

REPORT TO THE AUDIT COMMITTEE – 23 MARCH 2021

INTERNAL AUDIT REPORTING

1. Reason for Report / Summary

- 1.1 This report presents proposals for amendments to Internal Audit reporting to Committee for discussion and approval.

2. Recommendation

The Committee is recommended to:

- 2.1 Review, discuss and comment on the contents of this report and the attached appendices, and thereafter approve the proposed amendments to Internal Audit reporting; and**
- 2.2 Agree that the Committee’s consideration of the proposals in section 4.1 and Appendix A in respect of Internal Audit reports satisfies the requirements of the How Good is Our Governance (HGIOG) 2020/21 action plan 6.3: “*Consideration of the publication of full reports to Audit Committee*”.**

3. Purpose and Decision-Making Route

3.1 Purpose

- 3.1.1 Public Sector Internal Audit Standards require that Internal Audit report regularly to the “Board” on the outcome of audit engagements, and on management’s progress with implementing agreed actions arising from them. The content and format of reporting is not prescribed by the Standards. It is one of the functions of the Audit Committee to review the activities of the Internal Audit function. This report presents proposals to revise the format of reporting from April 2021.

3.2 Decision Making Route

- 3.2.1 The attached proposals have been discussed with management. It has not been considered by this, or another Committee, previously.

4. Discussion

4.1 Internal Audit Reports

- 4.1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) recently recommended the use of a set of standard audit engagement opinions. (<https://www.cipfa.org/policy-and-guidance/reports/setting-common-definitions>) These are: ‘Substantial Assurance’, ‘Reasonable Assurance’, ‘Limited Assurance’ and ‘No Assurance’. Having reviewed the CIPFA briefing, and current practice in other local authorities via the Scottish Local

Authorities Chief Internal Auditor Group, the Chief Internal Auditor considers that whilst an engagement opinion is informative, applying a grading does not add substantial value to the process.

- 4.1.2 Currently, the summary of each audit report presented to the Audit Committee includes reference to whether assurance has been obtained, or details of the areas in which assurance was not obtained or requires improvement are set out.
- 4.1.3 Gradings are already applied to individual recommendations, taking into account the risk to the Council, Service and the process under review, in line with a clear grading scheme (see Appendix A) and application of professional judgement. A composite report grading, as recommended by CIPFA, would take account of these and seek to combine them. However, the combination of findings, and management's response to them – including proposed actions and timescales, is difficult to objectively score. Additional time would be required to consult and agree with Services regarding the grading applied, after the content and related actions had been agreed.
- 4.1.4 A grading would also need to be taken in the context of the scale and risks inherent in the process under review, within the wider context of those applying to the Council as a whole. Audited areas, whilst within the overall sphere of internal control, governance and risk management, vary widely in scope and objective, scale and risk profile. Comparison of the level of assurance obtained in one area with another could therefore be misleading. It is not therefore planned to include set audit engagement opinions.
- 4.1.5 The How Good is Our Governance (HGIOG) 2020/21 action plan 6.3 requires "*Consideration of the publication of full reports to Audit Committee*". An associated Audit Committee workshop in December 2020 highlighted that insights / guidance on interpreting audit reports, or extension of the summary would be useful for Committee members.
- 4.1.6 Currently, the Committee is provided with an executive summary of the activity which has been reviewed, whether assurance has been obtained, and highlights of the main findings. This includes the areas considered by Internal Audit to present the greatest risk to the Council's internal controls, governance or risk management, and whether management has completed or proposed appropriate action in response. The detailed reports are available on request to Committee members on a confidential basis. The content of the detailed reports cannot be considered during Committee meetings as it has not been benefited from the Committee consultation and monitoring process.
- 4.1.7 Consideration has been given by the Chief Internal Auditor, in consultation with the Head of Legal & People, to including the full audit reports on the Audit Committee agenda. This could provide additional detailed information on the activity under review. The Committee could then scrutinise the activity reported on, and hold management to account at a more detailed level, in respect of Internal Audit's findings and management's response. This could assist in understanding the work of Internal Audit and audited Services and

inform the Committee further in respect of the background to actions if they are later reported as overdue.

- 4.1.8 However, under the Council's Scheme of Governance responsibility for scrutiny lies with the individual Policy and Area Committees, and operational responsibility for the delivery of Services lies with Officers under delegated powers.
- 4.1.9 Publication of full audit reports also carries risks. The content of audit reports would need to be adapted. Confidential information regarding staff, contracts and ongoing investigations into fraud and error would require to be removed, or the report put forward to the Committee as exempt from publication for discussion in a private session. This would in effect reduce assurance and transparency over these matters.
- 4.1.10 Audit reports routinely contain in excess of ten pages of detail, compared with one page of executive summary information. Additional time would be required to consult and agree with Services regarding the suitability of this content for publication. This time could be better spent progressing with further audit reviews. The Council's Committee Officers and Monitoring Officer have also highlighted that additional content would require additional time to review and administer appropriately. There would be a corresponding impact on Councillors time to review and scrutinise the additional detail reported.
- 4.1.11 On balance, therefore, it is considered that executive summary reports should continue to be provided to the Committee. Detailed reports will continue to be available to Committee members on a confidential basis. However, in order to ensure further transparency and enhance interpretation of this summary information, a new format for reporting the executive summary will be used as set out in the example at Appendix B.
- 4.1.12 This will include: A clear opinion on the assurance obtained over the audited area. The number and grading of recommendations made, and the number accepted by management. A summary of the issues, and actions planned to resolve any recommendations graded as Major or Significant.
- 4.1.13 Clearer and more consistent structuring of the executive summary reports will aid the Committee in interpreting the audit reports and to focus on the more significant risks.

4.2 Overdue Actions

- 4.2.1 Management progress with implementing agreed actions as a result of recommendations made in Internal Audit reports is regularly reported to the Audit Committee.
- 4.2.2 The Committee is currently provided with a summary of Services' progress including the number of actions agreed, implemented, added and closed since the last Committee meeting. Summaries are also provided of the number of actions agreed, implemented, added and closed for each audit completed during the current financial year, and all audits for which actions have not been concluded in accordance with the timescales originally agreed

with management, and recorded in the Internal Audit reports, for their implementation. The grading attributed to each action, and its original due date, is recorded. Details of progress with each overdue action and when it is now proposed to be completed are sought from Services and, where available, are included within the appendices to the Committee report. The history of updates and any extensions to deadlines are also listed.

- 4.2.3 This process was designed to highlight, by exception, those areas in which action had not been progressed as planned. This provided an opportunity to provide assurance that the actions were being prioritised for conclusion within a defined extended timescale.
- 4.2.4 Due to Service re-prioritisation of resources in light of wider circumstances including the Coronavirus pandemic, budget constraints and associated workforce re-structuring, progress with implementing many agreed actions has been subject to additional delay. This has led to a significant number of actions being reported as overdue on a regular basis, with limited progress to report, with a corresponding increase in the length of Internal Audit's regular Committee reports and appendices.
- 4.2.5 As the number of overdue actions increases, the ability of the Audit Committee to seek and obtain assurance over those presenting a higher risk to the Council is reduced. Feedback from the Audit Committee HGIOG workshop in December 2020 also highlighted a need for simplification of the extensive detail provided. As a result, it has been identified that the process would benefit from review and rationalisation.
- 4.2.6 The HGIOG 2020/21 action plan 6.4 set out that the Council should "*Consider a review into all current outstanding recommendations / plans*"; and,
- 4.2.7 The Annual Governance Statement action plan 2.5 set out a requirement for the Council to "*Address difficulties in achieving timely completion of agreed outstanding internal audit recommendations*".
- 4.2.8 The Strategic Leadership Team has agreed that Directors will undertake a review of their existing agreed actions, including consideration of whether the originally identified risk remains a priority to be addressed. Where this is no longer the case, Internal Audit will review proposals, highlight the potential risks and ensure these have been accepted by management, and consider the impact on the level of assurance over the Council's systems of governance, risk management and internal control. Updates will be presented to the Audit Committee.
- 4.2.9 In order to allow the Committee, and Officers responsible for implementing the actions, to focus on the higher risk areas in which actions have not yet been concluded, a new format for reporting progress with implementing agreed actions is proposed as set out in Appendix C.
- 4.2.10 In addition to a revised focus on overall performance, this includes a prioritised list of higher risk actions, in contrast to the full list previously provided. The list will include:
- all actions graded as 'Major';

- actions graded as 'Significant' which have been overdue for a defined period; and
- actions which are past due and have not been updated.

4.2.11 The 'defined period' will, in the first instance, be set at 12 months – reflecting the number of actions which currently fall into this category. This will be subject to regular review.

4.2.12 Updates on management progress with implementing agreed actions will continue to be followed up, and recorded, by Internal Audit on a regular basis. Services will be supported in their review of delayed actions with clear and regular data on performance in this respect.

5. Council Priorities, Implications and Risk

5.1 The work of Internal Audit covers all of the Council's Priorities. It aims to provide assurance over the adequacy and effectiveness of the Council's framework of governance, risk management and control, which underpin the delivery of all of the Priorities.

5.2 The table below shows whether risks and implications apply if the recommendation is agreed.

Subject	Yes	No	N/A
Financial		X	
Staffing		X	
Equalities		X	
Fairer Scotland Duty		X	
Town Centre First		X	
Sustainability		X	
Children and Young People's Rights and Wellbeing		X	

5.3 An equality impact assessment is not required because the reason for this report is for Committee to discuss and comment on proposals to amend the format of Internal Audit reports for the Audit Committee and there will be no differential impact, as a result of this report, on people with protected characteristics.

5.4 There are no staffing or financial implications arising directly from this report.

5.5 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. The purpose of this report is to seek approval for proposals to amend the format of Internal Audit reports

6. Scheme of Governance

- 6.1 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.
- 6.2 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.

CHIEF INTERNAL AUDITOR

Report prepared by Colin Harvey, Chief Internal Auditor (Interim).
9 March 2020.

APPENDIX A

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.

Appendix B

INTERNAL AUDIT SUMMARY REPORTS

Example: Current

Bank Reconciliations (Internal Audit Report 2115 – December 2020)

Bank Reconciliations explain the differences at a particular point in time between the balances shown in the Council's bank statements, as supplied by the bank, and the bank balances as shown in the financial ledger. The Council has nineteen bank accounts, of which fifteen are reconciled by the Income Management Team (IMT), two are reconciled by other staff within Finance and the remaining two are reconciled by a Housing Officer, with all reconciliations being amalgamated on a monthly basis by the IMT.

The objective of this audit was to provide assurance that adequate procedures are in place which ensure that accurate, timely reconciliations were produced. In general, this was the case.

Comprehensive written procedures and training are in place for staff involved in the bank reconciliation process. Reconciliations were, in general, clearly laid out, with reconciling items, bank statement balances and ledger balances cross referenced to supporting evidence. Performance indicators are also being regularly reported to the Revenues Manager, highlighting the number and value of reconciling items and the timeliness of completion of bank reconciliations.

However, HRA Direct Debit and HRA Rent Standing Order bank to system reconciliations reported to Finance were not supported by related system reports, and a HRA rent Standing Order bank to system reconciliation reviewed was not supported by a bank statement. Housing is working with Finance on a revised format for Housing system to bank reconciliations to improve the level of assurance over the accuracy of reported Housing Rent system figures.

Appendix B (continued)

INTERNAL AUDIT SUMMARY REPORTS

Example: Proposed (main changes highlighted):

Bank Reconciliations (Internal Audit Report 2115 – December 2020)

Background

Bank Reconciliations explain the differences at a particular point in time between the balances shown in the Council's bank statements, as supplied by the bank, and the bank balances as shown in the financial ledger. The Council has nineteen bank accounts, of which fifteen are reconciled by the Income Management Team (IMT), two are reconciled by other staff within Finance and the remaining two are reconciled by a Housing Officer, with all reconciliations being amalgamated on a monthly basis by the IMT.

Objective

The objective of this audit was to provide assurance that adequate procedures are in place which ensure that accurate, timely reconciliations were produced.

Assurance

In general bank reconciliations were being completed accurately and on time.

Findings and Recommendations

Comprehensive written procedures and training are in place for staff involved in the bank reconciliation process. Reconciliations were, in general, clearly laid out, with reconciling items, bank statement balances and ledger balances cross referenced to supporting evidence. Performance indicators are also being regularly reported to the Revenues Manager, highlighting the number and value of reconciling items and the timeliness of completion of bank reconciliations.

However, one recommendation, graded as Significant within the audited area, was raised with the Service as the HRA Direct Debit and HRA Rent Standing Order bank to system reconciliations reported to Finance were not supported by related system reports, and a HRA rent Standing Order bank to system reconciliation reviewed was not supported by a bank statement.

Management Response

The Service has agreed action in response to the recommendation made. Housing is working with Finance on a revised format for Housing system to bank reconciliations to improve the level of assurance over the accuracy of reported Housing Rent system figures. This should be concluded by May 2021.

APPENDIX C INTERNAL AUDIT RECOMMENDATIONS

Agreed actions completed during 2020/21 to date

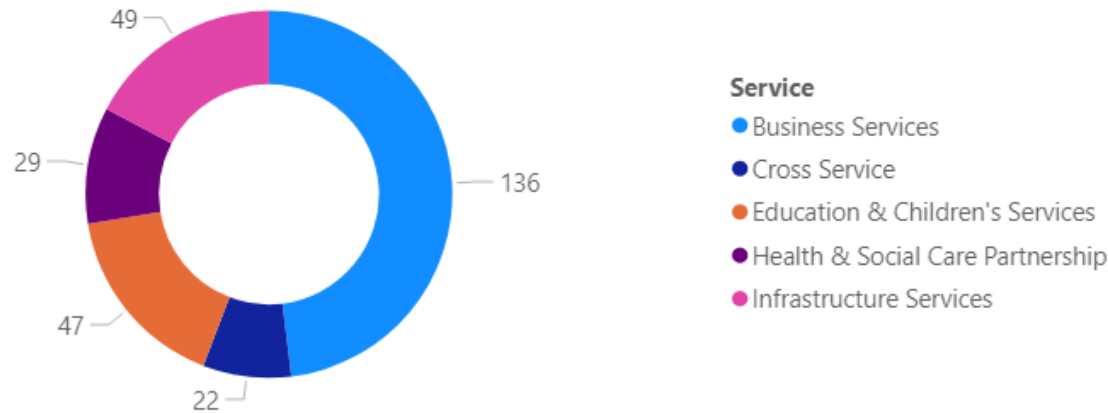
Complete during current financial year

01/04/2020 09/03/2021

Total Complete

283

Number of recommendations by Service



Service	1) Important	2) Significant	3) Major - Service	4) Major - Corporate	Total
Business Services	39	95	1	1	136
Cross Service	5	14	1	2	22
Education & Children's Services	12	35			47
Health & Social Care Partnership	10	19			29
Infrastructure Services	17	32			49
Total	83	195	2	3	283

Agreed actions completed since last reported in December 2020

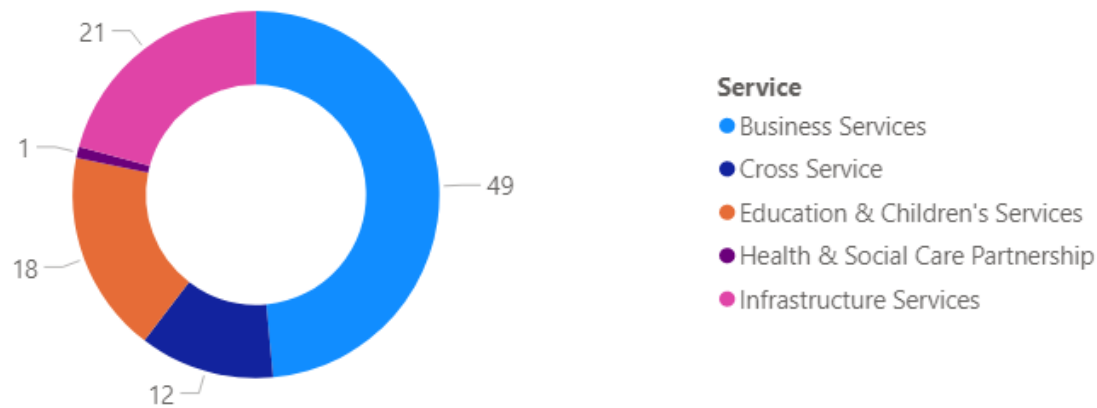
Complete since last Committee ◇ ▾

24/11/2020 09/03/2021

Total Complete

101

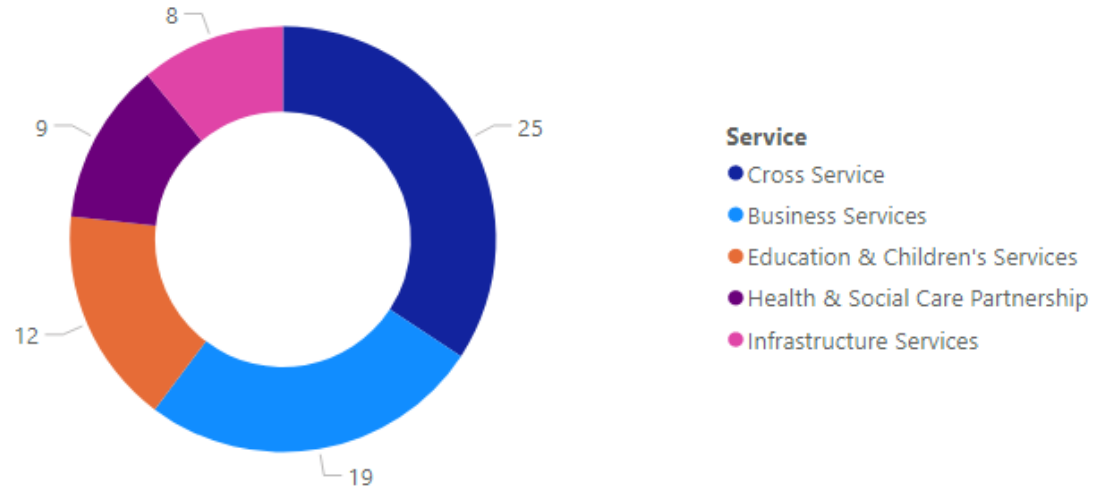
Number of recommendations by Service



Service	1) Important	2) Significant	4) Major - Corporate	Total
Business Services	12	37		49
Cross Service	2	9	1	12
Education & Children's Services	6	12		18
Health & Social Care Partnership		1		1
Infrastructure Services	7	14		21
Total	27	73	1	101

Overdue actions – by Service and Grading

Number of recommendations by Service



Total overdue

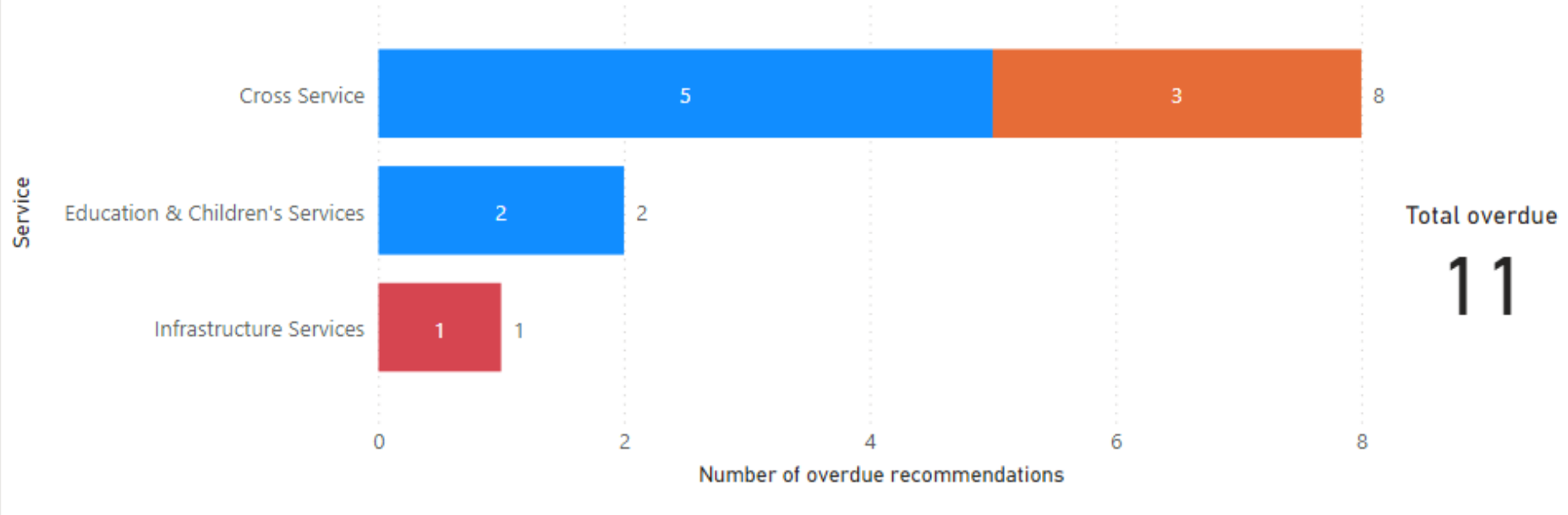
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Service	1) Important	2) Significant	3) Major - Service	4) Major - Corporate	Total	Service	a) Less than six months	b) Over six months	c) Over one year
Business Services	3	16			19	Business Services	8	3	8
Cross Service	6	11	8		25	Cross Service	8	9	8
Education & Children's Services		10	2		12	Education & Children's Services	8	2	2
Health & Social Care Partnership	2	7			9	Health & Social Care Partnership	1	8	
Infrastructure Services	2	5		1	8	Infrastructure Services	4	2	2
Total	13	49	10	1	73	Total	29	24	20

Major Overdue actions - Summary

Number of overdue recommendations by Service and Overdue by:

Overdue by: ● a) Less than six months ● b) Over six months ● c) Over one year



Major Overdue actions - Detail

Service	Audit	Recommendation	Original due date	Current due date	Committee Update	Times Extended
Cross Service: Business Services	2017 - Charging Policy	2.2.4a: All Services should ensure full reviews of all of their charges are reported to Committee in accordance with the timetable set by the Corporate Charging Framework. (Major at a Service Level)	Sep 2020	Mar 2021	<p>Finance has stated that for all of the Corporate Charging Framework recommendations the intention was to work through the Corporate Charging Framework as part of the revised MTFS process to stress test the adequacy of the existing framework.</p> <p>The key challenges for Services is determining what full cost recovery for the Service equates to and the team are currently developing a report which would allow Services to determine that on a regular basis without the need for Finance input – however there are still challenges determining what the contributing factors are to the full cost calculation.</p> <p>Input is required from Services, which have other priorities to address. The IJB is further progressed than any other Service. Finance will continue to work with Services to develop their charges for budgets being set in February / March 2021.</p>	1
Cross Service: Education & Children's Services	2017 - Charging Policy	2.2.2b: Services should ensure Committee decisions on charging are supported by full and transparent data as required by the Corporate Charging Framework. (Major at a Service Level)	Apr 2020	Mar 2021	The Service has noted that the Charging Policy is scheduled to go to the ECS Committee January 2021, the Communities February 2021, and Full Council March 2021. Work associated with Covid-19 and school recovery has impacted the timeframe.	3
		2.2.3b: Services should ensure Committee decisions on charging are sought in advance of the financial year in which charges are to apply, for inclusion in the Budget and Medium Term Financial Strategy as required by the Corporate Charging Framework. (Major at a Service Level)	Jun 2020	Mar 2021	The latest update from the Service is that this will now go to ECS Committee in January 2021, the Communities Committee in February 2021, and Full Council in March 2021. Work associated with Covid-19 and school recovery has impacted the timeframe.	3

Service	Audit	Recommendation	Original due date	Current due date	Committee Update	Times Extended
		2.2.4b: All Services should ensure full reviews of all of their charges are reported to Committee in accordance with the timetable set by the Corporate Charging Framework. (Major at a Service Level)	Jun 2020	Mar 2021	The latest update from the Service is that this will now go to ECS Committee in January 2021, the Communities Committee in February 2021, and Full Council in March 2021. Work associated with Covid-19 and school recovery has impacted the timeframe.	3
Cross Service: Finance	2017 - Charging Policy	2.2.2a: Services should ensure Committee decisions on charging are supported by full and transparent data as required by the Corporate Charging Framework. (Major at a Service Level)	Sep 2020	Mar 2021	<p>Finance has stated that for all of the Corporate Charging Framework recommendations the intention was to work through the Corporate Charging Framework as part of the revised MTF process to stress test the adequacy of the existing framework.</p> <p>The key challenges for Services is determining what full cost recovery for the Service equates to and the team are currently developing a report which would allow Services to determine that on a regular basis without the need for Finance input – however there are still challenges determining what the contributing factors are to the full cost calculation.</p> <p>Input is required from Services, which have other priorities to address. The IJB is further progressed than any other Service. Finance will continue to work with Services to develop their charges for budgets being set in February / March 2021.</p>	1

Service	Audit	Recommendation	Original due date	Current due date	Committee Update	Times Extended
		2.2.3a: Services should ensure Committee decisions on charging are sought in advance of the financial year in which charges are to apply, for inclusion in the Budget and Medium Term Financial Strategy as required by the Corporate Charging Framework. (Major at a Service Level)	Sep 2020	Mar 2021	<p>Finance has stated that for all of the Corporate Charging Framework recommendations the intention was to work through the Corporate Charging Framework as part of the revised MTFS process to stress test the adequacy of the existing framework.</p> <p>The key challenges for Services is determining what full cost recovery for the Service equates to and the team are currently developing a report which would allow Services to determine that on a regular basis without the need for Finance input – however there are still challenges determining what the contributing factors are to the full cost calculation.</p> <p>Input is required from Services, which have other priorities to address. The IJB is further progressed than any other Service. Finance will continue to work with Services to develop their charges for budgets being set in February / March 2021.</p>	1
Cross Service: Infrastructure Services	2017 - Charging Policy	2.2.2d: Services should ensure Committee decisions on charging are supported by full and transparent data as required by the Corporate Charging Framework. (Major at a Service Level)	Jan 2021	Mar 2021	<p>Finance has stated that for all of the Corporate Charging Framework recommendations the intention was to work through the Corporate Charging Framework as part of the revised MTFS process to stress test the adequacy of the existing framework.</p> <p>The key challenges for Services is determining what full cost recovery for the Service equates to and the team are currently developing a report which would allow Services to determine that on a regular basis without the need for Finance input – however there are still challenges determining what the contributing factors are to the full cost calculation.</p> <p>Input is required from Services, which have other priorities to address. Finance will continue to work with Services to develop their charges for budgets being set in February / March 2021.</p>	1

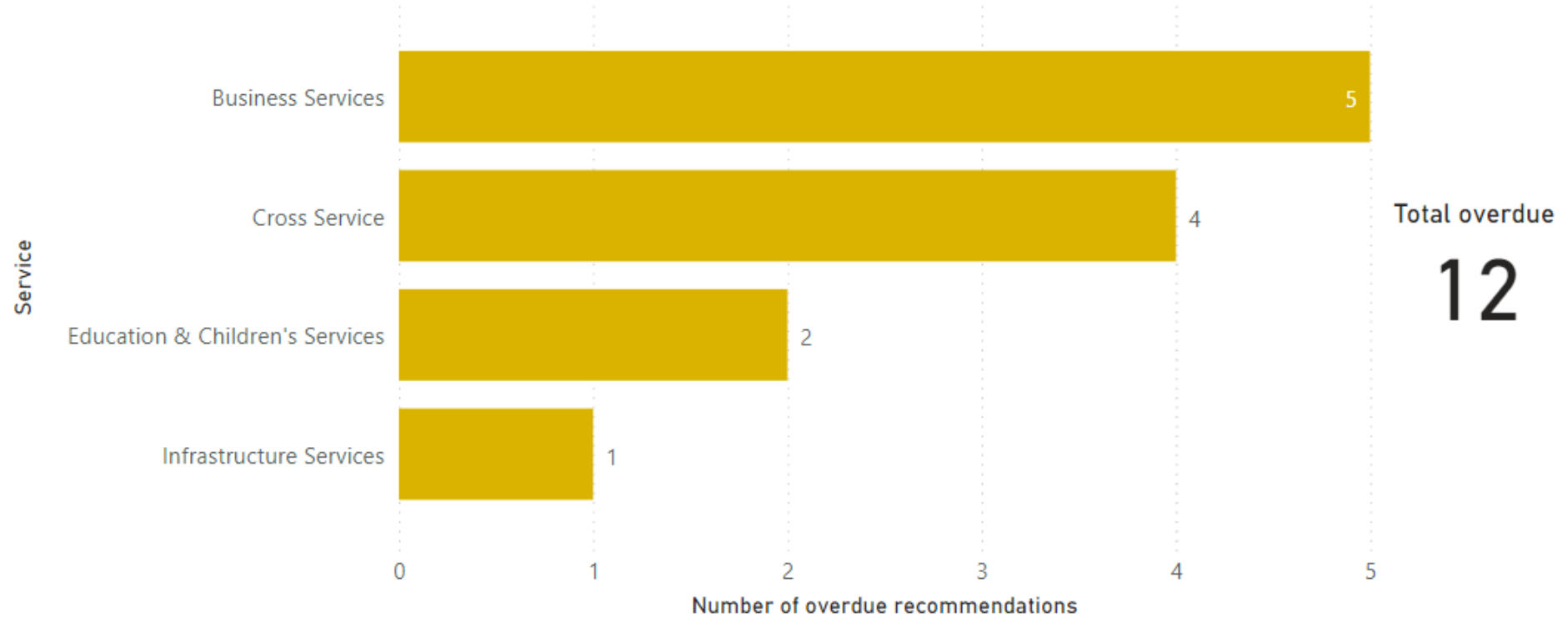
Service	Audit	Recommendation	Original due date	Current due date	Committee Update	Times Extended
		2.2.3d: Services should ensure Committee decisions on charging are sought in advance of the financial year in which charges are to apply, for inclusion in the Budget and Medium Term Financial Strategy as required by the Corporate Charging Framework. (Major at a Service Level)	Jan 2021	Mar 2021	<p>Finance has stated that for all of the Corporate Charging Framework recommendations the intention was to work through the Corporate Charging Framework as part of the revised MTFS process to stress test the adequacy of the existing framework.</p> <p>The key challenges for Services is determining what full cost recovery for the Service equates to and the team are currently developing a report which would allow Services to determine that on a regular basis without the need for Finance input – however there are still challenges determining what the contributing factors are to the full cost calculation.</p> <p>Input is required from Services, which have other priorities to address. Finance will continue to work with Services to develop their charges for budgets being set in February / March 2021.</p>	1
Education & Children's Services	2031 - SEEMiS	2.6.10a: The Service should complete a Data Protection Impact Assessment for SEEMiS, in conjunction with the Data Protection Officer, to identify all personal data sharing with third parties, the related risks, and the adequacy of existing data sharing agreements. (Major at a Service Level)	Oct 2020	Mar 2021	The Service has now stated the Draft DPIA is complete, initial comments received from Information Security Officer and incorporated, and returned to ISO. Sign off from Data Protection Officer will be the next step. An extension is required until March 2021 to conclude this work.	2
		2.6.10b: The Service should ensure data sharing and data processing agreements are in place which cover current routine sharing of personal data with third parties. (Major at a Service Level)	Oct 2020	Mar 2021	The Service has now stated existing data sharing agreements have been identified. Work has commenced on the others. An extension is required until March 2021 to conclude this work.	2

Service	Audit	Recommendation	Original due date	Current due date	Committee Update	Times Extended
Infrastructure Services: Housing	1615 - Creditors Payments 2014/15	2.3.5: The Service should ensure that formal tender exercises are undertaken to ensure that all works, goods and services required in relation to Housing Repairs have been commissioned in full compliance with legal and Financial Regulation requirements. (Major at a Corporate Level)	Dec 2016	Oct 2021	The Service continues to progress with procurement plans. Progress has been monitored by the Audit Committee.	

Significant Overdue actions in excess of 1 year – Summary

Number of recommendations overdue by more than 1 year by Service and Grading

Grading ● 2) Significant



Significant Overdue actions in excess of 1 year – Detail

Service	Report	Recommendation	Original Due date	Current due date	Committee Update	Times Extended
Business Services: Finance	1633 - Cash Receipting System	2.5.2: The Service should implement a solution to current non-compliance at the earliest opportunity.	Mar 2017	May 2021	The latest update from the Service is that the upgrade to our chip & pin devices scheduled for February 2021 has been delayed due to the current national lockdown restrictions. Until we can agree dates with Mastercard/Civica and have IT and Service representatives in specific locations with the equipment this work cannot be carried out. The target date should be moved to 31 May 2021 to reflect this.	12
	2008 - Treasury Management	2.1.4: The Service should ensure that the Treasury Management Strategy is approved by Committee before the beginning of the financial year to which it relates. NB 20/21 strategy report due to Business Services 27 02 20 but could be impacted by Budget Setting	Feb 2020	Apr 2021	Finance has stated that the treasury management strategy will be driven by the capital strategy, the asset management strategy and the approved capital budget, until this is determined it is difficult to determine the treasury strategy. Therefore it will either accompany the budget and be approved through Council or approved by Business Services Committee after the budget setting process in March or April 2021.	2
Business Services: HR&OD	1903 - Temporary Employee Contracts	2.5.2: HR&OD should terminate payments to staff where there is no authority to make the payment.	Apr 2019	Mar 2021	The service has advised that due to the ongoing requirement to reallocate resources to Covid-19 tasks, it has not been possible to progress this recommendation. The intention is to recommence work on revising the system and associated processes in the coming months and rollout the new process on a phased basis across services during early 2021. Accordingly, it is planned to fully complete this recommendation by March 2021 (subject to the ongoing Covid19 situation). The risk has already been reduced through a series of automated emails to managers highlighting contracts due to expire. This will be reinforced by extending emails to employees as necessary – which will be implemented in October 2020. System reports to allow Payroll to suspend payments as necessary, and communication with Services regarding the process will be complete by March 2021.	6

Service	Report	Recommendation	Original Due date	Current due date	Committee Update	Times Extended
Business Services: Property	1918 - Capital Plan	2.2.10: A robust consistent evidence-based prioritisation process should be developed and implemented for capital projects and programmes.	Dec 2019	Jun 2021	The Prioritisation Process was previously approved by Policy & Resources Committee on 11.06.2015, however, it is acknowledged there is a need for an update of that process which will take into consideration the current Council Priorities. Due to competing priorities this work has not been concluded however a revised target date of 30 June 2021.	3
		2.3.2: The Service should ensure the Capital Plan Group is provided with sufficient information to monitor capital plan expenditure, and its review of this data and agreement to changes are minuted.	Sep 2019	Mar 2021	The Capital Plan Group currently receive information from all Services Project/Programme Leads for all lines in the Capital Plan. Service Leads have been instructed on 20.01.2020 to ensure adherence to this recommendation. Furthermore, Project Managers have been reminded to provide the information to enable review of the data to be considered and minuted by the Capital Plan Group. However, it is acknowledged that this has not been fully implemented and will be discussed again at the Capital Plan Group to ensure full implementation by the 31 March 2021.	4
Cross Service: Education & Children's Services	2017 - Charging Policy	2.2.5b: Services should carry out and retain evidence of detailed reviews of their costs and charging structure in line with the Framework requirements.	Jan 2020	Mar 2021	The latest update from the Service is that this will now go to ECS Committee in January 2021, the Communities Committee in February 2021, and Full Council in March 2021. Work associated with Covid-19 and school recovery has impacted the timeframe.	3
		2.2.6b: Services should work with Finance to ensure consistent and appropriate application of annual inflationary increases to income budgets.	Jan 2020	Mar 2021	The latest update from the Service is that this will now go to ECS Committee in January 2021, the Communities Committee in February 2021, and Full Council in March 2021. Work associated with Covid-19 and school recovery has impacted the timeframe	3

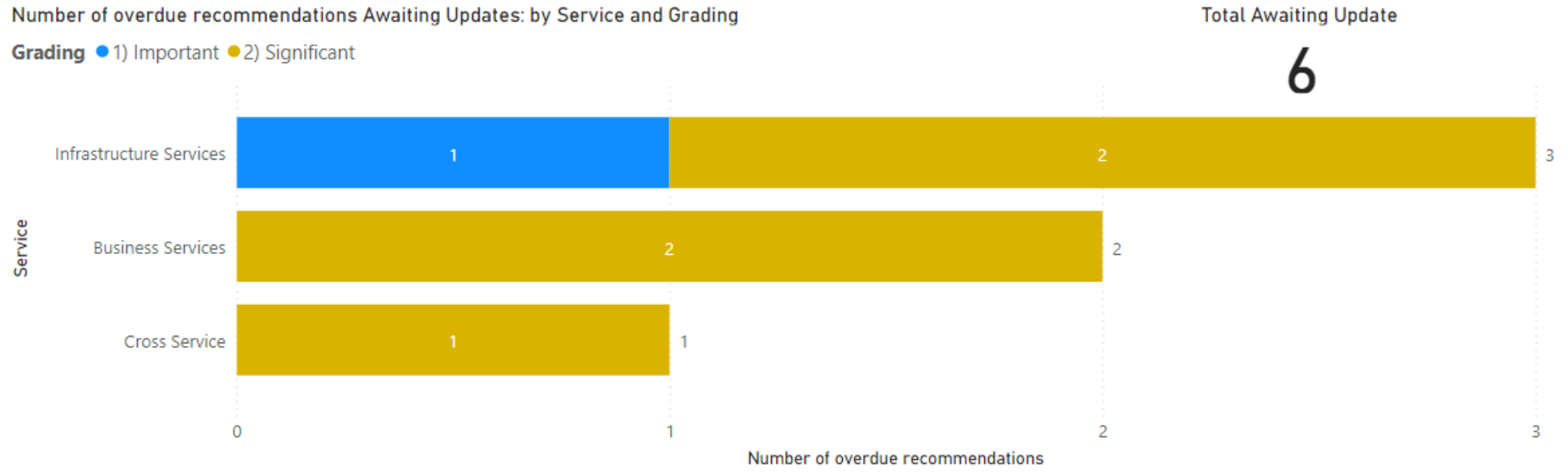
Service	Report	Recommendation	Original Due date	Current due date	Committee Update	Times Extended
Cross Service: Finance	1925 - Prevention of Fraud, Bribery and Corruption	2.2.6a: The Service should ensure there are clear channels for members of the public to report concerns regarding fraudulent activity.	Jun 2019	May 2021	<p>The Service last advised that it has been agreed in principle that members of the public will be able to report suspicions of fraud through the Council's Feedback Team. Work is being undertaken to develop an appropriate process for reporting allegations and a communications strategy, but this has been delayed due to the impact of COVID-19. A process exists whereby any allegations of fraud received through the feedback team are reported to the Head of Legal and Governance, which is in line with the Disclosure of Information (Whistleblowing) Policy and Procedure</p> <p>The action should now be completed by December 2020.</p> <p>The Service has since advised that during the current pandemic the focus has been on communicating with residents and businesses on the support available to them. There is a mechanism for residents to report suspected fraud and once the pandemic is over officers will work on a communications plan to increase awareness of this but this will have to be balanced so as to mitigate against referrals that do not fall within the Council's remit to investigate. A revised date for implementation has not been provided.</p>	5
Cross Service: HR&OD	1928 - Risk Management	2.1.4: The Service should review the Council's risk appetite and set this out in a policy for Council approval.	Dec 2019	Feb 2021	<p>The latest update from the Service is that due to workload pressures of Covid-19 and significant weather events of recent weeks on the Risk & Resilience Manager's Team this will be delayed until December 2020. The Service has since advised that the Risk Manager will give a presentation at Audit Committee on 4th February on Risk and Resilience.</p>	4

Service	Report	Recommendation	Original Due date	Current due date	Committee Update	Times Extended
Education & Children's Services	1847 - Pupil Equity Fund	2.2.2: QIOs should identify best practice in completed plans and share this with Head Teachers.	Jun 2019	Jun 2021	The latest update from the Service is that a Microsoft form data capture questionnaire has been developed for Head teachers to use in term 4. This form has been through QIO consultation and is now ready to move to PHTC and ASHTA consultation and then rolled out towards the end of term 3. The form will provide data for officers on a variety of key areas relating to PEF, including; priority themes, priority curricular areas, stakeholder consultation and impact on the raising attainment for all and closing the gap agenda. An extension to June 2021 is proposed.	6
	1901 - Schools Maintenance Repairs	2.3.3: The Service should review repairs and maintenance expenditure to ensure future budgets are appropriate	Apr 2019	Apr 2021	The Committee was advised in October 2019 that this would be achieved on a rolling basis and would be complete by the end of April 2021.	3
Infrastructure Services: Landscape Services	1839 - Quarries	2.4.2: The Service should ensure all recurring spend over £50,000 is in compliance with Financial Regulations.	Mar 2019	Feb 2021	An initial business case has been developed for electrical works, which will form the template for future tender exercises thereafter. A schedule of procurement activity has been developed, indicating tenders will all be issued by the end of February 2021.	5

Overdue actions awaiting updates - Summary

Number of overdue recommendations Awaiting Updates: by Service and Grading

Grading ● 1) Important ● 2) Significant



Overdue actions awaiting Committee updates - Detail

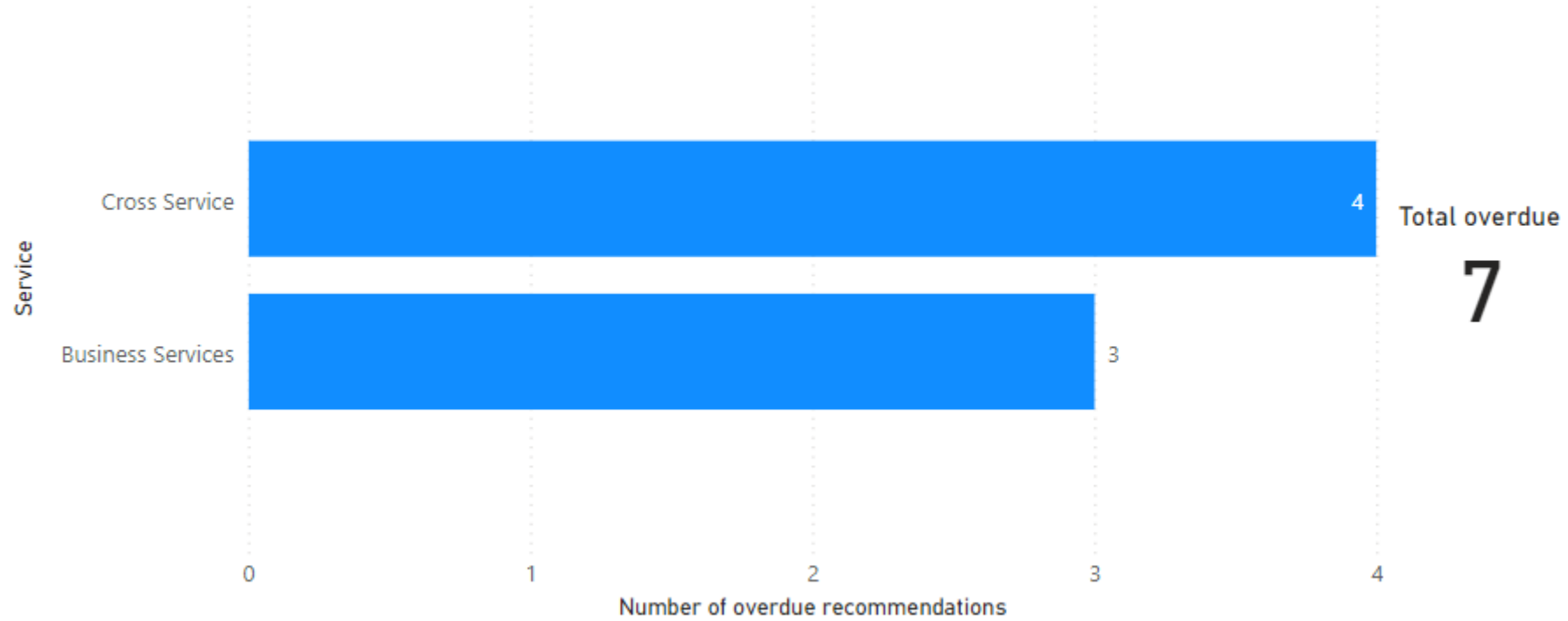
Service	Report	Recommendation	Original Due date	Current due date	Last Available Update	Times Extended
Business Services	2037 - Compliance with Procurement Regulations	2.7.7b: Business Services should ensure that it is reviewing reported retrospective orders on a targeted basis and that evidence of the results is recorded. (Significant within audited area)	Jul 2020	Jan 2021	Breaches have been reviewed but it was not possible to present a report within this timescale. A report will be presented for action by the end of January 2021.	3
Business Services: HR&OD	2040 - Timesheets & Allowances	2.4.5: HR&OD should update the Working Time Policy and Procedure to ensure that, where breaks are taken but paid, this is covered by the in-work rest break exemption form. (Significant within audited area)	Oct 2020	Jan 2021	HR&OD has reviewed the guidance and determined that it reflects the requirements. However, to aid consistency in completion of exemption forms additional information will be added to the online form. This will be in place by January 2021.	1
Cross Service: Business Services	1950 - Travel & Subsistence	2.3.15d: The Office Space Strategy Working Group will consider and advise SLT when the Work Smart policy and travel and subsistence guidance are confirmed to be aligned. (Significant within audited area)	Mar 2020	Jan 2021	<p>SLT agreed to a temporary cessation of the excess commute deduction, subject to regular review in line with the Scottish Government's review of the lockdown exit strategy. Updated guidance has been issued in the interim, and will be subject to further review by December 2020.</p> <p>Business Services has since advised that a report on the Excess Commute provisions was discussed and agreed at SLT in January 2021. This indicates that data on home / multi-base working arrangements can be recorded on the HR / Payroll system, to provide more accurate data and inform the Office Space Strategy as it continues to evolve in a post Covid-19 landscape and allow the Work Smart policy and travel & subsistence guidance to be aligned. This remains under discussion with the Service.</p>	4

Service	Report	Recommendation	Original Due date	Current due date	Last Available Update	Times Extended
Infrastructure Services	2028 - VMS	2.3.6: The Service should ensure goods receipt is confirmed and evidenced (Significant within audited area)	Dec 2020	Jan 2021	The goods receipt process is being reviewed and will be completed by the end of January 2021	1
Infrastructure Services: Roads	2024 - Sign Shop	2.2.10: The Service should ensure there is adequate confirmation of goods receipt against the original order (Important within audited area)	Jan 2021	Jan 2021	(blank)	
		2.2.9: The Service should ensure that Purchase Orders are only authorised by those with the authority to do so. (Significant within audited area)	Jan 2021	Jan 2021	(blank)	

Important Overdue actions in excess of 1 year – Summary

Number of Important recommendations overdue by more than 1 year by Service

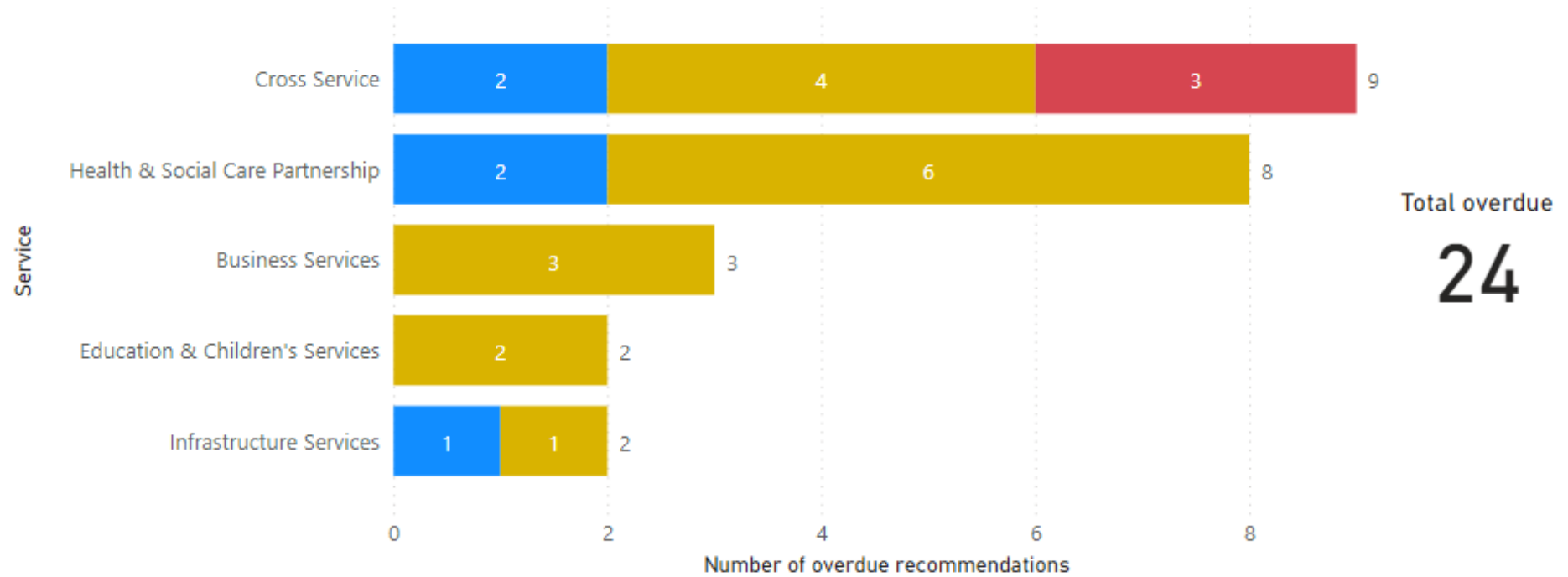
Grading ● 1) Important



Overdue actions in excess of 6 months but less than 1 year – Summary

Number of recommendations overdue by more than 6 months and less than 1 year by Service and Grading

Grading ● 1) Important ● 2) Significant ● 3) Major - Service



Significant and Important Overdue actions less than 6 months overdue – Summary

Number of recommendations overdue by less than 6 months by Service and Grading

Grading ● 1) Important ● 2) Significant

