AGREED RECOMMENDATIONS AS AT 21 AUGUST 2018

SUMMARY

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

On 5 July 2018, the Committee was advised that, as at 25 June 2018, there were 52 recommendations which were due to have been completed by 30 April 2018 which were not fully complete. This has reduced to 37.

The total not fully complete, which had an original due date of before 31 July 2018, is 58. 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 30.04.18	Confirmed complete by Service	New in April 2018	Confirmed complete by Service	Not fully complete by original due date	Major	Significant	Important	
Cross Service	10	2	2	4	0	4	0	2	2	
Business Services	238	151	125	32	25	33	3	24	6	
Health & Social Care	35	18	17	12	11	2	0	2	0	
Education and Children's Services	94	53	49	26	17	13	2	8	3	
Infrastructure Services	97	66	60	5	5	6	2	1	3	
Total	474	290	253	79	58	58	7	37	14	

APPENDIX B

POSITION WITH AGREED RECOMMENDATIONS AS AT 21 AUGUST 2018

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

CROSS SERVICE

1819	Climate Change Action Plan	November 2017	10	6	2	4	2 Significant 2 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 Director of Business Services should ensure the Carbon Neutral Strategy for Council's buildings is finalised and discussed at the appropriate level to determine whether proposals and target of carbon neutrality is realistic and affordable (2.1.10)		Significant June 2018	The Service has advised that the report has been drafted and will be considered further by the Council's Strategic Leadership Team during September and thereafter reported to the Sustainability Committee on 14 November 2018.			
Head of Property and Facilities Management	The Council should review its Fuel Choice Strategy for Council Buildings to ensure it is aligned with the Council's Environmental and Climate Change Policy (2.1.11)		Important June 2018	The Service has advised that the Fuel Choice Strategy was considered by the Sustainability Committee on 16 May 2018 with a need for some further work. The report is currently being finalised with the intention to report that to the Sustainability Committee on 12 September 2018.			

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

CROSS SERVICE (continued)

(1819 – Climate Change Action Plan – Continued)							
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	The Service has advised that resource issues prevented implementation of this as planned. However, from June 2018, a resource has been available and will have full responsibility for progression of this by December 2018.				
Head of Economic Development	Costs and timelines in the Climate Change Action Plan should be updated at appropriate intervals to demonstrate that the plan remains realistic and robust (2.1.20)	Significant June 2018	The Service has advised that this was discussed at the Sustainability Committee in May 2018, including indication of the current status of projects and discussion of the content and format of reports. Conclusion of this action is being considered in discussion with the Service.				

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES

1547	Attendance Management	May 2015	9	9	8	1	1 Important
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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 for recording adherence to Policy, with pilots due to commence in August 2016. The Service then advised that recording adherence to the Policy was being considered as part of the design and development of the iTrent sickness functionality. The intention was to pilot this 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 and that options for recording adherence to the Attendance Management Policy would be delayed until December 2017. The latest update from the Service, as reported to Committee in May 2018, is that, in accordance with the current iTrent Project Plan, the self-service absence functionality is to be fully implemented by 31 March 2019. Options for recording adherence to the Attendance Management Policy will be identified and tested by the Project Team during the development and piloting of this functionality, which will take place in late 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

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, various system upgrades have been implemented in an attempt to resolve compliance issues. Some issues are still outstanding and the Project Board has decided that, for now, the Council will accept the 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 had been advised that further guidance was due from the PCI Council in December 2017, but this was not received. The Committee was advised in May 2018 that the Council's Payment Improvements Project Board had made a decision to procure the end call solution for assisted phone payments, and accept the low security risk of transferring calls, and to procure the two factor authentication token solution for PCI DSS compliance (numbers were based on 12 user estimate for costings). Purchase Orders have been raised and the Service is also working with the supplier to implement their e-Store product which will enhance customers' digital experience. The go live date for this project was mid-June 2018 and these additional solutions were to be completed within the same timeline. However, due to a software integration issue, the initial eStore go-live date of 13 June was projected for 4 July subject to confirmation from the supplier. <i>(Continued over page.)</i>			

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

(1633 – Cash Receipting System – Continued)							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
	<i>Recommendation 2.5.2 continued</i>			The latest update from the Service is that this recommendation will require to be extended until 31 December 2018 due to ongoing issues with software and the delay in implementing the End Call Solution for Assisted Telephone Payments due to prioritising e-Store and School Payments ahead of this.			

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1702	Disclosure Scotland Checks	March 2017	14	14	12	2	1 Significant 1 Important
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Director of Business Services	Retrospective checks should be completed by the deadline reported to Disclosure Scotland (2.3.4b)	Significant March 2018	The Service has advised, as reported to Committee in May 2018, that the deadline reported to Disclosure Scotland for completing retrospective checks was not achievable due to delays in receiving documentation from Services and because a business case for resources to undertake this work was not supported due to budgetary pressures. The implementation date has, therefore, been amended to December 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 Committee was advised in January 2018 that the Service had advised that this would require an extension to March 2018 as it ties in with recommendation 2.8.2 in Internal Audit report 1712 (Data Protection). The Committee was advised in May 2018, that this will now take until October 2018 to finalise. The resource and cost implications are now being explored as well as the risk. Consultation will need to take place with Services and the Trade Unions. A report outlining the options will be considered by SLT. The latest update from the Service is that a draft paper on all aspects of managing volunteers, checks, training records, etc has been prepared and will be submitted to BSLT in September for agreement.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	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 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 Committee was advised in December 2017 that this is a highly labour intensive exercise and would take until March 2018 to complete. The latest update from the Service is that a volunteer report is under production, for reporting to Business Services Leadership Team in September 2018 and Strategic Leadership Team in October. Secondary report dealing with agency, contractors, and placement students has been commenced to follow the same path and timescale as volunteers report.				

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1713	Electronic Document Management System	November 2016	8	7	6	1	1 Important
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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	<p>The Service has advised, as reported to Committee in May 2018, that they were unable to test the Disposal Module due to the Test system being “pointed” to the Live database. The system supplier has now provided assurance that the systems are separated, and testing of the Disposal Module is planned to commence after year end has been completed. This was to be done by the end of June 2018.</p> <p>The latest update from the Service is that the new release went live in July 2018 and it will then take some time to determine the parameters for removal of information. The facility is now in place and all new data will be automatically removed after the retention period of 7 years. Removal of out of date data, as required for GDPR compliance, has commenced. However, this may not be fully complete until February 2020, due to the significant number of documents to be removed and system and resource constraints.</p>

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1731	Treasury Management	May 2017	17	17	16	1	1 Important
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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	<p>The Committee was advised in November 2017 that this would be complete by the end of October 2017.</p> <p>The Committee has been advised since December 2017 that various reports are required to be prepared which would not be completed until the end of June 2018.</p> <p>The latest update from the Service is that this will be complete by the end of September 2018 following presentation of the outturn treasury report to the Business Services Committee.</p>

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1735	Budget Monitoring	July 2017	6	6	5	1	1 Significant
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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 the revenue budget monitoring and budget holder information is up to date, consistent and accurate (2.1.5).	Significant December 2017	<p>The Service has advised that the Revenue Budget Monitoring Procedures were last updated in July 2017. A minor error has subsequently been identified and this will be corrected prior to the issue of the Revenue Budget Monitoring Procedures for 2018/19 in April 2018.</p> <p>As advised to Committee in May 2018, there is currently a Project to look at the Financial Information provided to Budget Holders and a survey has recently been issued. Earlier meetings have established that there are different levels of budget holders i.e. Service budget holders, those responsible for one budget page and people who are responsible for a line on a budget page. Part of the project aims to identify the different budget holders at these levels. It is proposed that the list of budget holders will be those responsible for service budgets and specific budget pages and this will be completed by June 2018.</p> <p>The latest update from the Service is that budget holders have been established but work continues to identify officers with some element of budget responsibility and the extent of that. Support Services has been requested to assist in compiling the necessary data and this will be complete by November 2018.</p>

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1737	Health and Safety	May 2017	16	13	8	5	2 Major 3 Significant
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The position with the overdue recommendations 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	As reported to Committee since January 2018, 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.
Service Health and Safety Reps	Lone working training should be available to all relevant employees (2.3.5)	Significant April 2018	The Health and Safety Subgroup is considering the development of a corporate ALDO course to address this issue. This will be completed by October 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	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	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	As reported to Committee since January 2018, 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. This will be complete by the end of April 2018. The latest update from Business Services is that this will be complete by the end of October 2018. A comprehensive training needs analysis 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.				

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	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	As reported to Committee since January 2018, 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. The Service anticipates completing this by the end of October 2018. Education has to complete its training needs analysis before monitoring of mandatory training can commence. The analysis will be complete by the end of December 2018.				

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	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 ensure that mitigating controls / actions from risk assessments are followed up to ensure implementation (2.4.3)	Major December 2017	As reported to Committee since January 2018, 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. The latest update is that progress has been made and the Service anticipates completing this by the end of October 2018. Education and Children's Services have advised that this will now be complete by the end of December 2018.				

1741	Debtors System	May 2017	7	6	6	0	0
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Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1743	Deployment of Microsoft Technology	June 2017	3	3	2	1	1 Significant
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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	As reported to Committee since January 2018, the Service has advised that delays are largely due to Education requesting that the rollout of Skype telephony be halted due concerns regarding accessibility to telephones in emergency situations. ICT is 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 agreed schedule. Changes in Academies have to be scheduled carefully and there are limited windows when the works can be done so there are some risks in the timeline but the overall schools technology refresh, which now includes the telephony changes, is due to be completed by March 2020, although ICT is reviewing this date to try and bring it forward.

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.07.18	Number of Recommendations		
					Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations

BUSINESS SERVICES (continued)

1745	Payroll System and Processes	October 2017	21	21	15	6	1 Major 5 Significant
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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	As reported to Committee in May 2018, in respect of recommendations 2.2.13, 2.2.15a and 2.2.15b, the iTrent Team has identified the main actions associated with delivering these recommendations and the intention is to include these within the next 3-month iTrent project plan, with a completion date of October 2018.
Head of HR & OD	The Service should undertake annual user audits to ensure user access remains appropriate (2.2.15a)	Significant March 2018	See 2.2.13, above.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

(1745 – Payroll System and Processes – Continued)						
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	See 2.2.13, above.			
Head of HR&OD	The Service should liaise with the Payroll system supplier, to ensure authorisation of Paid Special Leave and Fixed Term Contract extensions, is reserved to staff with the required delegated authority (2.2.19)	Significant June 2018	The Service has advised that this will be part of the 'security chain' that the Systems Team will establish and maintain to allow a manager to authorise paid special leave and to extend fixed-term contracts. This is to be included in iTrent project plan for the July to September 2018 period.			

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

(1745 – Payroll System and Processes – Continued)							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
Head of HR & OD	The Service should develop a procedures control document to ensure comprehensive written procedures are completed (2.3.2)	Significant March 2018	The Service has advised, as reported to Committee in May 2018, that work is ongoing within Payroll to incorporate a procedures control document within their existing OneNote notebooks. However, due to workload pressures within the Team, it has not been possible to progress this work as initially planned. Accordingly, it is now intended to complete this work by September 2018, subject to the required resources being available. In respect of HR Support, the iTrent procedure documents now include a control document table, which details any changes made, by whom and the date of change. Work is ongoing to identify how these procedures are to be stored in the longer term, in order to ensure that all relevant staff have the appropriate access to them.				

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

(1745 – Payroll System and Processes – Continued)							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
Head of HR & OD	A report should be developed showing all staffing costs being charged to individual schools, or other establishments as deemed appropriate. It should be scheduled to run on a monthly basis and be sent directly to establishments (2.6.6)	Significant March 2018	As reported to Committee in May 2018, the Service has advised that this recommendation remains to be progressed. In order to generate this report, there is a requirement to manipulate data held with the ledger files, which will require ICT support. This has been raised with ICT, who have advised that they are unable to support this work at this time. It is intended to further discuss this issue with officers from ICT, Finance and HR&OD in order to identify whether there are other viable options for progressing this recommendation. The completion date has therefore been revised to March 2019.				

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	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	As reported to Committee in May 2018, the Service has advised that, whilst work is progressing on both of these recommendations, Payroll continues to encounter significant challenges in fulfilling these due to the operational and resource challenges being encountered with the delivery of the iTrent system and associated new processes. A lack of experienced staff and high volume workloads has exacerbated matters as those who are tasked to undertake the investigations and corrections are regularly required to give priority to their core payroll duties in order to ensure that employees are paid correctly and on time.			
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	Based on progress to date, it is anticipated that the recommendations will be completed by March 2019, subject to the availability of the required staffing resource within Payroll and delivery of a fully functioning iTrent system.			

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1809	New Governance Arrangements	October 2017	7	7	6	1	1 Significant
The position with the overdue recommendation 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	The Service has advised that a Procurement Manual accessible to all 3 Councils within the C&PSS is being produced, this is anticipated for June 2018, with new e-learning modules covering key procurement training aspects to also be available by the end of June 2018. The Service will also be identifying face-face training requirements for the end of June 2018. The latest update from the Service is that an updated draft manual has been produced and is being consulted on. This will be in place by September 2018.				
1814	Social Work Tendering	November 2017	13	9	9	0	0
1818	Attendance Management	May 2018	13	4	4	0	0
1823	System Recovery	June 2018	5	4	4	0	0

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1824	Compliance with Procurement Related Legislation and Council Regulations	October 2017	16	14	11	3	3 Significant
The position with the overdue recommendations is as follows:							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
Head of Commercial and Procurement Services	Training should be provided to all Services to ensure that officers who are involved in procurement are clear regarding the requirements (2.2.4a)	Significant February 2018	As reported to Committee in May 2018, the Service has advised that a Procurement Manual accessible to all 3 Councils within the C&PSS is being produced, this is anticipated for June 2018, with new e-learning modules covering key procurement training aspects to also be available by the end of June 2018. The Service will also be identifying face-to-face training requirements for the end of June 2018.				
Head of Commercial and Procurement Services	Guidance available on Arcadia will provide a definition of "Procurement Process" (2.5.2a)	Significant November 2017	The latest update from the Service is that an updated draft manual has been produced and is being consulted on. This will be in place by September 2018.				
			As reported to Committee in January 2018, the Service advised 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.				
			See update at recommendation 2.2.4a, above.				

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

(1824 – Compliance with Procurement Related Legislation and Council Regulations – Continued)							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
Head of Commercial and Procurement Services	Commercial and Procurement Services should ensure that the requirements of Financial Regulations 5.3.3 (iii) and (iv) are fully complied with (2.5.5)	Significant March 2018	As reported to Committee in May 2018, the Service has advised that within the new Procurement Manual (see recommendation 2.2.4a, above) the Devolved Procurement Authorisation form will be updated, and a new database of procurers maintained. The DPA form will identify the training requirements for each DPA based upon the roles and responsibilities they identify in the DPA form.				

1831	Pensions	January 2018	5	4	4	0	0
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Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1832	Mobile Phones Contract	May 2018	10	8	3	5	4 Significant 1 Important
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Commercial and Procurement Services	The Council's mobile telephony supplier should be contacted to obtain a signed variation agreement for an appropriate duration (2.2.12)	Significant June 2018	The Service has advised that the variation for the mobile telephony has not been sent as a tender process facilitated through a Scottish Procurement Framework is anticipated to be concluded shortly. Following receipt and evaluation of bids a contract is likely to be awarded by November 2018. A variation could have risked tying the Council into the old contract. In the interim services are being provided by the existing supplier at the previously agreed rates.
Head of ICT	Agreement should be reached with the Council's mobile telephony supplier on how the Remedial Fund will be spent (2.6.4)	Important August 2018	The mobile telephony service provider has been contacted to agree use of the Remedial Fund. It is anticipated agreement will be reached on the use of the Fund by October 2018, following meetings with the service provider.
Head of Commercial and Procurement Services	Reasons for tender response evaluation scores and for tenders being successful or unsuccessful should be documented (2.2.3)	Significant May 2018	A revised procurement manual has been prepared and has been issued for consultation. This will be in place by September 2018.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date

BUSINESS SERVICES (continued)

(1832 – Mobile Phones Contract – Continued)					
Chief Officer	Overdue Recommendation	Grading / Due Date	Position		
Head of Commercial and Procurement Services	Mini-Competition Invitation questions should highlight where a question is a mandatory requirement (2.2.7)	Significant May 2018	A revised procurement manual has been prepared and has been issued for consultation. This will be in place by September 2018.		
Head of Commercial and Procurement Services	Only fully compliant bids should be evaluated during the evaluation process (2.2.7)	Significant May 2018	A revised procurement manual has been prepared and has been issued for consultation. This will be in place by September 2018.		

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.07.18	Number of Recommendations		
					Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations

BUSINESS SERVICES (continued)

1834	Councillors Induction	January 2018	7	7	6	1	1 Significant
The position with the overdue recommendations is as follows:							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
Head of HR & OD	The current Policy should be reviewed and approved by the current Council (2.4.4 a).	Significant April 2018	The Committee was advised in July 2018 that work on reviewing the current Policy had not yet commenced due to work pressures within the Learning & Development Team, and it was intended to complete this by September 2018. The latest update from the Service is that work is now progressing on the review of the Policy and it will be submitted to Full Council in November 2018.				

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1835	Partnerships and Joint Working	January 2018	6	0	0	0	0
1837	HR Leavers Procedures	January 2018	11	5	5	0	0
1838	Change Management	June 2018	9	1	1	0	0
1840	Councillors' Code of Conduct	June 2018	3	0	0	0	0

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1843	Changes in Government Policy, Legislation, etc	May 2018	2	1	0	1	1 Important
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Customer Communication and Improvement	The Council should consider whether a standard process for managing change programmes to reflect changes in Government Policy, Legislation and Regulations is required, and if so develop and implement one (2.2.5)	Important June 2018	The Service has advised that documentation is available on Arcadia. However, it has to be established what goes to the Programme Management Office, and when Services will be advised to either pursue this route or use the on-line project management resources. Following the first meeting of the Strategic Change Board, communications will be issued to all managers in September 2018.

1903	Temporary Contracts	July 2018	9	2	2	0	0
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Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

HEALTH & SOCIAL CARE PARTNERSHIP

1812	Day Service Establishment Visits	September 2017	18	18	17	1	1 Significant
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
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	As reported to Committee in January 2018, the Service has met with Commercial and Procurement Services and produced notes of the meeting. As reported to Committee in March 2018, Managers have been advised of the requirement. Reviews have been undertaken for the majority of establishments, with one still to be concluded. It is anticipated that the review will be completed by October 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

HEALTH & SOCIAL CARE PARTNERSHIP (continued)

1845	Joint Occupational Therapy Store	June 2018	17	12	11	1	1 Significant
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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 review and update the SLA (2.1.3)	Significant July 2018	The Service has advised that a revised SLA has been drafted. Implementation of the SLA and other joint working arrangements will be subject to further discussion between the Service and Legal and Governance.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

EDUCATION & CHILDREN'S SERVICES

1606	Education Lets	December 2015	11	11	10	1	1 Important
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
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	There have been various updates provided to Committee that have related to a number of interlinked recommendations. This final recommendation has still to be resolved and the Service has advised, as reported to Committee in July 2018, that following the Full Council decision to establish a Business Unit for the operation of Culture & Sports Services, it has been agreed at Head of Service level to incorporate all ECS Lets including school lets within one letting unit which will operate within the Business Unit that is to be established. Once the Lets team is established, there will require to be agreement on how the income from lets is to be accounted for and how the associated costs are to be charged against the Business Unit. This will allow a mechanism to be introduced that will ensure that properties are used effectively and efficiently. Although the Business Unit is due to be established in December 2018 the accounting arrangements for lets are unlikely to be in place before the new financial year.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations		
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date

EDUCATION & CHILDREN'S SERVICES (continued)

1631	SEEMiS	April 2016	10	10	8	2	2 Major
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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 (relating to data sharing) 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 was that they will be dealing with this a part of their General Data Protection Regulation compliance plan due to be complete by May 2018. The latest update from the Service is that an agreement has been received and is now being checked by Legal and Governance. As a result, this recommendation will now be implemented by the end of October 2018.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

EDUCATION & CHILDREN'S SERVICES (continued)

(1631 – SEEMiS – Continued)							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
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 ensure that those who have not undertaken the training do so. This was to take until March 2018 to resolve. However, new training is due to be implemented in relation to GDPR from 1 April 2018 and it is the Service's intention that all who need to complete Data Protection training will have completed the GDPR training by the end of May 2018. Two weeks after training was made available, 23% of staff with access to SEEMiS had completed this training. The Committee was advised in July 2018 that the Service had stated that 67% of staff have completed the necessary training. This will now be fully completed by September 2018. At present (21.08.18), 73% of staff had completed the training.				

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EDUCATION & CHILDREN'S SERVICES (continued)

1708	Teachers' Recruitment Procedures	November 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	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. As reported to Committee since January 2018, the Service had advised 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 was going to SLT in early 2018. Decisions following that paper would be reflected in the Disclosure Scotland and Overseas Criminal Record Check procedures, which would be completed, consulted on and in place by April 2018. The latest update from the Service, as reported to Committee in May 2018, is that the paper on exemption / dispensation for PVG and Overseas Criminal Record Checks has been considered by the Lead Signatory and Services are being consulted. Proposals will be considered by SLT in May 2018 and, following decisions made there, will then be reflected in the procedures which will be completed, consulted on and in place by June 2018. (Continued over page.)				

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

EDUCATION & CHILDREN'S SERVICES (continued)

(1708 – Teachers' Recruitment Procedures – Continued)							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
	Recommendation 2.1.22 continued.		The latest update from the Service is that the SLT report on exemption / dispensation for PVG and Overseas Criminal Record Checks has been drafted. However, its submission has been deferred until the initial outputs from the ongoing consultation exercise on proposed changes to the PVG Scheme are released. The consultation exercise, which is being conducted by the Scottish Government and Disclosure Scotland, closes on 18 July 2018.	It is anticipated that the proposals arising from this consultation exercise will have a major impact on the delivery of relevant pre-employment checks and temporary dispensations. The Service is therefore intending to update the draft SLT report to reflect the likely changes arising in order that an informed decision can be reached. It is unknown at this time when the initial outputs from the consultation exercise will be released, however, the intention is to review the situation in September 2018.			

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date

EDUCATION & CHILDREN'S SERVICES (continued)

1816	Health and Safety (SSERC)	January 2018	20	16	9	7	7	7	7 Significant
The position with the overdue recommendations is as follows:									
Chief Officer	Overdue Recommendation	Grading / Due Date	Position						
Head of Secondary Education and Additional Support	The Service should confirm which training is considered necessary for all appropriate staff in relation to the areas under review and make provision for those staff to undertake that training (2.2.9a)	Significant June 2018	The Service has advised that a detailed training needs analysis has been compiled for all staff in a secondary school and work is ongoing in relation to a similar exercise in Primaries and Special schools. Training in certain areas is ongoing but detailed discussions are taking place with SSERC to identify a range of models.						
Head of Secondary Education and Additional Support	Risk Assessments / COSHH Assessments should be prepared for all activities involving hazardous material or practices (2.3.3)	Significant June 2018	Delivery of training is dependent on capacity within SSERC but is anticipated to be complete by the end of December 2018. Quality Assurance document has been devised to give assurance that actions are being undertaken. These will be circulated to schools in the new term with responses required by October 2018.						
Head of Secondary Education and Additional Support	Schools should hold a central list of risk assessments which includes review dates and responsible officers. The list should be reviewed annually (2.3.4)	Significant June 2018	Awaiting confirmation from Schools / CSN Co-ordinators that the requirements detailed in an Education Circular have been implemented. 4 of 17 schools have provided evidence to date (27.8.18).						

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date

EDUCATION & CHILDREN'S SERVICES (continued)

(1816 – Health and Safety (SSERC) – Continued)					
Chief Officer	Overdue Recommendation	Grading / Due Date	Position		
Head of Secondary Education and Additional Support	The Service should consider introducing a Quality Assurance regime in relation to Health & Safety within Science Departments (2.4.2)	Significant June 2018	Quality Assurance document has been devised to give assurance that actions are being undertaken. These will be circulated to schools in the new term with responses required by October 2018.		
Head of Secondary Education and Additional Support	The Service should review the actions which involved property and detail the reasons why any were not implemented (2.4.3b)	Significant June 2018	All areas have been visited by the Service and an initial paper is being compiled regarding areas that require to be looked at in detail. These will be fed into the Service's Property Group for progressing in October 2018, subject to funding being available.		
Head of Secondary Education and Additional Support	The Service should ensure that an appropriate contract is put in place to test fume cupboards and that statutory timescales are included in the specification (2.6.3)	Significant June 2018	The Service has advised that a tender was put out but there was no response. The Service, in conjunction with C&PSS, is trying to identify potential organisations prior to re-tendering in October 2018.		

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.07.18	Number of Recommendations		Grading of overdue recommendations
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EDUCATION & CHILDREN'S SERVICES (continued)

(1816 – Health and Safety (SSERC) – Continued)							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
Head of Secondary Education and Additional Support	The Service should ensure that the required radioactive leak testing is carried out in line with HSE guidance (2.8.2)	Significant June 2018	The Service has advised that all schools will have undertaken the self-assessment, which includes this area, by October 2018 at the latest				

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations		
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EDUCATION & CHILDREN'S SERVICES (continued)

1821	Community Centres	May 2018	15	10	8	2	2 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 ensure payroll costs are coded correctly so that the financial position can be monitored effectively (2.5.2)	Important June 2018	The Service has advised that this will take until the end of September 2018 to complete.				
Head of Lifelong Learning and Leisure	The Service should ensure that all inventories have been reviewed and approved by the employee responsible for the inventory (2.7.2)	Important July 2018	The Service has advised that an instruction has been issued that this be done, and the exercise will be complete by the end of the end of September 2018.				

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

EDUCATION & CHILDREN'S SERVICES (continued)

1833	Secondary Schools	February 2018	13	11	11	0	0
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1836	Catering Procurement	May 2018	10	5	5	0	0
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Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
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INFRASTRUCTURE SERVICES

1602	Rent Assessment Scheme	October 2015	7	6	6	0	0
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1637	Waste Collection and Disposal	June 2016	21	21	19	2	2 Major
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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 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 this recommendation. The latest update from the Service, as reported to Committee in March 2018, is that there remain three contracts that need to be let and, due to changes in the Waste Management Team, they will not be complete until the end of October 2018. An action plan has been put in place to manage the process.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
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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 this recommendation. The latest update from the Service, as reported to Committee in March 2018, is that there remain contracts that need to be let and, due to changes in the Waste Management Team, they will not be complete until the end of October 2018. An action plan has been put in place to manage the process.				

1727	Burial Grounds Strategy	March 2017	7	7	6	1	1 Important
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Roads, Landscape Services and Waste Management	The Service should ensure it can evidence that it has taken steps to minimise indigent funeral related costs (2.1.8)	Important March 2018	The latest update from the Service, as reported to Committee in May 2018, is that the policy is still being worked on and it is anticipated it will be available for consideration by Infrastructure Services Committee in October 2018.

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				Due for implementation by 31.07.18	Confirmed Implemented by Service	Not implemented by original due date	

INFRASTRUCTURE SERVICES (continued)

1740	Transportation Purchasing and Creditors	July 2017	19	18	0	0
1747	Housing Repairs Year End Stock Checks	August 2017	6	3	3	1 Significant 2 Important

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Housing	A full review of the year end procedures should be undertaken, to include conforming with the Corporate year end timetable (2.1.3)	Important March 2018	The Service has advised, as reported to Committee in May 2018, that an interim review of year end procedures has been undertaken to reflect delays in SAVE replacement implementation. Interim arrangements reflect stocktake processes for both SAVE and Northgate systems. Northgate processes remain underdeveloped at the present time due to the delays outlined but will be finalised on completion of roll out to all areas of Aberdeenshire. The full requirements as outlined in the original response to the recommendation will be implemented by March 2019.
Head of Housing	Stock count procedures should be updated to highlight the importance of counting stock in the absence of stock system totals (2.2.2)	Important March 2018	The Service has advised, as reported to Committee in May 2018, that delays in implementing the SAVE replacement has led to the introduction of interim procedures. Housing therefore remains in a transitional phase and anticipated enhancements have yet to be fully introduced. Pre-stocktake presentations held within each Housing Repairs depots have been utilised to ensure that all those involved in the process are fully aware of the importance of this requirement. It is anticipated that procedural enhancements will be fully implemented by 1 March 2019.

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INFRASTRUCTURE SERVICES (continued)

<i>(1747 – Housing Repairs Year End Stock Checks – Continued)</i>							
Chief Officer	Overdue Recommendation	Grading / Due Date	Position				
Head of Housing	The Service should investigate current stock price variations compared to average stock prices which exceed 10% on a regular basis (2.6.3)	Significant March 2018	The Service has advised, as reported to Committee in May 2018, that delays in implementation of SAVE replacement mean that full implementation of proposals will now be completed by 1 March 2019				
1748	Car Park Income	March 2018		4		0	0
1826	Recycling	January 2018		3		0	0
1828	Vehicle Usage	November 2017		4		0	0
1846	Town Regeneration	July 2018		1		0	0
AW1901	Sheltered Housing Guest Room Income	May 2018		1		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	<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.