

Governance, Risk and Best Value Committee

10.00am, Thursday, 22 December 2016

Internal Audit follow-up arrangements: status report from 1 July 2016 to 30 September 2016

Item number	7.2
Report number	
Executive/routine	
Wards	None

Executive summary

This report provides an overview of the process adopted by Internal Audit for following up the status of audit recommendations. It also identifies all the open audit recommendations at 30 September 2016 that are past their initial estimated closure date.

Links

Coalition pledges	CP30
Council outcomes	CO25
Single Outcome Agreement	

Internal Audit follow-up arrangements: status report from 1 July 2016 to 30 September 2016

1. Recommendations

- 1.1 It is recommended that the Committee notes the status of the overdue outstanding recommendations and determine with which, if any, officers they want to discuss the current status with.
- 1.2 To approve Internal Audit sharing details with the Edinburgh Integration Joint Board's Audit and Risk Committee, of any overdue outstanding recommendations in Internal Audit reports that this Committee has previously referred to the Edinburgh Integration Joint Board's Audit and Risk Committee.

2. Background

- 2.1 Where follow-up actions in response to Internal Audit recommendations have not been taken by management in relation to critical, high and medium risks, escalation is to the Corporate Leadership Team (CLT) and GRBV.

3. Main report

Outstanding recommendations

- 3.1 At the end of each month, Internal Audit prepares a complete listing of all open recommendations and shares these with Management on a divisional or line of service basis. Internal Audit then invites management to identify which recommendations they consider to have been addressed or which are no longer relevant.
- 3.2 Internal Audit will review Management's supporting evidence for recommendations that Management consider to be closed and feedback their view on whether this is the case. Recommendations that are agreed as closed have their status updated in Internal Audit's records.
- 3.3 There are five high recommendations and 17 medium recommendations that remain open with due dates of or prior to 30 September 2016. These are split as follows:

Grading	Over due at 30 June 2016	Closed	Management now tolerating risk	Newly overdue	Total
High	6	(2)	-	1	5
Medium	16	(4)	(2)	7	17
Total	22	(6)	(2)	8	22

- 3.4 The details of these recommendations are shown in Appendix 1, with 13 items previously reported to GRBV separately identified. We have split these below by Directorate:

Directorate	Over due at 30 June 2016		Overdue at 30 Sept 2016	
	High	Medium	High	Medium
Chief Executive	-	-	-	1
Communities & Families	1	3	-	1
Health & Social Care	2	2	3	6
Place	3	5	2	6
Resources	-	6	-	3
Total	6	16	5	17

- 3.5 We have also illustrated below the number of overdue recommendations each quarter over the last 12 months:

Grading	Over due at 30 Sept 2015	Over due at 31 Dec 2015	Over due at 31 March 2016	Over due at 30 June 2016	Overdue at 30 Sept 2016
High	5	4	2	6	5
Medium	14	18	15	16	17
Total	19	22	17	22	22

Interaction with the Edinburgh Integrated Joint Board

- 3.6 As part of the Council's interaction with the Edinburgh Integration Joint Board (EIJB), this Committee refers, on a quarterly basis, relevant Council Internal Audit reports to the EIJB's Audit and Risk Committee for their consideration. On 11 November 2016, the EIJB Audit and Risk Committee requested that details of any overdue outstanding recommendations pertaining to reports previously referred to them are brought to their attention on a quarterly basis

- 3.7 Internal Audit has the capability to provide this information and would seek this Committee's approval to commence providing the relevant information to the EIJB's Audit and Risk Committee.

4. Measures of success

- 4.1 The implementation and closure of Internal Audit recommendations within their initial estimated closure date. Where recommendations are not closed within this time period, the Committee can determine whether action to date is acceptable or if further action is required.

5. Financial impact

- 5.1 Not applicable.

6. Risk, policy, compliance and governance impact

- 6.1 If Internal Audit recommendations are not implemented, the Council will be exposed to the risks set out in the relevant detailed Internal Audit reports. Internal Audit recommendations are raised as a result of control gaps or deficiencies identified during reviews therefore overdue items inherently impact upon compliance and governance.
- 6.2 To mitigate the associated risks, the Committee should review the status of overdue recommendations presented and challenge responsible officers where there is concern that limited or no action has been taken.

7. Equalities impact

- 7.1 Not applicable.

8. Sustainability impact

- 8.1 Not applicable.

9. Consultation and engagement

- 9.1 An overview was provided at the CLT and each Director was made aware of responsibilities to implement and agreed internal audit recommendations.

10. Background reading/external references

10.1 None.

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Links

Coalition pledges	CP30 - Continue to maintain a sound financial position including long-term financial planning
Council outcomes	CO25 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	
Appendices	Appendix 1 – Status report: Outstanding Recommendations Detailed Analysis

No	Review and Risk Level	Initial Finding & Recommendation	Initially Agreed Management Action	Owner & Initially Expected Implementation Date	Last Status Update
Communities and Families					
1	Governance Arrangements - Arms Length Companies CW1502 ISS.1 ## Medium	<p>The Director responsible for each Arms Length Company within the Council appoints an Observer for each company from within the Directorate. The role is to scrutinise the activities and performance of the company and raise any concerns arising with the Directorate. The Observer attends company meetings on behalf of the Directorate but is not a company officer.</p> <p>We did not identify any process documentation for the observer roles within any of the Directorates. This results in the Council being subject to an element key man risk in the control of each of these entities, as the loss of the Observer would leave the Council with a limited understanding of the scrutiny processes in place for that particular company.</p> <p>Observers may not carry out scrutiny to the required level. Financial and reputational risks may remain unidentified with the potential to adversely affect the Council. The controls in place are reliant on the knowledge, skills and experience of the senior staff involved. This knowledge may be lost if there is not sufficient succession planning.</p>	With change over in senior staff responsible for this company, all the above information will need to be handed over from the current staff members. To facilitate this; documentation will need to be produced and a briefing provided.	Interim Executive Director of Communities & Families 30 June 2016	<p>The officer from Communities and Families who acts as Observer at the Edinburgh Leisure Board is liaising with colleagues in Finance to finalise process documentation for the Observer role.</p> <p>Companies Hub met on 31 October 2016 to agree requirements</p>
Health & Social Care					
2	Personalisation & SDS - Stage 2 RS1245 ISS.2 ## High	<p>The Swift system has the capability to support authorisation controls, however, the cost threshold is currently set at £20K per week, potentially equating to £1.04M a year. This is such a high level that in effect, there is no authorisation process operating within the Swift system to prevent a service being attached to a client without approval.</p> <p>Packages of care are currently not checked against the relevant budgets during the approval process .</p> <p>System control to be implemented to ensure that no package of care service be concluded without the appropriate approval being met. Exception Reports should be produced which highlight any services that have been attached to the system, which do not have the appropriate approval.</p>	A new Financial Approval Procedure will be produced which will ensure that all requests for care and support are approved before progressing to Business Services to be input to SWIFT.	Strategic Planning, Service Re-Design and Innovation Manager 30 June 2015	<p>This work is being taken forward through the H&SC Transformation Project which will identify and oversee all the workstreams required to implement delegated budget management.</p> <p>The SWIFT element of this work is expected to be complete by September 2016 and is being overseen by the SWIFT Governance Group. However, the Organisational Review of ICT has led to a reduction in capacity in the SWIFT Team and discussions are now underway to ensure that the necessary skills and resources remain available to the project.</p> <p>Further consideration of any additional risks that the implementation of a new threshold & decision making process has the potential of introducing further delay to the decision making process. [Revised Implementation date 31/12/16]</p>

No	Review and Risk Level	Initial Finding & Recommendation	Initially Agreed Management Action	Owner & Initially Expected Implementation Date	Last Status Update
3	Integration of Health and Social Care Budgeting Process HSC1505 ## ISS.5 High	The savings target of £15m for the 2016/17 H&SC budget has been clearly articulated and is well understood. The most recent RAG status monitoring for savings targets splits the £15m into the following categories: Red £8.5m, Amber £4.5m Green £2m. In light of the projected RAG status for the 2016/17 savings it would appear that there is a high risk that these savings targets will not be met. Continued focus by management is required to ensure that savings are achieved where possible. H&SC should consider where additional compensatory savings could be made in the event of the budgeted savings not being realisable.	Health and Social Care Transformation and Efficiency programme is currently reviewing all savings proposals and looking to identify savings to replace/supplement those already identified. Following delegation of services and budgets, responsibility for saving will then fall within EIJB remit.	Chief Officer: Edinburgh Health & Social Care Partnership 31 May 2016	A revised savings programme has been presented to, and agreed by, the Edinburgh Integration Joint Board. Detailed action plans underpinning delivery are either in place or being developed and a programme board established to oversee delivery. Progress being closely monitored with early action being taken to address any emerging issues. [Revised implementation date 31/12/16]
4	Personalisation SDS - Option 3 HSC1503 ISS.2 High	We were unable to find links to the Edinburgh Choices website in key communications to service users and the general public about SDS. The Council has produced detailed pamphlets and leaflets which explain SDS to service users and carers but advocacy services are not covered, and readers are not directed to the Edinburgh Choices website. Practitioners we spoke to could not direct us to advocacy services. The service should ensure that information about advocacy services is available to service users	Existing leaflets and information materials to be reviewed to make reference to Edinburgh Choices. Information to be produced for dissemination to practitioners regarding the duty to identify people who may benefit from advocacy and support them to access this services and the agencies that the Council has commissions to provide advocacy services.	Strategic Planning, Service Re-Design and Innovation Manager 31 August 2016	
5	Personalisation & SDS - Stage 2 RS1245 ISS.5 ## Medium	The audit review highlighted a lack of awareness of the type of management information and / or exception reports which are available to 'operational managers'. It was also established that there is no management information for some types of care packages which are 'spot' purchased. In addition, there is an inconsistency in approach for a number of the Swift reports which are produced in respect of the type and frequency of checks being carried out. Management Information / exception reports held within the Swift and Business Object systems are reviewed to ensure that the right people are receiving the right information at the right time to allow managers to make informed decisions over key controls / processes such as the monitoring of care package costs.	Management information requirements will be reviewed in the light of the implementation of self-directed support and reporting requirements identified. As part of this exercise existing reports will be reviewed and a decision made in each case as to whether they should be retained, amended or dropped; any requirement for new reports to be developed will also be identified. At the completion of this exercise a document will be produced detailing all management information reports available.	Strategic Planning, Service Re-Design and Innovation Manager 30 June 2015	This work is being taken forward through the H&SC Transformation Project which will identify and oversee all the workstreams required to implement delegated budget management. Interim reports are being enhanced to include financial information for budget managers to inform their decision making in relation to purchasing care. Training on these reports has been given (by Corporate Finance colleagues). [Revised Implementation date 31/12/16]

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6	Integration - Health and Social Care HSC1501 ISS. 6 ## Medium	<p>The cost of services and how they will be allocated between CEC and NHS Lothian after the EIJB takes over responsibility for services has not yet been agreed. Therefore, the budget contribution which has been designated for the EIJB by CEC cannot be assessed to understand whether it is aligned to the services for which CEC will be responsible, or whether the funding is in line with what the EIJB considers will be required to provide an appropriate level of service provision. Although the Integration Scheme states that both parties will “work together in the spirit of openness and transparency” in relation to finances, both are experiencing significant financial pressures, adding to the risk of insufficient funds being available for effective operation of the EIJB based on services assessed as being required..</p> <p><i>The EIJB needs to complete the Strategic Commissioning Plan and identify the budget they believe is required to fulfil their remit. The alignment of services with this plan should be clearly documented and a responsible party for each service agreed.</i></p>	<p>Agree with recommendations. KPMG has been commissioned to support H&SC to prepare a transformational programme for adult social care services to address current budget pressures. A due diligence process will also be undertaken for the 2016/17 budget.</p>	Integration Project Manager 31 March 2016	<p>Scope of services agreed and final budget offers from NHSL and Council currently being negotiated. An exercise on due diligence is underway to confirm the appropriate value of budget transfer from both NHSL and CEC.</p> <p>[Revised Implementation date 31/12/16]</p>
7	Personalisation SDS - Option 3 HSC1503 ISS.3 Medium	<p>Scottish Government collects data on SDS users through annual and quarterly statistical surveys of local authorities. The answers to survey questions are based on data held in Swift. The accuracy and completeness of data input is therefore essential. There have been several changes in the assessment process and data captured in the past year.</p> <p>There was no cut-off date after which all assessments would be carried out using new templates. The full process of assessment and arranging care can be lengthy. This means that there are several different ways of recording assessments running concurrently, with different data captured in each one. It is therefore difficult to extract complete and accurate data for management information and for reporting to Scottish Government.</p> <p><i>Further changes to the assessment process are expected over the next year as a result of the Transformation Programme and integration with the NHS. A change management process should be in place to minimise the number of process and recording changes through the year, implement clear cut-off dates, and to ensure changes are communicated to staff clearly.</i></p> <p><i>In the meantime, Research and Information should be aware of the likely inconsistencies in data recorded and ensure that reports are thoroughly reviewed before issue.</i></p>	<p>A change management process will be established and overseen by the SDS Infrastructure Steering Group. The inconsistencies in data recording are as a result of numerous changes to processes and trying to reduce the recording burden of implementing these on frontline practitioners. The Research and Information Team are aware of all changes to recording practice and take these into account. A summary of all changes and the impact on data extraction has also been produced.</p>	Strategic Planning, Service Re-Design and Innovation Manager 30 June 2016	

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8	Personalisation SDS - Option 3 HSC1503 ISS.4 Medium	<p>An essential report that management receives in order to track the business and plan interventions is the SDS assessments and option choices report. Since October 2015, 'Option 4' has been recorded as a combination of Options 1, 2, & 3. For example, a case where the supported person selects 'Option 4' as a combination of a direct payment and care to be arranged by the Council, will be recorded under both 'Option 1' and 'Option 2'. This means that there are duplicate values in the management information from October 2015 to date.</p> <p>The Research & Information team should ensure that management information is accurate and does not include duplicate values.</p>	<p>In order to comply with Scottish Government reporting requirements it is necessary to record each of the options 1 – 3 chosen by each individual as their interest is in the total number of people choosing each of these options. In order to continue to meet Scottish Government reporting requirements and be able to report on the number of people who by the very fact of selecting multiple options 1 -3 can be deemed to be option 4 we will provide an additional table to show only the total number of people getting option 4 in our monthly report. NB, the relevant table has a footnote which describes the focus of the analysis i.e. how many people choose each of the options 1-3.</p>	Senior Strategy & Planning Officer 30 June 2016	
9	Personalisation SDS - Option 3 HSC1503 ISS.6 Medium	<p>Since October 2015, all personal care plans must be signed off by a senior. This is a measure introduced to improve the quality of personal support plans. We obtained a report of all personal support plans completed between October 2015 and January 2016. We identified 44 cases out of 811 (5.4%) where the system recorded that the assessor who prepared the personal support plan also signed it off. This was reflected in the variable quality of the 25 personal care plans we reviewed as part of our audit work.</p> <p>All personal care plans should be signed off by a senior, as required by HSC policy. 'Workarounds' on Swift should be deactivated to prevent this breach of segregation of duties recurring.</p>	<ol style="list-style-type: none"> 1.Ensure that there is a mechanism in place on SWIFT for the senior to record that they have signed off the support plan. At present any edits made by the senior at the time of the review will show that the senior has both prepared and reviewed the plan 2.Data quality reports will be set up to identify any support plans signed off by the assessor who produced the plan 3.Sector Managers and seniors to ensure appropriate oversight and sign off by senior for the personal care plans 	Strategic Planning, Service Re-Design and Innovation Manager 30 June 2016	

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10	Demographics in Budgeting Process CG1502 ISS.1 Medium	<p>The current projections within the long term plan, for future demand for services for adults with disabilities does not make use of the most recently available population projections.</p> <p><i>The most recently available population projections (along with the most recent information on the other relevant factors) should be used in completing the reassessment of the cost of providing services to adults with disabilities. The revised estimates should then be used to update the Long Term Financial Plan.</i></p>	<p>1. Review future cost estimates for social care services for older people every two years in line with the publication of updated population projections by National Records of Scotland. (The next publication is expected in 2016).</p> <p>2. Update annually the time series used to project future numbers of people with learning disabilities requiring adult social care services.</p> <p>Within the above timescales, also update the unit costs and other assumptions used in the Health and Social Care estimates for the Long Term Financial Plan</p>	H&SC Manager for Performance and Information 31 August 2016	
ICT Solutions					
11	Retention of Corporate Knowledge CG1515 ISS.2 Medium	<p>The Council are not currently collating email archives, which are stored on local PC hard drives, once a member of staff leaves or moves department. We understand that no new archives can now be created on the local drive, however, due to the number of employees with long service it is likely that a substantial number of local archives continue to be retained. Laptops and PC's are controlled by the directorate and are not returned to a central IT function when a member of staff moves or leaves the Council. There are no processes in place to obtain and centrally store archives and access to the local machine is restricted to IT administrators, leaving information potentially inaccessible.</p> <p><i>Laptops and PCs should be wiped by central IT after staff leave or move, with a collection of email archives taken from the local machine to the server account for that user.</i></p>	<p>Establish a CLT approved position on the retention of email within the Council that covers the management of legacy email archives. Discuss with CGI on how to implement email retention position. ICT</p>	ICT Security Manager 30 September 2016	
Place					

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12	Contract Management - Roads SFC1505 ISS.2 ## High	<p>The Transport Interim Quality Audit Team (now disbanded) identified works and materials failures resulting in major remedial works at additional cost to the Council. Officers were unable to demonstrate that site visits are carried out to confirm that the quality and extent of works completed are satisfactory.</p> <p>An end of works quality assessment should be conducted by a qualified officer before final payments are made to contractors and ERS.</p>	Sample Inspections for Revenue works (commissioned by Locality Teams) are currently undertaken and will be recorded through Confirm. (Audits of above to be undertaken to ensure compliance)	North West Local Transport and Environment Manager 1 June 2016	<p>Site visits to be adequately recorded and final inspection process to be developed - Locality Transport Team Leaders are not in post yet and Confirm development will be required to facilitate works inspection recording on the works mgt system. In the interim site diaries and emails relating to works can be attached to each specific job, all Locality transport & Environment Managers will be reminded that adequate inspection records should be maintained in the interim period.</p> <p>Action to be extended to 1 September 2016.</p>
13	Contract Management - Roads SFC1505 ISS.6 ## High	<p>There is no consistent or robust process for managing the costs of works undertaken by ERS. Lack of a schedule of rates for works hampers accurate budgeting. ERS are not required to obtain approval for additional costs. Internal recharges do not require to be authorised by the commissioning manager. Costs are recorded on Axim, while the estimated works budget is recorded on the Confirm project management system with no link between the systems. Remedial works are charged to the commissioning roads teams on top of the original budget. They are not able to reclaim those costs from ERS.</p> <p>Robust monitoring of contract expenditure including end of works review</p>	For Locality (Revenue) Work, estimated works costs are prepared and noted on Confirm (Works Management System) making use of compound rates. Ensure that future works estimates make use of agreed and future schedule of rates.	North West Local Transport and Environment Manager 1 June 2016	<p>Revenue works schedule of rates to be agreed with ERS and Locality Commissioning teams. Issue discussed with ERS Manager on 7th July 2016 at the first LTEM/ERS meeting. ERS charging rates and schedule of rates (including compound rates) is still to be prepared and agreed. Additional works protocol was discussed with ERS Manager on 7/7/2016. Further meeting to be arranged, however, agreed that ERS and Commissioning teams will agree all additional works (where reasonably possible). Defined additional works process to be supported by Confirm development, however, until then accurate records can be attached to Confirm works orders.</p> <p>Update will be provided on 1 Sept 2016.</p>

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14	Sustainable Energy Action Plan ED1501 ISS.2 ## Medium	<p>The Council Team set up to oversee the SEAP and monitor and co-ordinate the projects and initiatives within it is staffed by 2.4 Officers. A communications plan is required to set out the actions for ongoing engagement and consultation with wider stakeholders. Future financial resources are difficult to predict as project costs cannot be quantified until projects are off the ground, and costs are also dependent on the levels of engagement with other partners. There is no budget to undertake feasibility studies unless external funding can be sourced. In a lot of cases, sourcing of external funds is dependant on this groundwork being done making it harder to get projects to commence. There is no formal mechanism in place to manage the risks associated with the SEAP project.</p> <p><i>The communications plan should be rolled out to inform all staff and stakeholders of good practice and how they can engage. Risk Management requires formalisation</i></p>	<p>(i) The Communications Plan will be rolled out. (ii) A risk register will be developed as part of the reporting to Committee. Resourcing the SEAP is still an ongoing concern. As the Council Transformation Programme progresses, it will be crucial to ensure existing resources are in place (as far as possible) to ensure delivery of the SEAP.</p>	Sustainable Development Manager 30 June 2016	Risk register has been completed and reported to MOWG. Resourcing issue raised in the risk register with senior managers but continues to be an issue.
15	Planning Controls & the Local Development Plan SFC1502 ISS.2 ## Medium	<p>Numbered clauses are set up on the Uniform database for each planning agreement covering key tasks, such as site inspections, receipt of an agreement, forward of agreement to relevant functions etc. Within each clause, notes, key dates and value are entered, and supporting documents are attached to provide a detailed summary of all actions taken. Reports can be produced by planning application reference detailing all open and closed clauses for each agreement monitored. It was noted that clauses are not set up in a standard format. From a review of 11 developments, 7 files were satisfactorily completed but in the remaining 4, clauses were still active but future visits had not been scheduled or details of scheduled visits with past dates not recorded. We would have expected these four sites to have been detected during a supervisory review process, and addressed. For one education contribution reviewed, the amount payable had not been indexed to 2009 in error. The contribution was received in March 2015 but no action has yet been taken to rectify this.</p> <p><i>Standardising and rationalising clauses set up to record tasks and prompting future actions would provide better management information. There should be regular supervisory review to gain assurance that required standards are maintained. Procedures to be revised</i></p>	<p>i. The monitoring system is robust but it is accepted that further standardisation could be achieved. This will be reviewed and where appropriate changes made. In particular standardisation of 'checking clauses' will be explored and introduced</p> <p>ii. Team managers can already review progress. this arrangement will be formalised and recorded so it can be evidenced</p> <p>iii. This will be taken forward as part of exercise outlined above</p>	P&BS Senior Manager (East Area) 01 January 2016	<p>(i) Met in part although further work required</p> <p>(ii) Complete</p> <p>(iii) This action has proved difficult to progress and to some extent has been contingent upon the LDP Action Programme being finalised. The completion and approval of a new working arrangements document is now anticipated for the end of March 2017.</p>

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16	Contract Management - Roads SFC1505 ISS.4 ## Medium	<p>All new revenue works are planned and commissioned using Confirm as of December 2015. However at the time of the audit, Confirm had not been fully embedded across ERS and the Neighbourhood Offices. As a result, no revenue works commissioned by five of the six Local Area Offices have been included in the ERS works programme for Quarter 4 in 2015/16</p> <p>ERS and Neighbourhood staff should be trained in the use of the Confirm system, to enable ERS to carry out commissioned work. Take-up of Confirm should be monitored to identify areas where further training is required.</p>	<p>ERS staff have been trained in the use of Confirm system, however further training/support will be delivered for Neighbourhood Staff commissioning work through Confirm.</p> <p>Management teams to reinforce the need to commission work through Confirm.</p>	<p>Local Environment Manager 1 June 2016</p>	<p>New Locality team structure is not in place yet. It is expected that the majority of Locality Transport staff should be in post by Autumn 2016. Recommendation that a Confirm training roll out is carried out once teams are established.</p> <p>Update to be provided 1 Sept 2016.</p>
17	Contract Management - Roads SFC1505 ISS.8 ## Medium	<p>Officers were unable to provide documents during the audit for 7 of the 9 projects selected to demonstrate that key contract and legislative requirements had been met. The documents should have been retained to comply with the Council's Record Retention policy. It was unclear if they had ever existed and if so, whether they had been destroyed or archived in a manner which made them difficult to recover. Officers were able to provide some documents after the audit. We note that the samples tested predate the introduction of the new works management system, Confirm, which was introduced over the course of 2015, and which will be used to store records relating to ERS works orders going forward.</p> <p>The process for commissioning and managing road and footway maintenance undertaken by ERS should be mapped, with key documents such as a schedule of works, a health and safety risk assessment and final project sign off identified. Key documents must be retained in accordance with the Council 's records management policy.</p>	<p>Recommendation accepted – A number of Contract records have been provided to the Auditor retrospectively as individuals involved in Audit were not responsible for commissioning. Note. 9 Schemes selected date from 2013 and 2014. Additional Contract Information Provided March 2016.</p> <p>Management of internally commissioned works to ERS is now administered on a formal Works Management System (Confirm). Records relating to asset management, works orders, estimates and completion now recorded on Confirm. Summer 2015</p>	<p>Local Environment Manager 1 June 2016</p>	<p>Audit action not complete: Works commissioned with ERS are now administered on a formal works management system (Confirm). Records relating to asset management, inspection, defect recording and works ordering are now electronically recorded. Works order documentation for inspections, variations and instructions etc should now be attached to appropriate jobs. Update to be provided 1 Sept 2016.</p>
18	Recycling Targets PL1601 ISS.5 Medium	<p>Although there is considerable recycling internally within the council, there is currently no internal waste management policy. The Waste and Recycling Strategy 2010 - 2025 focuses on external, public waste but there is no supporting policy which specifically states how the Council itself as a major local employer, plans on reducing waste arising from its own operations (e.g. schools, council offices) and increasing recycling participation.</p> <p>Internal Waste Management Policy to be developed</p>	<p>Our proposed management action is to approach the Sustainable Development Unit and Facilities Management to establish a working group to review any existing internal waste policy, the purpose being to incorporate this within, and consult on, a refreshed Waste Strategy Document (Ref Action 2). The inclusion of the Sustainable Development Unit is critical in moving forward this action as they hold responsibility for development of the Council's internal waste policy and recording data on internal waste arisings. Waste & Fleet Services will commit to taking the lead in establishment of the internal working group</p>	<p>Strategy Officer 30 September 2016</p>	<p>Currently the cross departmental working group is in abeyance following the departure of key members during Transformation. However Trade Waste Team are leading on a roll out of collection services for key materials to buildings across the estate and this work is on going during 2016.</p> <p>In addition a new cross departmental working group will be established following the conclusion of the Transformation programme to embed good practice</p>

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19	Management of Devolved NEP and CGF CW1503 ISS4. Medium	Planning and contract documentation were complete where external framework contractors were used to deliver road and footway projects under the NEP General Fund. However, Neighbourhood roads teams were unable to demonstrate that: -Site visits are carried out at the end of the project by project or commissioning managers to confirm that the quality and extent of works completed are satisfactory; and -Contractor invoices are reviewed before payment to confirm that charges are appropriate and consistent with work completed and the schedule of rates. <i>An end-of-works quality assessment should be conducted and documented before final payments are made to contractors. This review should be carried out by a qualified member of staff who can assess the work carried out against industry standards and contract requirements.</i> <i>Contractor invoices should be reviewed before payment to check that charges are appropriate and consistent with work completed and the agreed schedule of rates.</i>	1) Works orders to be closed within 4 weeks of work finishing on site, unless alternative period agreed between ERS and commissioning managers. 2) All NEPS works should be inspected and signed off by Locality staff and audits of work should be undertaken to ensure compliance.	Roads Renewal Manager 31 July 2016	Clarity still required on the capability of Road Services to deliver capital renewal schemes.
Resources					
20	Flexible Working Hours Processes and Procedures CG1304 ISS.5 ## Medium	The scheme of Flexible Working Hours procedure is out of date having last been updated in 2000. This is of particular concern given the many changes to the number of flexible working options that are now available to Council employees many of whom work within the Scheme of Flexible Working Hours in addition to one of the other flexible working options. <i>The Scheme of Flexible Working hours procedure be updated and brought into line with other flexible working processes and procedures as a matter of urgency. This would allow for development of best practice and consistencies. All administrators should be trained on this to allow for consistent application.</i>	Review the Scheme of Flexible Working Hours Procedure and develop and deliver appropriate implementation arrangements for the revised Procedure.	Head of Human Resources 31 March 2016	As transformation of Council Services is now well underway across the organisation, a review of flexible working hours as part of our overall value proposition would deliver the best return on investment for the Council. The HR team will develop proposals around flexible working which takes account of both service demands and the needs of our people for flexible approaches to work which support their well-being and service delivery needs within an overall reward framework. This will be delivered following the Reward and Recognition project which is planned to complete in April 2017

No	Review and Risk Level	Initial Finding & Recommendation	Initially Agreed Management Action	Owner & Initially Expected Implementation Date	Last Status Update
21	Procurement Arrangements CW1501 ISS.1 ## Medium	<p>The contract registers are currently held in excel with shared open access within C&PS. There are plans to set up the pipeline register as a web application.</p> <p>Action should be taken to secure the integrity of the pipeline and contract registers.</p>	(ii) The transfer of the pipeline to a Sharepoint database provides an audit trail reducing vulnerability to deliberate or accidental manipulation. In the short term we will introduce password protection for the contracts register or move the live version into a folder with restricted access, but in the medium term intend also to move the register to a database that provides an audit trail and provide wider access to staff to input their updates.	Commercial Insight & Development Manager 31 March 2016	<p>(ii) Short-term - the pipeline register is now held on the Sharepoint database. The contract register is now password protected; only 4 members of the Commercial Operations Team now have access to update the master. Completed.</p> <p>Medium-term - the original intention was to move the contract register to Sharepoint, an Ernst & Young database, but it was considered too risky to hold so much CEC data with a contractor. The register will be held within Business World 4 (the system that is replacing Oracle and Trent) when this goes live in April 2017 with appropriate log in & password controls in place.</p> <p>Revised estimated completion date 30th April 2017.</p>
22	Shared Repairs and Maintenance SFC1507 ISS.1 ## Medium	<p>A Schedule of Rates has been agreed with each contractor used by ESRS Emergency Service. This is in place to control and monitor the costs charged by the contractors on the framework. We reviewed contractor invoices relating to 15 cases. We were unable to confirm that charges on any of the invoices inspected were all as agreed on the Schedule of Rates. Difficulties and discrepancies identified were as follows: ESRS did not have access to the Schedule of Rates agreed with one contractor, as it is part of a separate Council Framework ; One contractor's Schedule of Rates was coded; however, their invoices consistently included non-coded services; One contractor charged rates for scaffolding between £150 and £690 . There was no explanation for the rate charged on the invoices ; and One Schedule of Rates indicated labour cost was at most £24 per hour; however, the contractor charged labour at £25 per hour.</p> <p>Schedules of Rates should be readily available to property officers to enable them to review the accuracy of costs charged by contractors. Any discrepancies identified must be highlighted and challenged with the contractor. ESRS should explore the use of technologies which allow a Schedule of Rates to be programmed into a database. This database could then generate an accurately costed works order by selecting the appropriate service as per the inbuilt Schedule of Rates.</p>	Work is currently underway to incorporate SOR's within Uniform which is the services' preferred system as part of the redesign of the ICT services for ESRS. This will allow the officer to select the works and to automatically produce the correct rates for work carried out and will be the base for generating the purchase order. The emergency and finance procedures will be updated to match this process. Variances between the purchase order and the contractor's invoice will be challenged . Variances above an agreed threshold will require approval by the line manager.	Emergency Team Leader 30 June 2016	<p>The work required in order to incorporate the SOR's into Uniform was identified as being a manual process which would take a significant amount of time to incorporate, given the reduction of staff and the demands of the service currently resources are limited to do this task. Therefore, the service wish to work with IDOX (the suppliers of Uniform) in order to find an automated solution to input the SOR's into Uniform. However, IDOX (the suppliers of Uniform) are currently engaging with all Scottish Local Authorities to ensure that all users of Uniform are upgraded to V10 by the 24th August due to a requirement for an electronic planning portal from the Scottish Government and therefore no resource is available until this is completed. Once the upgrades are completed by IDOX (including CEC's) we will engage with them to find a solution to implement the SORs. In the meantime, the officers have a hard copy of the SOR's with which to refer to and each invoice is checked against the SOR's once received before being approved.'</p> <p>New deadline date 30 September 2016.</p>
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