

REPORT TO THE AUDIT COMMITTEE – 24 MAY, 2018

INTERNAL AUDIT REPORTS

1. Recommendations

The Committee is requested to:

1.1 Approve the 2017/18 planned audit of Out of Authority Placements being deferred to 2019/20; and otherwise

1.2 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 the 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 Planned Audit of Out of Authority Placements

4.1.1 When Internal Audit approached Education and Children's Services to commence this planned audit, the Service requested that this be deferred for the following reasons.

4.1.2 Due to concerns around outcomes for children and young people being

placed in out of authority provision and associated increasing expenditure, the ECS Leadership Team discussed the matter at a recent meeting. It was agreed that the Head of Children's Social Work Services and Head of Education would lead a piece of work to fully investigate the operation of this system and make relevant recommendations for the future.

- 4.1.3 A focused piece of work has therefore begun in relation to Aberdeenshire's placement of young people in "Out of Authority Placements". The review includes a rapid improvement activity involving all relevant stakeholders within this process. It will examine the fundamental process of referral and outcomes for the young people involved. It will specifically investigate protocol throughout the process that leads to the placement of a young person and whether failures during this process occur which result in the wrong decisions being made for children, young people and families.
- 4.1.4 It is suggested that any audit activity around "Out of Authority Placements" would be most valuable if it were to take place after the review detailed above. It is anticipated that the most appropriate timing for audit would be around 2020, when the findings of the review are embedded and positive impact (or otherwise) can be demonstrated.
- 4.1.5 Internal Audit is comfortable with the above request and is seeking the Committee's approval to defer the planned audit to the 2019/20 Internal Audit plan.

4.2 Community Centres (Internal Audit Report 1821 – May 2018)

- 4.2.1 The Council currently operates 17 Community Centres, 8 of which are standalone, with the other 9 being operated out of shared locations with leisure / swimming pool facilities / Community Campuses. The centres are used to deliver a range of services including, but not limited to, English language classes for speakers of other languages, adult literacy and numeracy classes, as well as providing a space for community groups to operate through the hire of the centres for a fee.
- 4.2.2 The objective of this audit was to consider whether income and expenditure, payroll records, inventories, stocks, computer security, etc are adequately controlled. Visits were undertaken at Peterhead Leisure and Community Centre, Garioch Community Centre (Inverurie) and Deveron Community and Sports Centre (Banff).
- 4.2.3 In general, controls were found to be operating adequately and some improvements were noted in comparison to results of previous audits in this area. However, further improvements are still required and a number of recommendations have been made to improve procedures and compliance with procedures.
- 4.2.4 Fourteen out of 624 (2.2%) of creditors' invoices coded to Community Centres did not have a related purchase order (PO). This is an improvement from the previous audit in 2015 where 6.4% of invoices had no PO, but still represents a failure to comply with the Council's Financial Regulations. 71 invoices had POs raised retrospectively (11.4%), compared to 9.4% identified in the 2015 audit. The Service has agreed to

ensure that POs are raised in advance, as required by Financial Regulations, and monitor performance in this area.

- 4.2.5 It was noted that the budget holder has a decreasing role in the decisions impacting certain aspects of the Community Learning and Development budget, as many Community Centres have been relocated into shared premises, with Community Leisure Officers having control over the facilities, who are line managed separately. In order to ensure clarity, the Culture and Sport Service has agreed to review the budget and document responsibility.
- 4.2.6 The Service has also agreed with recommendations relating to segregation of duties at one establishment, reviewing the financial operation of coffee bars to ensure that they are economically viable, ensuring that estimated energy costs are recovered in relation to an establishment which is currently empty and scheduled for demolition, enhancing the availability of written procedures, the accuracy of payroll cost coding, improving the level of detail in inventories, ensuring that invoices issued for services are always VAT compliant, and the reallocation of residual budget allocated to the Community Development Groups, which are no longer active.

4.3 Mobile Telephony (Internal Audit Report 1832 – May 2018)

- 4.3.1 The Council relies on mobile telephone voice and data provision for day-to-day service delivery. The Council currently has over 3,700 active mobile telephones and, in 2016/17, £233,000 was spent on mobile phone services and devices, with this increasing to £316,000 in 2017/18.
- 4.3.2 The objective of this audit was to ensure that the Council is obtaining value for money through a properly-procured contract which ensures that fit-for-purpose equipment is supplied.
- 4.3.3 On 14 June, 2014, the Policy and Resources Committee approved spend of up to £2.3 million from Service revenue budgets for the re-procurement of a 5 year mobile telephone contract and mobile device management solution, following a joint tendering exercise with Aberdeen City Council. During the tender evaluation, each member of the panel should have been provided justification to support awarded scores, along with an overall summary. This was not always done, and Commercial and Procurement Services (C&PS) has agreed to remind Services carrying out tender evaluations of this requirement.
- 4.3.4 Following evaluation, the two highest-scoring bidders were advised that they had been disqualified on the grounds of failure to comply with mandatory requirements of the Mini-Competition Invitation. This decision was challenged by one of the bidders. Whilst the Council managed to successfully defend against this, had the quality criteria in the Mini-Competition Invitation been clear regarding the mandatory nature of certain criteria, the likelihood of challenge would have been reduced. In addition, evidence to support the award authorisation, as delegated by Committee, was not available. It has been recommended that only fully compliant bids should be evaluated during the evaluation process, Mini-Competition Invitation questions should highlight where a question is a mandatory

requirement, and evidence of approval of award should be held. C&PS has agreed to update procurement guidance in relation to the need for electronic confirmation of contract awards and to remind Services carrying out procurements that all mandatory requirements should be listed clearly, and that, should a bidder not be able to comply with these, they will be automatically disqualified from the process, and their response should not be evaluated.

- 4.3.5 The Head of C&PS approved an extension of the Mobile Telephony contract in March, 2017, and the supplier was advised that this would run up until 15 April, 2018. A variation agreement was sent to the supplier, although this has not been signed and returned. No subsequent extension had been approved and put in place, but, following discussion between the Service and C&PS it has now been agreed that the contract will again be extended.
- 4.3.6 Financial Regulations require that inventories be maintained of all assets other than those included in the Asset Register, with guidance relating to this stating that electronic portable desirables are to be included. ICT does not maintain an inventory of mobile phones and has stated that the Service is willing to accept the risk of not maintaining an inventory of mobile phones since their value is considered immaterial. The Service will consider maintaining an inventory in future if more expensive devices are deployed.

4.4 Partnerships and Joint Working (Internal Audit Report 1835 – April, 2018)

- 4.4.1 The Council's Policy on Partnership and Joint Working Arrangements was last reviewed and approved by the Policy and Resources Committee in April, 2014. It defines what is considered to be a partnership or joint working arrangement and details the administrative and approval processes required to manage these, in order to minimise the risk to the Council from entering into such arrangements.
- 4.4.2 The results of testing have highlighted that the requirements of the policy are not being fully complied with and there is no corporate oversight of compliance with the policy requirements. This increases the risk of partnerships or joint working arrangements being entered into or continuing when they are not aligned with the Council's Strategic Priorities.
- 4.4.3 The Policy is currently under review by management and will be reported to Committee for approval by October, 2018. Thereafter, a digital solution will be implemented to enable Services to manage the required process. This will be in place by April, 2019.

4.5 Catering Procurement (Internal Audit Report 1836 – May, 2018)

- 4.5.1 The Catering Service provides a meals service in Primary, Secondary and Special schools across Aberdeenshire. For 2017/18, the Service had budgeted expenditure of £13.71 million against total income of £7.26 million, allowing net expenditure of £6.45 million. This includes £3.82 million for Catering Provisions.

- 4.5.2 The objective of this audit was to review procedures for letting contracts relating to the procurement of raw materials. There are corporate procedures in place for planning procurement, tendering and letting of contracts, which the Service generally follows, with support from Commercial and Procurement Services (CPS).
- 4.5.3 However, payments to two suppliers have exceeded the Council's tendering thresholds without a procurement process being completed, in line with Financial Regulations. Estimated costs for another had not been subject to review prior to tendering, and some supplies have to be obtained 'off-contract' due to absence of suitable suppliers covering all of the Council's areas. The Service has implemented additional checks and will liaise further with CPS to ensure it can adequately document, and plan procurement activity to cover, future requirements.
- 4.5.4 Administrative errors were identified in the 2017/18 Education and Children's Services procurement work plan, including proposed delegation of approval of business cases subject to further consultation which is not normally required and has not been completed, and the approved value of a contract which did not include the value of potential extensions. The Service has stated that these were resolved during development of the 2018/19 procurement work plan.
- 4.5.5 Contracts may be drawn down from Framework Agreements, setting standard rates and terms across a number of purchasing organisations, subject to approval from the Head of Procurement. This approval, and supporting detail for selection of contractors within frameworks, was not always evidenced. CPS has agreed to review the process and ensure relevant documentation is in place.

4.6 Leavers Procedures (Internal Audit Report 1837 – May, 2018)

- 4.6.1 Leavers procedures have been developed by HR&OD to define the responsibilities of HR&OD and line managers, when employees leave the Council to ensure the process remains legal and fair and that all necessary steps are taken to revoke system access and recover Council assets.
- 4.6.2 The objective of this audit was to ensure that procedures relating to employees leaving the Council exist, ensure that system access is revoked, equipment / ID badges are returned and payment ceases timeously. In general, this was found to be the case although a number of recommendations have been made to improve procedures and the administration of the leavers process.
- 4.6.3 Leaver forms can be submitted by all employees who have access to AskHR. There is presently no guidance on who is an authorised signatory increasing the risk forms will be approved by staff without the authority. HR has agreed to investigate whether the choice of authorised signatories in the AskHR leaver form can be restricted to those approved by Services.
- 4.6.4 Of a sample of 40 former Council employees who left in 2017/18, 18 leavers were notified to HR after the former employees had left the Council, which increases the risk of payments continuing and having to be

recovered at a later date. HR has agreed to monitor late forms that are received after the leaving date and follow up with Services as appropriate.

- 4.6.5 Line managers are responsible for informing ICT about employees leaving the Council, to ensure that access to systems is terminated and ICT equipment is returned. Only 7 from a sample of 40 former Council employees had been notified to ICT, meaning business system administration teams were not always notified of leavers whilst, at the time of the audit, 3 former employees still had access to the Education network. Automatic acknowledgement emails, sent by AskHR to staff submitting employee leaver forms, have been set up by the Service, which include a reminder to notify ICT and system teams of the employee leaving. HR have also agreed to investigate the possibility of amalgamating the HR and ICT leavers forms to avoid the requirement for 2 forms.
- 4.6.6 Facilities rely on calls being logged by Services to deactivate ID card / fob access to Council premises. Of a sample of 40 former employees, access to Council premises remained for 1, which has since been removed. Access to schools is managed separately for each school by janitorial staff. Access to other non-corporate premises such as care homes is also managed locally. HR has agreed to provide a list of leavers on a monthly basis to Facilities for the purpose of removing access to Council premises.
- 4.6.7 Other recommendations have been agreed in relation to reviewing and updating leavers procedures and forms, reporting the outcomes from employee exit questionnaires, and the recovery of a relocation allowance.

4.7 Changes in Government Policy, Legislation and Regulations (Internal Audit Report 1843 – May, 2018)

- 4.7.1 The objective of this audit was to ensure that the Council has appropriate arrangements in place to identify forthcoming changes in Government Policy, Legislation and Regulations so that action can be taken to ensure compliance.
- 4.7.2 In general, this is the case: Council Services have their own staff and/or working groups where appropriate, dealing with changes in Government Policy, Legislation and Regulations affecting their activities. For a sample of changes the relevant Service was able to demonstrate appropriate and proportionate action had been commenced within a reasonable time, and plans were in place (or had already been completed) to deliver changes, amend procedures, and train relevant staff.
- 4.7.3 Whilst each process was adequately documented and appeared reasonable, there are currently no standard processes for identifying, logging and sharing anticipated changes, and managing change programmes as required to adjust Council services, policies and procedures. A standard process would improve consistency, and provide more assurance that changes are being implemented in the right place and at the right time. The Policy, Performance & Improvement (PP&I) Team is in the process of implementing consultation and policy registers, and is considering a project management approach that would capture this for

major or complex change and also provide support and tools for managing change on a less complex basis.

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.
9 May, 2018.

APPENDIX A

POSITION WITH AGREED RECOMMENDATIONS AS AT 8 MAY 2018

SUMMARY

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

On 21 March 2018, the Committee was advised that, as at 6 March 2018, there were 47 recommendations which were due to have been completed by 31 January 2018 which were not fully complete. This has reduced to 36.

The total not fully complete, which had an original due date of before 31 March 2018, is 55. Full details relating to progress, on a report by report basis, are shown in appendix B.

Recommendations										Grading of Overdue Recommendations	
SERVICE	Agreed in reports shown in Appendix B	Due for completion by 31.01.18	Confirmed complete by Service	New in February and March 2018	Confirmed complete by Service	Not fully complete by original due date	Major	Significant	Important		
Cross Service	22	14	12	0	0	2	0	2	0		
Business Services	186	129	112	30	17	30	3	22	5		
Health & Social Care	57	54	50	1	1	4	0	3	1		
Education and Children's Services	121	86	77	4	3	10	2	4	4		
Infrastructure Services	117	67	63	27	22	9	3	3	3		
Total	503	350	314	62	43	55	8	34	13		

APPENDIX B

POSITION WITH AGREED RECOMMENDATIONS AS AT 8 MAY 2018

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date	

CROSS SERVICE

1705	Recruitment Procedures	October 2016	12	12	10	2	2 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	HR&OD should review the job evaluation process to ensure that it remains fit-for-purpose and thereafter ensure that it is applied in all cases (2.1.5)	Significant April 2017	As reported to Committee since June 2017 these recommendations were to be progressed following publication of the Scottish Council Joint Scheme of Evaluation (v3). As agreed with the local TU Joint Secretaries, to ensure that the Transition Protocol was complied with and the impact of the new schemes was fully understood the commencement of the sampling exercise was delayed and the implementation of a revised version of the Scottish Joint Council Evaluation Scheme (v3) would be undertaken by December 2017. The exercise would also involve the testing of a computerised job evaluation system "Gauge".
Head of HR & OD	The Service should review all job profiles to ensure that they match the requirement if recruiting Services, and that they carry an up-to-date post grading. HR to review job profiles in conjunction with Recruiting Services (2.2.7)	Significant April 2017	The Committee was advised in January 2018, that the exercise would be complete by the end of April 2018. The sampling exercise had been concluded, and the outputs from the related interviews were being analysed to understand how the changes made to the scheme impact on the evaluation of jobs and to inform the implementation of the updated version of the SJC job evaluation scheme. (Continued over page.)

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

CROSS SERVICE (continued)

(1705 – Recruitment Procedures – Continued)					
Chief Officer	Overdue Recommendation	Grading / Due Date	Position		
Head of HR & OD	Recommendations 2.1.5 and 2.2.7 continued.		The latest update from the Service is that this work is nearing completion and the findings will inform what adjustments are required to the current process and procedures for evaluating jobs. The Pay Strategy Steering Group will review the implications and a report will be considered by SLT. It is anticipated that the updated Job Evaluation scheme will be introduced by 31 July 2018.		

1819	Climate Change Action Plan	November 2017	10	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 31.03.18	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	<p>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.</p> <p>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.</p> <p>HR&OD then advised that they have been reviewing the project plan for iTrent and that options for recording adherence to the Absence Management Policy would be delayed until December 2017.</p> <p>The latest update from the Service 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 Absent 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.</p>

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.03.18	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 latest update from the Service is that the Council's Payment Improvements Project Board have 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 is mid-June 2018 for this project and these additional solutions will be completed within the same timeline.		

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

BUSINESS SERVICES (continued)

1702	Disclosure Scotland Checks	March 2017	14	14	9	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 HR & OD	HR&OD should formalise arrangements for identifying post Disclosure Scotland check requirements and update the Disclosure Scotland procedure as appropriate (2.1.5 a)	Significant June 2017	As reported to Committee since September 2017, posts have been identified although the procedure has still to be updated. The Service has advised that this will now be done by the end of December 2017 to ensure that processes are aligned with other areas. The Committee was advised in January 2018 that, following various changes in guidance through Disclosure Scotland, SSSC and GTCS, it is important to bring all policies in line and also to reflect the future implementation of online Disclosure Scotland Checks. A paper for agreement on exemption / dispensation for PVG and Overseas Criminal Record Checks was to be 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 is that the paper on exemption / dispensation for PVG and Overseas Criminal Record Checks has been considered by the Lead Signatory and Services rea being consulted. Proposals will be considered by SLT in May 2018 and following decisions made there then will be reflected in the procedures which will be completed, consulted on and in place by June 2018.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

BUSINESS SERVICES (continued)

<i>(1702 – Disclosure Scotland Checks – Continued)</i>					
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 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 latest update from the Service is 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.		

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

BUSINESS SERVICES (continued)

(1702 – Disclosure Scotland Checks – Continued)					
Chief Officer	Overdue Recommendation	Grading / Due Date	Position		
Head of HR & OD	The Disclosure / PVG Exemption procedure should be reviewed and updated to reflect current practice (2.7.3 a)	Significant September 2017	As reported to Committee in November 2017, the Service advised that, in order to ensure that this is given the correct level of consideration and for background work to be completed, this would now be completed by the end of December 2017.		
Head of HR & OD	The Disclosure Scotland / PVG Procedure should be presented to Senior Leadership Team for approval (2.7.3 c)	Significant September 2017	The latest updates from the Service are detailed against recommendation 2.1.5 a, above.		

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

BUSINESS SERVICES (continued)

1712	Data Protection	October 2016	15	15	14	1	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 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 detailed against recommendation 2.1.5 a, above.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	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	The Service has advised 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 will be done by the end of June 2018.

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	The Committee was advised in November 2017 that this would be complete by the end of October 2017. The latest update from the Service, reported to Committee since December 2017, is that various reports are required to be prepared which will not be completed until the end of June 2018.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	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	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. 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.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

BUSINESS SERVICES (continued)

1737	Health and Safety	May 2017	16	11	7	4	2 Major 2 Significant
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The position with the overdue recommendation is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Service Health and Safety Reps	Review dates should be included on the procedures (2.2.10 b)	Significant December 2017	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	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. 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. Work needs to be completed in relation to Roads in Infrastructure Services to clarify whether the identified training is mandatory and when it is due to be renewed.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	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, as detailed above at recommendation 2.3.7. 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. Training needs analysis partially complete for Infrastructure Services. This is required to identify mandatory training for monitoring purposes.		

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	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 with this however the Director has sought additional assurance that this has been fully resolved. Infrastructure Services and Business Services have to make their risk assessments available to staff on Arcadia. This remains work in progress and will be resolved by the end of April 2018.		

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1741	Debtors System	May 2017	7	5	0	0
1743	Deployment of Microsoft Technology	June 2017	3	2	1	1 Significant

The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of ICT	Reasons for delays should be established and appropriate corrective action taken to ensure telephone lines are closed as required and the schedule for the remaining locations is met (2.4.8)	Significant December 2017	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.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

BUSINESS SERVICES (continued)

1745	Payroll System and Processes	October 2017	21	17	11	6	1 Major 5 Significant
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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	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	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	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	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 develop a procedures control document to ensure comprehensive written procedures are completed (2.3.2)	Significant March 2018	The Service has advised 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	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	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 identify the reason for the iConnect file inconsistencies, and rectify them (2.5.3 b)	Significant October 2017	The Committee was advised in December 2017 that the Service had advised that they were still reconciling differences in reports. The Development Team and ICT are to make changes to the report and the file produced by the Payroll System and this will be done by the end of March 2018. The latest update from the Service is that the specific technical issues generating the file inconsistencies have been identified and a consultant from MHR is currently working to resolve these. It is anticipated that this work will be concluded by June 2018. In the meantime, reports continue to be submitted to NESPF, with the reconciling differences being rectified manually.
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	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 31.03.18	Confirmed Implemented by Service	Not implemented by original due date	

BUSINESS SERVICES (continued)

1801	Overtime	October 2017	8	8	7	1	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 HR & OD	HR&OD should, in consultation with Services, determine in which posts or circumstances emergency overtime is appropriate (2.3.3)	Important March 2018	The Service has advised that this will be complete by the end of May 2018.

1803	Procurement of ICT Hardware, Software, Services and Consultancy	December 2017	8	6	6	0	0
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Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

BUSINESS SERVICES (continued)

1804	Payroll Reconciliations	August 2017	4	4	2	2	2 Significant
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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	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	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	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

BUSINESS SERVICES (continued)

1809	New Governance Arrangements	October 2017	7	6	5	1	1 Significant
The position with the overdue recommendations is as follows:							
Chief Officer	Overdue Recommendation		Grading / Due Date	Position			
Head of Commercial and Procurement Services	Commercial & Procurement Services should ensure training in respect of new procurement guidance is made available to all Services (2.1.13)		Significant November 2017	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.			
1814	Social Work Tendering	November 2017	13	9	9	0	0

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	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	13	10	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	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	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.				
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	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.				

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

BUSINESS SERVICES (continued)

1831	Pensions	January 2018	5	4	3	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 Service should investigate the errors to avoid in future, and correct employee pension deductions, paid and reported to the Scottish Public Pensions Authority (2.2.6)		Significant March 2018		The Service has advised that the issues with the HR/Payroll system which led to the incorrect rates being used have been resolved. Payroll is liaising with the Pension Fund to ensure that the necessary corrections are made to the employee pensions data initially submitted.		

1834	Councillors Induction	January 2018	7	3	3	0	0
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Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

HEALTH & SOCIAL CARE PARTNERSHIP

1635	Home Care System and Service	October 2016	19	19	18	1	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 implement charging for planned care (2.9.6)	Significant April 2017	As reported to Committee since June 2017, the Service is in the process of moving all clients on to the SDS Pathway which will result in charging based on planned care. Progress is being made but the Service has stated that it will take until December 2017 to complete the exercise. As reported to Committee in January 2018, the latest update from the Service is that they are in the process of moving clients from traditional to planned care and the numbers moving are increasing. The follow up work to implement the charges will then take until April 2018 to complete. Internal Audit is awaiting an update from the Service.

1742	Criminal Justice Service	September 2017	20	18	18	0	0	0
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Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date	

HEALTH & SOCIAL CARE PARTNERSHIP (continued)

1812	Day Service Establishment Visits	September 2017	18	18	15	3	2 Significant 1 Important
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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 ensure comprehensive written procedures are in place at all establishments covering all financial activities (2.1.3)	Significant December 2017	The Committee was advised in January 2018 that Service had stated that it will take until the end of March 2018 to allow for the production of updated guidance. The latest update from the Service is that input is required from Finance and this will be concluded by the end of May 2018.
Chief Officer – Aberdeenshire Health and Social Care Partnership	The Service should ensure it can account for all funds associated with the WEEE project (2.4.10)	Important December 2017	As reported to Committee in January 2018, the Service has provided a report on the funds but this does not identify the remaining funds or what they have been / will be used for. Internal Audit had requested clarification of the action taken / to be taken. More up-to-date figures have been provided by Finance and Internal Audit is awaiting an update from the Service.
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, the latest update from the Service is that Managers have been advised of the requirement but Internal Audit is awaiting confirmation that the schemes in place have been reviewed.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

EDUCATION & CHILDREN'S SERVICES

1541	Teachers Payroll	July 2015	15	15	14	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 HR & OD	HR&OD should review the process of paying Teachers to ensure that it is as straightforward and transparent as possible (2.1.9)	Significant May 2016	As reported to Committee since March 2017, the process was being reviewed following iTrent going live in April 2016 but there had been challenges with elements of the system which delayed this action being moved forward more quickly. The process was being reviewed but the Service stated that it needs the buy-in of other parties as this relates to teachers who have nationally agreed terms and conditions. A meeting was held between the iTrent system supplier and their local authority customers in July 2016 to discuss requirements and reach an understanding on a cross-authority solution. They were reviewing and rewriting the system for Scottish Teachers terms and conditions with a completion date of August 2017. This has now been delayed to August 2018 due to a delay in agreeing revised national conditions.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

EDUCATION & CHILDREN'S SERVICES (continued)

1606	Education Lets	December 2015	11	11	9	2	2 Important
The position with the overdue recommendations is as follows:							
Chief Officer	Overdue Recommendation		Grading / Due Date	Position			
Head of Resources and Performance	The Service should consider streamlining the booking process with all availability and bookings made through Gladstone (2.2.6 b)		Important December 2016	As reported to Committee since March 2017, the Service confirmed that the process needs to be streamlined but that a new corporate booking system will be used to fully implement the recommendations. The bookings system will eventually cover all booking types across the Council and there will be a need to prioritise how the different booking types are moved across to the system. The school lets booking process has been identified as an early priority in the business case, however, it was not clear when the system would become operational. The Committee was advised in June 2017 that the business case was approved by Digital Aberdeenshire Group (DAG) in April 2017 although funding had still to be approved by Strategic Leadership Team. If approved, it was anticipated that Education Lets will go-live by February 2018.			
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	In December 2017 the Committee was advised that, following a decision by ECS SLT to explore the option of extending the functionality of the Gladstone system to incorporate on line bookings and payments, a formal proposal had been submitted to the ICT Digital Board to consider this option and implement for the new financial year in April 2018. The latest update from the Service is that the matter is to be discussed between the relevant Heads of Service and, whilst action is being taken to modernise and streamline processes this will take until August 2018 to resolve.			

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	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
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 is that they will be dealing with this a part of their General Data Protection Regulation compliance plan due to be complete by May 2018.			
Head of Resources and Performance	The Service should ensure that all staff who have access to SEEMiS complete the Data Protection training (2.4.3)		Major March 2017	As reported to Committee since June 2017, the latest update from the Service is that they now have a SEEMiS report and need to cross check this against the overall data protection list. The Service will then have to 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.			

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations		
				Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

EDUCATION & CHILDREN'S SERVICES (continued)

1708	Teachers' Recruitment Procedures	November 2016	15	15	13	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
Head of HR & OD	HR&OD should ensure that the payroll system is configured to automatically calculate teachers' pay and leave payments, prior to the scheduled change date of August 2017 (2.4.3)	Important April 2017	As reported to Committee in June 2017, the Service had advised that this needed to be extended to August 2017, as an upgrade was awaited from the payroll system supplier. The Committee has been advised since September 2017, that the national change has now been delayed until August 2018 and the recommendation will, as a result, be completed by July 2018. The latest update from the Service is that this will be complete by September 2018.

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	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		
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 is that the paper on exemption / dispensation for PVG and Overseas Criminal Record Checks has been considered by the Lead Signatory and Services re a being consulted. Proposals will be considered by SLT in May 2018 and following decisions made there then will be reflected in the procedures which will be completed, consulted on and in place by June 2018.		

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations		
				Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

EDUCATION & CHILDREN'S SERVICES (continued)

1719	IT in Schools	March 2017	16	15	13	2	2 Significant
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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 consider whether Glow should be used as an alternative more cost-effective solution to Show My Homework. If an alternative to Glow is considered the best option, the contract should be procured in compliance with Financial Regulations (2.2.13)	Significant August 2017	The Committee was advised in November 2017 that this issue has been referred to the Education and Children's Services Committee to undertake a Stage 1 review. In March 2018, the Committee was advised that the review commenced on 10 January 2018 with members of the Education and Children's Services Committee and Audit Committee invited to attend an away day at Hill of Banchory. A report was to be presented to the Education and Children's Services Committee regarding this issue in March 2018. The latest update from the Service is that a report will be presented to the Audit Committee in May 2018.
Head of Resources and Performance	The Service should develop a process for monitoring devolved spend per supplier to ensure compliance with Financial Regulations (2.4.6)	Significant September 2017	The Committee was advised in December 2017 that the Service had advised that an initial assessment of devolved expenditure for a four year period will be carried out at year end on 31 March 2018, after which a quarterly assessment will be carried out, based on budget monitoring reports of devolved spend. Internal Audit is awaiting an update from the Service.

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date	

EDUCATION & CHILDREN'S SERVICES (continued)

1738	Sports Facilities	May 2017	17	15	0	0
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1816	Health and Safety (SSERC)	January 2018	20	5	0	0
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1827	PFI / PPP Schools	November 2017	4	4	3	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	Finance should consider reviewing both PPP/PFI contracts on a regular basis to identify early contract termination savings (2.6.3)	Important March 2018	The Service will report the outcome of the review to the July 2018 Audit Committee.

1833	Secondary Schools	February 2018	13	0	0	0
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Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations		
				Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

INFRASTRUCTURE SERVICES

1602	Rent Assessment Scheme	October 2015	7	6	0	0
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1637	Waste Collection and Disposal	June 2016	21	21	3	3 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 seek Committee approval to continue under the terms of their most recent contracts with suppliers pending the procurement of new agreements (2.4.6 a)	Major June 2017	The Committee was advised in September 2017 that the Service had advised that it will take until March 2018 to complete this recommendation. The latest update from the Service is that authority will be sought from the Infrastructure Services Committee in June 2018.
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.
			Number of Recommendations

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date	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 recommendations 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 policy is still being worked on and will be complete by November 2018.

Number of Recommendations

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
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INFRASTRUCTURE SERVICES (continued)

1740	Transportation Purchasing and Creditors	July 2017	19	17	15	2	2 Significant
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The position with the overdue recommendations is as follows:

Chief Officer	Overdue Recommendation	Grading / Due Date	Position
Head of Transportation	In conjunction with the Estates Section, the Service should ensure that the lease arrangement in place for Peterhead Lorry Park is reviewed in respect of its value for money as was intended (2.3.6)	Significant March 2018	The Service has confirmed the need for the lorry park but not yet reviewed the cost to ensure value for money. This will be completed by the end of September 2018.
Head of Property and Facilities Management	Estates should ensure all Services are aware of the requirement for details of existing and proposed property lease arrangements to be provided to them (2.3.10)	Significant September 2017	As reported to Committee in December 2017, the Service is undertaking additional work in this area to ensure that it captures all leases entered into by Services along with all facilities used on a regular basis. Given the expansion in the scope of the work being undertaken the Service will be issuing information to Services in November with a return date in January 2018. The Committee was advised in March 2018 that the Service had stated that they were in correspondence with Services over queries raised during the above exercise and that this would be completed by the end of March 2018.
			The latest update from the Service is that there are still some queries to be resolved and this will now be complete by the end of May 2018.
			Number of Recommendations

Report Number	Report Title	Date Issued	Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date	Grading of overdue recommendations
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INFRASTRUCTURE SERVICES (continued)

1747	Housing Repairs Year End Stock Checks	August 2017	6	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 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. It is anticipated that the full requirements as outlined in the original response to the recommendation will be implemented by 1 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 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.				
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 that delays in implementation of SAVE replacement mean that full implementation of proposals will now be completed by 1 March 2019				

Report Number	Report Title	Date Issued	Number of Recommendations			
			Agreed in Report	Due for implementation by 31.03.18	Confirmed Implemented by Service	Not implemented by original due date

INFRASTRUCTURE SERVICES (continued)

1748	Car Park Income	March 2018	11	1	1	0	0
1805	Taxi MOT and Licensing	September 2017	15	13	13	0	0
1813	EAFRD Grant Claim	October 2017	18	17	17	0	0
1826	Recycling	January 2018	5	2	2	0	0
1828	Vehicle Usage	November 2017	8	4	4	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.