

# Governance, Risk and Best Value Committee

10.00am, Tuesday, 1 August 2017

## Internal Audit: Overdue Recommendations and Late Management Responses

Item number 7.2

Report number  
Executive/routine  
Wards

### Executive summary

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Following concerns expressed by the Governance, Risk and Best Value Committee (GRBV) and the Corporate Leadership Team (CLT) about the number of overdue Internal Audit recommendations being reported to the GRBV each quarter, monthly reporting on the 'overdue' position is now provided to the CLT.

It is anticipated that greater focus by the CLT on outstanding actions each month will result in more Internal Audit recommendations being closed off in a timely manner.

This report sets out the current profile of overdue Internal Audit recommendations; highlights the Council's historic progress in addressing these recommendations (Appendix 1); and includes details of the revised approach for monitoring and reporting on overdue Internal Audit recommendations that were approved by CLT on 5 July 2017.

## Internal Audit: Overdue Recommendations and Late Management Recommendations

### 1. Recommendations

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- 1.1 The Governance, Risk and Best Value (GRBV) Committee should note the status of the overdue Internal Audit recommendations as at 27 June 2017.
- 1.2 GRBV is also requested to note the revised approach for monitoring and reporting on open and overdue Internal Audit recommendations (outlined at section 3.9 and Appendix 3 that were approved at Corporate Leadership Team (CLT) on 5 July 2017.

### 2. Background

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- 2.1 The GRBV Committee and CLT have both expressed concerns about the number of overdue Internal Audit recommendations. Currently, the status of overdue recommendations is reported monthly to CLT and quarterly to GRBV.
- 2.2 At the CLT meeting on 5 July revised proposals for monitoring and reporting on overdue Internal Audit recommendations were approved. This paper includes details of the revised proposals for GRBV consideration and noting.

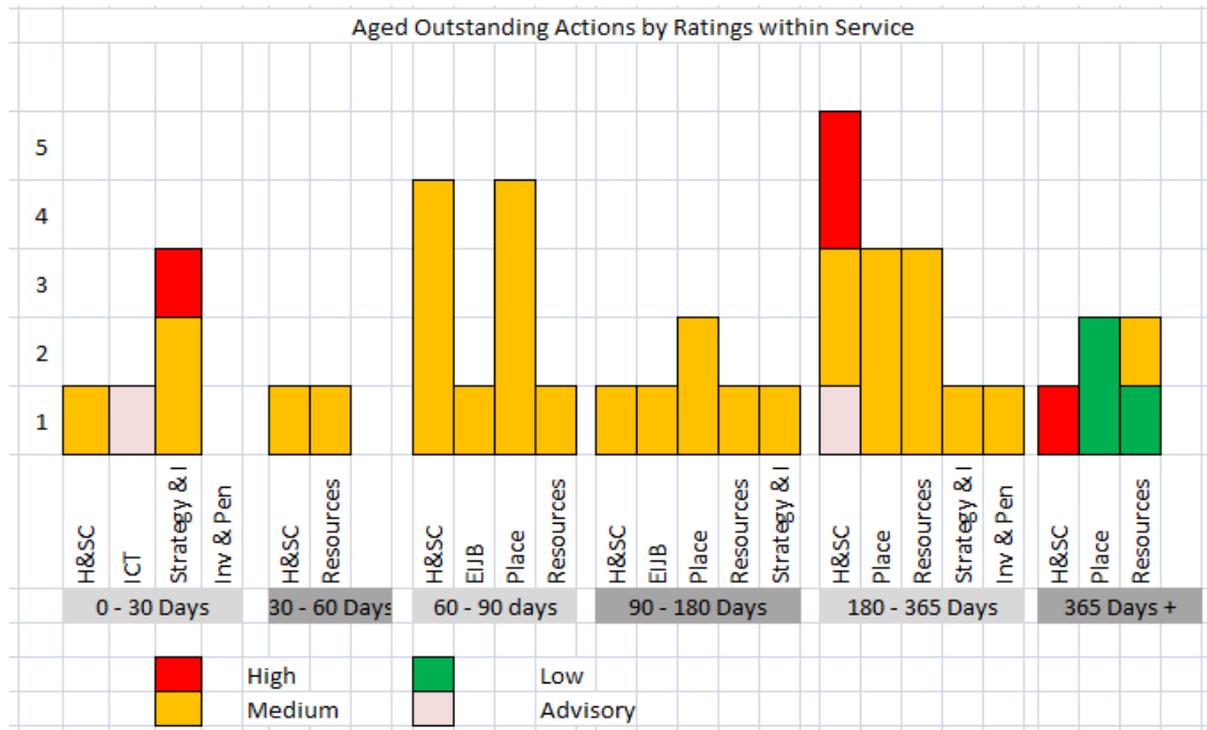
### 3. Main report

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- 3.1 During the last three financial years (14/15; 15/16; and 16/17), a total of 385 Internal Audit Recommendations have been raised. Of these, 312 (81%) have been closed and 33 (9%) remain open but within timescale, with a further 40 (10%) open and overdue. One recommendation raised in 2017/18 is also open and overdue. Further detail is included at Appendix 1 which also highlights the progress made by individual Service areas in closing Internal Audit recommendations raised in 2016/17.
- 3.2 No overdue Internal Audit recommendations have been closed since the end of May. As at 27 June 2017 there were 41 overdue recommendations across the Service Areas within the Council (4 High; 32 Medium; 3 Low; and 2 Advisory). The decrease of 3 in comparison to the monthly position reported to CLT in May (44) reflects the consolidation of 6 duplicate 'Medium' recommendations previously reported to CLT.

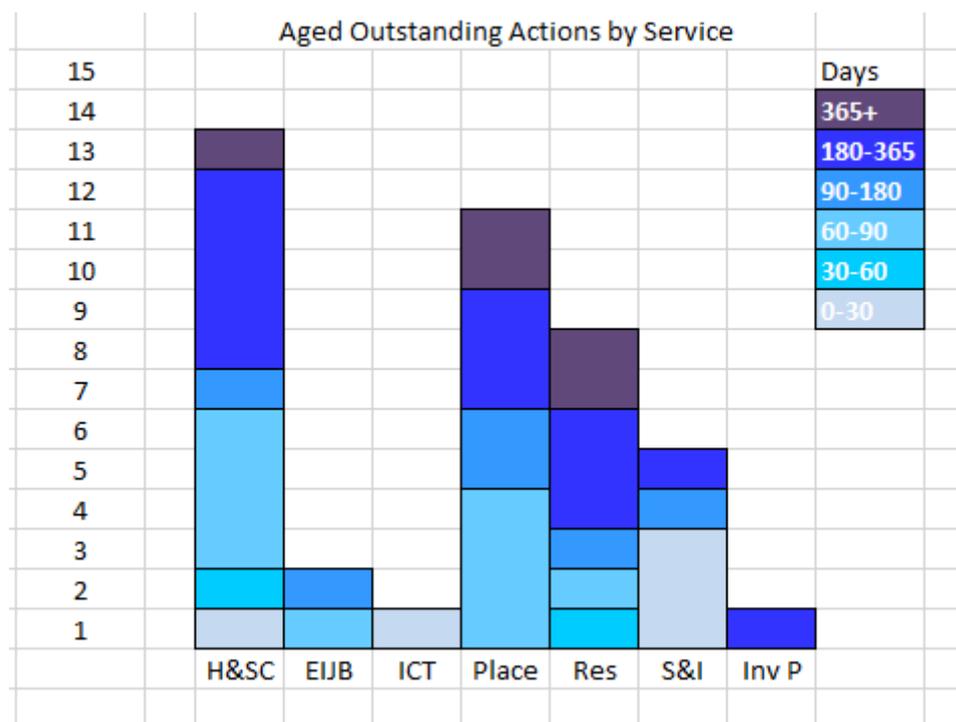
3.3 Figure 1 illustrates the ageing profile of all outstanding recommendations by rating across Service Areas. Of the 41 outstanding items, 18 are more than 180 days overdue with three of these rated as High and 11 as Medium.

Figure1: Aged Outstanding Recommendations by Rating and Service Area



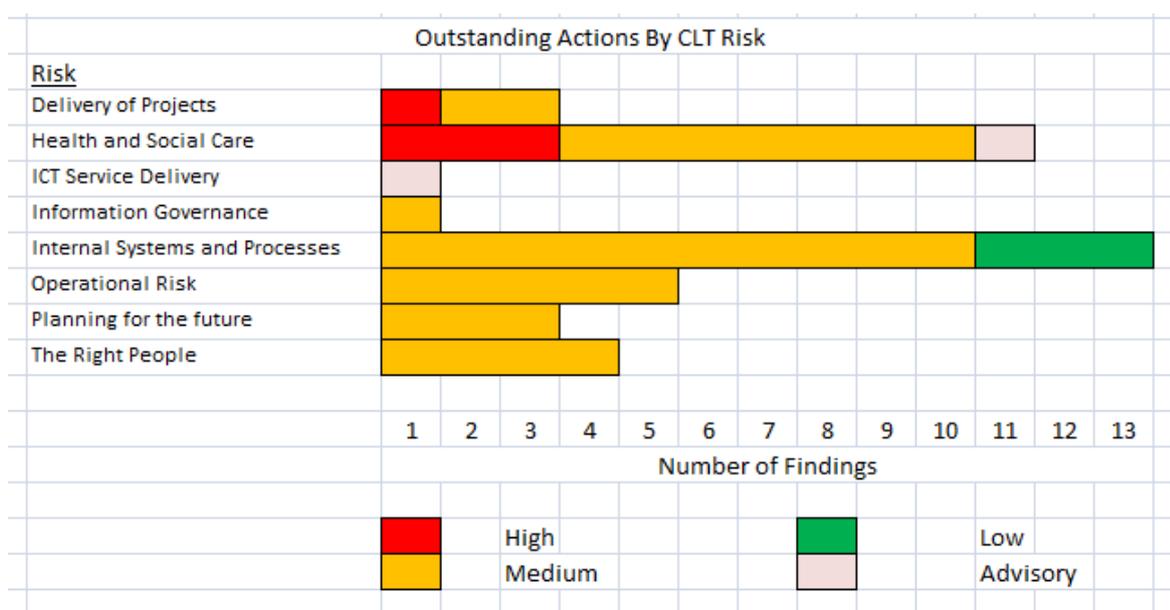
3.4 Figure 2 highlights the ageing profile of overdue Internal Audit Actions for each Service Area.

Figure 2: Aged Outstanding Actions by Service Area



3.5 Figure 3 correlates the top Corporate Leadership Team risks to the relevant overdue Internal Audit Actions. Our primary risk exposures as a result of overdue recommendations are within Health and Social Care and Internal Systems and Processes.

Figure 3: Outstanding Recommendations by CLT Risk



- 3.6 There are currently five medium rated overdue actions where closure is dependent on implementation of the new Business World System (four in Resources and one in Investment and Pensions). Internal Audit is working with the respective Management teams to establish whether alternative controls have been or could be implemented to address these risks.
- 3.7 Eleven open recommendations (6 High and 5 Medium) are due to be completed by 31 July 2017. The high ratings are within the Health & Social Care, ICT Solutions, Strategy & Insight, Resources, and Safer and Stronger Communities Service Areas.
- 3.8 Internal Audit has categorised all overdue Internal Audit actions by Directorate showing the latest status updates where received. The detailed results of this categorisation are set out in Appendix 2.
- 3.9 Internal Audit's proposals to revise the approach for monitoring and reporting on open and overdue Internal Audit recommendations are as follows:
- a. Management responses to Internal Audit recommendations will continue to be split into individual actions and implementation dates (for example: one 'High' rated recommendation may comprise 3 individual actions with varying implementation dates).
  - b. Reporting on overdue recommendations to CLT and GRBV will be based on a 'final' completion date to be agreed when finalising Internal Audit reports. This will typically be the implementation date for the final individual action.
  - c. Open recommendations 'at risk' of not achieving final completion dates and becoming overdue due to late implementation of individual actions will also be highlighted to CLT as part of the reporting process.
  - d. Changes to agreed management actions required for closure of Internal Audit recommendations is acceptable, but must be discussed and agreed with Internal Audit in advance to ensure that the revised approach will adequately address the control gaps identified. Revised actions will continue to be tracked against originally agreed implementation dates.
  - e. Monthly reporting will be provided to Service Areas detailing progress against individual actions, highlighting any that are overdue and requesting progress updates.
  - f. Any Internal Audit recommendations due for final closure within one month will be highlighted to Service Areas and CLT one month in advance of the agreed due date.
  - g. Upon satisfactory completion of individual actions supporting an open recommendation, Internal Audit will consider whether the risk has been sufficiently mitigated to reduce the current rating of the recommendation. For example, where two of three individual actions supporting a 'High' recommendation have been completed, the rating could, following detailed consideration, be reduced to 'Medium'. Implementation of this approach

more accurately reflects progress made by Service Areas and the remaining residual risk for the Council. Details of overdue recommendations where the rating has been reduced will be reported to CLT on a monthly basis.

A process flow illustrating the revised approach is included at Appendix 3.

#### **4. Measures of success**

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- 4.1 An increase in the implementation and closure of Internal Audit recommendations within their initial estimated closure date.

#### **5. Financial impact**

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- 5.1 Not Applicable.

#### **6. Risk, policy, compliance and governance impact**

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- 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 effective risk management, compliance, and governance.

#### **7. Equalities impact**

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- 7.1 Not Applicable.

#### **8. Sustainability impact**

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- 8.1 Not Applicable.

#### **9. Consultation and engagement**

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- 9.1 The revised approach for monitoring and reporting on open and overdue Internal Audit recommendations has been discussed with CLT members, the Head of Legal and Risk, and the GRBV Convenor.

#### **10. Background reading/external references**

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- 10.1 Not Applicable.

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### **Links**

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**Coalition pledges**

**Council outcomes**

**Single Outcome Agreement**

**Appendices**

Appendix 1 – Status report: Outstanding Recommendations Detailed Analysis

Appendix 2 – Process flow illustrating revised Internal Audit proposals for monitoring and reporting on open and overdue recommendations.

## Appendix 1 : Historic Closure Profile of Internal Audit Recommendations

Service Area	No of Reviews Completed	Number of Recommendations						
		High	Medium	Low	Total	Closed	Open Not Yet Due	Open Overdue Findings
Council Wide	4	1	4	-	5	5	-	-
Communities & Families	5	-	9	4	13	12	1	-
Health & Social Care	5	5	14	3	22	13	1	8
Place	9	8	14	8	30	22	-	8
Resources	13	8	16	9	33	5	24	4
Strategy & Insight	3	3	6	1	10	2	3	5
Joint Boards	5	1	6	1	8	4	4	-
Other	2	-	-	-	-	-	-	-
<b>Total 16/17</b>	<b>46</b>	<b>26</b>	<b>69</b>	<b>26</b>	<b>121</b>	<b>63</b>	<b>33</b>	<b>25</b>
<b>Total 15/16</b>	<b>43</b>	<b>15</b>	<b>70</b>	<b>36</b>	<b>121</b>	<b>107</b>	<b>-</b>	<b>14</b>
<b>Total 14/15</b>	<b>39</b>	<b>13</b>	<b>66</b>	<b>64</b>	<b>143</b>	<b>142</b>	<b>-</b>	<b>1</b>
<b>Grand Totals</b>	<b>148</b>	<b>54</b>	<b>205</b>	<b>126</b>	<b>385</b>	<b>312</b>	<b>33</b>	<b>40</b>

Unique Ref	Project Name	Issue Type	Finding	Business Implication	Recommendation	Agreed Management Action	Estimated Implementation Date	Revised	RAG Status	Status Update	Owner
<b>Health &amp; Social Care</b>											
HSC1503ISS.1	Personalisation SDS - Option 3	High	The Social Care (Self-directed Support) (Scotland) Act 2013 states that the authority must "inform the supported person of the amount that is the relevant amount for each of the options for self-directed support from which the authority is giving the person the opportunity to choose, and the period to which the amount relates." The "relevant amount" is defined as "the amount that the local authority considers is a reasonable estimate of the cost of securing the provision of support for the supported person". At present, the supported person is not informed of their assessed budget when they are asked to choose their option. They are only told of the resources available to them when they receive their personal support plan after they have selected their option.	There is a risk of non-compliance with The Social Care (Self-directed Support) (Scotland) Act 2013. The supported person may not have sufficient financial information to make an informed decision on the feasibility and affordability of arranging their own care under Option 1.	Management should seek clarification from Scottish Government on how the legislation should be applied where the supported person is allocated the same budget whichever option is chosen. Management must then ensure that the SDS assessment process is compliant with Scottish Government's instructions. This may mean informing the supported person of their personal budget at an earlier stage of the assessment process.	Scottish Government have been approached on this issue through the Social Work Scotland SDS Sub-group and have indicated that they are prepared to consider issuing further guidance and in particular revisit the issue of whether local authorities need to notify individuals of the indicative budget for each of the four options or just provide a single indicative budget which is what most authorities seem to be doing in practice. These discussions will take place through the Social Work Scotland SDS Sub-group and Senior management will ensure that Edinburgh is involved in these discussions. The current processes and practice in relation to providing individuals with an indicative budget will be reviewed and updated and clear guidance issued to staff taking account of any change in guidance from the Scottish Government. In either case, an indicative budget will be given to individuals before they are asked to select their preferred option.	31/10/16	30/06/2017		<b>July Update</b> New assessment, personal care plan and budget process introduced in May 2017. Indicative budgets no longer calculated as part of assessment: calculated once personal care plan set.  This means service users are not given an indicative budget to enable them to make an informed choice about their support: non-compliance with legislation remains. Finding remains open.	Wendy Dale, Strategic Commissioning Manager
HSC1503ISS.2	Personalisation SDS - Option 3	High	The Social Care (Self-directed Support) (Scotland) Act 2013 states that the authority must give the person "in any case where the authority considers it appropriate to do so, information about persons who provide independent advocacy services (within the meaning of section 259(1) of the Mental Health (Care and Treatment) (Scotland) Act 2003 (asp 13))." When researching advocacy services for people affected by SDS the only place we were able to find information was on the Council's Edinburgh Choices website which is an online directory of local care and support services, which includes details of independent advocacy services. However, 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.	There is a risk of non-compliance with the Social Care (Self-directed Support) (Scotland) Act 2013	The service should ensure that information about advocacy services is available to service users. Possible options may include: Providing practitioners with information about available advocacy service and what they do; Directions to Edinburgh Choices in guidance materials for service users; or Names of advocacy services in pamphlets and leaflets for 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 these services and the agencies that the Council has commissions to provide advocacy services.	31/08/16	31/08/17		<b>July Update:</b> New advocacy services contract will be agreed in June 2017. Changes to be requested to SWIFT to allow recording and monitoring of compliance. Once these changes have been made an instruction will be issued to all staff to identify those service users who may benefit from Advocacy Services and to support them to access these. Staff will be reminded that information about providers of independent advocacy services is available on Edinburgh Choices. Procedures and leaflets to be updated as part of the work to implement the new structure. Planned completion date: 31/08/2017	Wendy Dale, Strategic Commissioning Manager
HSC1503ISS.3	Personalisation SDS - Option 3	Medium	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 such as: Eligibility for services (on which data is required by Scottish Government) has been recorded since January 2015; Initial steps to support assessments were in use for new contacts between August 2014 and May 2015 but are now used only for crisis care; A new personal support plan was introduced in October 2015. Where a new personal support plan is used, Option 4 is now recorded as a combination of Options 1, 2 and 3. 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.	Data on Swift is used to provide internal and external reporting which is likely to be incorrect. Data quality is affected where several processes to capture the same information are in use. There are over 500 practitioners completing assessments on Swift: multiple process changes over a short period of time increase the likelihood of errors in data input.	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. 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.	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.	30/06/16	30/06/2017		<b>July Update</b> Agreed actions have not been implemented to date.  Existing change management processes will be formalised as part of the revised governance being put in place for the Health and Social Care Transformation Programme. Planned completion date: 31 March 2017	Wendy Dale, Strategic Commissioning Manager
HSC1503ISS.6	Personalisation SDS - Option 3	Reduced from Medium to Low 19/07/2017	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.	The quality of personal support plans is a vital aspect of delivering SDS and ensuring that people receive the care that they choose and need. A lack of review may affect the quality of care received.	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.	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. Data quality reports will be set up to identify any support plan signed off by the assessor who produced the plan. Sector Managers and seniors to ensure appropriate oversight and sign off by senior for the personal care plans	30/06/16	30/06/2017		<b>July Update</b>  Preparer and approver of live Personal Care Plans compared manually on 19/07/2017: no cases identified where a Personal Care Plan had been signed off by the assessor who produced it. This manual comparison will be repeated monthly for all new care plans. <b>Risk rating reduced from 'medium' to 'low'.</b>  Changes to system requested to allow electronic exception reporting, and to record status ('in progress'/terminated) and 'go live' date to identify any care packages which have not been authorised. This is already checked manually by the Service Matching Unit each time a new care package is allocated to a care provider.	Wendy Dale, Strategic Commissioning Manager
HSC1503ISS.8	Personalisation SDS - Option 3	Medium	To ensure segregation of duties and the quality of assessments, all assessments (which include the user's budget) are checked and then authorised or returned by the assessor's senior. Where a special service (e.g. a care home placement) is required, then the assessment and personal support plan also need to be authorised by the Sector Manager. We analysed all cases that were added to the Swift database between April 2015 and January 2016 and compared the user ID of the person who completed the budget to the user ID of the person who signed off the budget. We identified 65 cases out of 2,525 (2.6%) where the system recorded the assessor who prepared the budget also signing it off.	Not having the budget or personal support plan approved by a second set of eyes decreases its quality and increases the risk of fraudulent activity.	All assessments and budgets should be signed off by a senior in accordance with HSC policy. 'Workarounds' on Swift should be deactivated to prevent this breach of segregation of duties recurring.	'Workarounds' on Swift will be deactivated by 31 December 2016: Work is being taken forward through the Health and Social Care Transformation Project (Governance, Devolved Budgets and Budget Management) to implement the budget management functionality within SWIFT which will address issues around separation of duties. A working group has been established and identified all the workstreams required to implement delegated budget management. A workshop will be held in mid-May 2016 to agree new operational processes including the management of budgets through SWIFT with authorisation limits and the facility for budget holders to authorise within the system. Further progress is dependent on the agreement of budget and staffing structures across localities in order to avoid the need to set up these structures twice on SWIFT which would represent a significant duplication of work. This Action also relates to work being undertaken to address Iss2 from Audit RS1245.	31/12/16	30/06/17		<b>Closed/merged with Iss.6:</b> now single sign off of personal care plan, which generates budget. Assessments are not signed off (but should be reviewed as part of personal care plan sign off)	Wendy Dale, Strategic Commissioning Manager

Unique Ref	Project Name	Issue Type	Finding	Business Implication	Recommendation	Agreed Management Action	Estimated Implementation Date	Revised	RAG Status	Status Update	Owner
HSC1503ISS.9	Personalisation SDS - Option 3	Advisory	Service users normally first contact the Council through Social Care Direct who allocate the case to a team. After the team has screened the case, it gets allocated to an assessor who carries out a face-to-face assessment with the service user and produces the support plan and request for services. The assessment is recorded on Swift through the 'AIS' application when they return to the office using notes taken during the interview. Assessors then need to request a personal support plan template to be mapped to the assessment by administrator, and have to wait a further day before they can put the personal support plan together. If a care at home service is chosen, assessors then need to produce an Assessed Needs Request (ANR) which the Service Matching Unit uses to find a care provider. The information in the Personal Support Plan is duplicated in the ANR, either on the Swift database or on an Excel document, the data from which is then manually input onto Swift by the Service Matching Unit. Providing assessors with a way of recording the assessment at the time of the interview, enabling them to complete a personal support plan soon after, and eliminating duplicate manual input, would improve the overall productivity of the assessment process.	User focused process design can help increase productivity	Review assessment and recording process to identify duplication in the process and areas where the process can be simplified and made more efficient through better use of technology.	All processes and procedures will need to be reviewed as part of the move to new structures and new ways of working. The Strategic Planning Manager will identify a resource to facilitate and coordinate this work in conjunction with the Locality Managers.	30/06/16	30/06/17		<b>July Update - Closed</b> New assessment process in place. Has been completed and can be closed.	Wendy Dale, Strategic Commissioning Manager
HSC1504ISS.1	Care Sector Capacity	Medium	A Joint Strategic Needs Assessment (JSNA) has been drafted by the Research and Information team in preparation for health and social care integration. This analyses demographics across the city and the attendant pressures on social care provision such as life expectancy, morbidity, deprivation, prevalence of unpaid carers and employment levels (affecting both need for social care and the availability of carers). While the JSNA gives a sophisticated analysis of the current demographic and economic profile of the city, it is a snapshot based on historic statistics. Forecasting is limited to percentage growth according to the National Records of Scotland population projections by age group. The demographic trends and pressures on social care provision identified in the JSNA have not been translated into the likely effect they will have on demand for services in the medium- to long- term. This means that the Council does not have a robust forecasting model of demand for social care in the City to inform its strategic planning.	Lack of robust forecasting models impedes informed strategic planning of future service provision; New service structures and initiatives may be created in an attempt to address current problems which are not suitable for changing demands caused by foreseeable movements and trends in the population.	Forecasting The JSNA should be developed into a robust forecasting model for demand for social care in the City. This should involve an appropriate level of scrutiny of the reliability of the data used and the assumptions used in the model. We recommend that an officer from Health and Social Care is involved in the development of the JSNA in order to assess the assumptions used. The forecasting model should include a sensitivity analysis to assess the likely impact of variation in forecast trends. This is particularly important given the recognised breadth and complexity of social and economic factors affecting demand for care. Gap Analysis Once demand for homecare services has been forecasted, the Service should identify the gap between current and required capacity. If the forecast is sufficiently nuanced, the Service will be able to identify the gap between available resources and need for different groups, types of care, and localities. Implementation To date, population projections have generally been used to illustrate the need for service reform. The forecasting model and gap analysis should be used to inform strategic planning of Health and Social Care services.	Forecasting The Edinburgh Health and Social Care Partnership's Strategic Plan includes as a priority the improvement of our understanding of the strengths and needs of the local population through the ongoing development of the JSNA. A working group has been established to carry out this work. Members include colleagues from Public Health in NHS Lothian as well as from the Health and Social Care Partnership. One of the work streams which have been identified for the group is to further investigate methods of forecasting needs among specific groups, and our Public Health colleagues are supporting this work. Sensitivity analyses will be built into forecasting models. Gap Analysis Existing methods enable the gap to be identified between demand and supply in broad terms. Further work will be done in conjunction with Strategic Planning and Contracting colleagues to provide analyses in relation to specific service models. Implementation Improved understanding of the strengths and needs of local populations, and the gap between demand and supply, will be used to develop service models and will inform strategic planning.	30/04/17	New Date required		<b>July Update</b> No further progress. This action is being taken forward through the ongoing development of the JSNA and the development of the Capacity and Demand Plan for Older People	Wendy Dale, Strategic Commissioning Manager
HSC1601ISS.6	Care Home Debt Management	Medium	Section 22(2) of the National Assistance Act 1948 states that "the payment (which a person is liable to make) for any such accommodation shall be in accordance with a standard rate fixed for that accommodation by the council managing the premises in which it is provided (and that standard rate shall be represent the full cost to the authority of providing the accommodation)." Historically the Council have not charged the full cost of accommodation provision and provided the accommodation at a discount to the full unit cost. The Chief Officer of the Edinburgh Health and Social Care Partnership is responsible for reviewing charges on an annual basis. Unit costs are updated regularly by Finance and are available to Health and Social Care senior management to inform decisions on charges. Rates charged to residents for Care Homes are currently based on a historic costs exercise thought to have been completed in approximately 2005, then updated by "inflationary" increases in subsequent years. These uplifts were not linked to the actual cost increases in delivering accommodation and in 2015/16 a cohort of 9 residents receiving specialist dementia care at the North Merchiston Care Home appear to have been charged £9.80 per week in excess of the Home's unit cost of care provision for all or part of the year (total over-charge: £3,059), an apparent breach of the National Assistance Act 1948. This situation did not recur in 2016/17 due to the contract changes with the company running the care	The Council appears to have charged this cohort of residents a sum in excess of what is permitted under the National Assistance Act 1948. The rates charged to residents in all Council provided accommodation needs to be reviewed for 2017/18 to ensure that they better reflect the actual cost of the care provided and prevent a similar recurrence.	The rates charged to residents in all Council provided accommodation needs to be reviewed for 2017/18 to ensure that they better reflect the actual cost of the care provided and prevent a similar recurrence.	The rates charged to residents in all Council provided accommodation will be reviewed for 2017/18 to ensure that they better reflect the actual cost. Finance will update unit costs to inform this review.	31/03/17	30/06/2017		<b>Update requested July - finding owner on annual leave returning 1777</b> A meeting is being arranged between the Strategic Planning and Quality Manager for Older People and colleagues in Finance to progress this action. NB: no changes have been made to care home charges for 2017/18, work to review their appropriateness in light of actual costs incurred will start once the revised staffing structures following the conclusion of the organisational review are in place. Suggest dependency be pushed implementation back to the end of June.	Katie McWilliam, Strategic Planning and Quality Manager for Older People
HSC1603ISS.3	Management Information [EIJB]	Medium	Monthly 'waiting for assessment' reports are generated by the Council Performance and Information team for locality managers, which identify the length of time service users have been waiting for an assessment by locality and by sector team. At 1 September 2016 there were 1,638 assessments on the waiting list, with 1,320 overdue (on the waiting list for more than 2 weeks). Delays in assessments in the community have an impact across the health and social care system and are likely to contribute to higher admissions to hospital. This information is not reported to the EIJB or its Executive Board. The number of patients remaining in hospital because their assessment is overdue is reported to the EIJB bi-monthly as part of the 'delayed discharges' report. At 1 September 2016 this number stood at 33, just 2% of the total number on the waiting list for assessments. Only 9 of those were overdue (0.7% of total overdue). In comparison, 78 delayed discharges recorded in July were caused by delays in arranging domiciliary care.	Risk that attention is focussed on effect rather than cause: a relatively small (though high impact) number of delayed discharge, with poor visibility of delays across the health & social care system.	Reporting on delays Management should consider including reporting delays in waiting times for assessments as part of bi-monthly delayed discharge reporting to the EIJB, to help members consider and address delays across the health and social care system (which may be contributing to higher admissions to hospital and delayed discharge rates). Lessons learned In developing the Performance Management Framework, management should consider the measures they report to ensure they give EIJB and Executive Board Members a full and balanced view of performance across the health and social care system, covering areas which are under the remit of both the legacy NHS and legacy Council teams.	Reports on delays across the whole system from point of referral to receipt of service are being developed and will be reported to the Performance Board on a monthly basis. The whole system approach to reporting that is being developed under the auspices of the Flow Programme Board chaired by an IJB member will provide greater transparency in terms of delays across the whole system. This report will also inform future reporting to the IJB.	08/03/17	31/07/17		Implementation date extended to 31/07/2017. Whole system reporting has been developed through the Flow Programme. We will be in a better position to confirm the regular reporting arrangements to the IJB Performance and Quality Group and through them to the IJB once the Annual Performance Report has been completed.	Wendy Dale, Strategic Commissioning Manager

Unique Ref	Project Name	Issue Type	Finding	Business Implication	Recommendation	Agreed Management Action	Estimated Implementation Date	Revised	RAG Status	Status Update	Owner
HSC1603ISS.4	Management Information [EIJB]	Medium	There is one member of the NHS Data Set Team responsible for pulling together and circulating delayed discharge reports to locality managers each week. We selected a sample of 5 weeks and confirmed that the report had been generated and circulated. We identified: One week where no delayed discharge report was circulated as the officer responsible was on annual leave; One week where additional information was missing as the officer responsible did not have time to complete it.	Locality managers do not have sight of delays if the staff member responsible for preparing management information is absent. There is a risk that this means resources cannot be targeted effectively, and the number of delays increases. There is a reliance on existing NHS and Council professional support arrangements which may not meet the needs of the EIJB.	Delayed Discharge At least one other member of the NHS or Council Data Set Teams should be trained in preparing delayed discharge reports to provide cover in the event of staff absence. Lessons Learned In developing the Performance Management Framework, the Edinburgh Health and Social Care Partnership should identify resources required to collect and analyse performance data and maintain a consistent quality of reporting to locality managers, the Executive Board, and the EIJB.	The resource requirements to meet the performance management requirements of the IJB will be identified as part of the development and implementation of the new operating structure in Health and Social Care.	31/03/17	31/07/17		Implementation date extended: the support services part of the new structure has not progressed as quickly as anticipated.	Rob McCulloch-Graham, Chief Officer: Edinburgh Health & Social Care Partnership
RS1245ISS.2	Personalisation & SDS - Stage 2	High	Although the Swift system has the capability of mandatory authorisation controls, current threshold costs set at £20K per week, potentially equating to £1.09M a year, are at such a high level that effectively there is no appropriate mandatory authorisation in place within the Swift system to prevent a service being attached to a client without the appropriate package of care approval.  From our small testing sample of eight cases we noted that: - • Only five out of the eight cases required approval for the package of care from Sector Managers • Only two out of these five cases tested fully satisfactorily • The remaining three cases did not fall within the approval procedural requirements.	Services could be attached which have not met the specified eligibility criteria, and may have a detrimental effect on financial budgets. In addition; policy and procedures may not be adhered to.	A control mechanism be introduced within the Swift system (or the new Adult Integration System) which ensures that no package of care service can proceed to conclusion within the Swift system 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.	Control mechanisms to ensure that appropriate approval arrangements are in place will be developed through the work being undertaken for the implementation of self-directed support. Specific actions identified by the Business Services Manager and SWIFT Programme Manager are detailed below  Business Services Manager - 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. The Procedure will detail: o who can authorise what placement/ service/budget and their level of authorisation o the mechanism through which authorisation will take place o the monitoring and quality assurance measures to be put in place to ensure compliance with the procedure Reports will be developed and tested to ensure staff comply with the procedure.  - 4-weekly automated payment reports will also be updated to include details of the Budget that has been approved on SWIFT and who authorised the spend along with the payment amount. The report will highlight new records (within the 4 week payment period) and variations between Budget against the actual payment amount. The criteria for identifying variations to be developed and tested.  SWIFT Programme Manager  The current process for approval on Swift, for a subset of services, is dependant on sector managers manually approving Financial Approval forms (questionnaires held in case notes). These forms don't prevent a service being added and merely act as a	30/06/15	31/12/2016		<b>July Update</b> <b>Closed/merged with HSC1503 Iss. 6.</b>  Under the processes introduced in May 2017, a senior social worker approves the personal care plan on Swift, and the service user's budget is generated from that plan.  Walkthroughs with Service Matching Unit and Locality Business Support in July 2017 confirmed that  a) Care providers are contracted for the services and hours stipulated on the personal care plan.  b) Financial approval from the Locality is required if the personal care plan is for more than 18 hours care per week.  c) invoices received from care providers are matched to approved budgets using the Swift financial package, and authorised for payment by the Locality.  Exception reporting is being developed by Strategy & Insight to identify instances where a personal care plan has not been approved, or has been created and approved by the same person (see HSC1503 Iss. 6).	Wendy Dale, Strategic Commissioning Manager
SW1601ISS.4	Social Work: Pre-Employment Verification	Medium	There was insufficient evidence to support the PVG checks of three nominated candidates who were 'existing Council employees'. The original PVG certificate is destroyed at the initial point of employment. Therefore recruiting managers of nominated candidates, who are existing employees, may not be aware of the 'vetting information' included in the original PVG Check. This restricts managers' ability to make an informed decision to proceed with the employment. It should be noted that Scheme Record Updates (which carry out a check between the original PVG Certificate issued; to the date of the requested update) do not include details of any 'vetting information' held within the original certificate. The current "Recruitment and Selection Guidance for Managers Pre-Employment Checks for Nominated Candidates" states that "no further check is required if the individual is a PVG Scheme member in the Council for the same type of 'regulated work'. There is potential for staff to be recruited to a role which is not appropriate given their previous convictions. For example; a person with fraud convictions may properly be recruited to a care home if they are not handling cash but a future appointment to the homecare service; with access to vulnerable people's funds may be approved without due consideration of the risk. In October 2016 a carer in East Lothian was convicted of Fraud amounting to £ 46,000 from two clients.	Recruiting managers may have insufficient evidence of PVG 'vetting information' to allow them to make an informed decision over whether to proceed with employment. This may lead to recruitment of staff not appropriate to the role.	All nominated candidates should be requested to bring their copy of the PVG certificate to the pre-employment checks meeting; in order to allow managers to make an informed decision as to whether to proceed with the recruitment process or to rescind the offer.	Locality Managers to obtain confirmation from their recruiting managers that nominated candidates are being requested to bring their PVG certificate to the pre-employment checks meeting. This requirement has been effectively communicated to all relevant managers / staff and a mechanism will be introduced to ensure that the requirement is being adhered to. This procedure will be embedded within the HSC and Safer & Stronger Communities protocol.	31/03/17	New Date required		<b>July Update</b>  Meeting held with Health and Social Care early July to agree actions and evidence required. Finding owner currently on annual leave and will progress on return.  IA has been advised that HSC awaiting evidence from Localities	Cathy Wilson, Business Support Manager, Health and Social Care
SW1601ISS.5	Social Work: Pre-Employment Verification	Medium	Testing identified that working practices between recruiting managers, HSC Recruitment, and HR Recruitment are not fully documented and this has led to inconsistencies including: - bypassing the HSC Recruitment Co-ordination Team; - inadequate recording of Criminal Convictions form (CCF) and PVG information; - inappropriate record management; and - no clear formal procedure has been issued to Recruiting Managers to	Key information may not be retained. HSC Recruitment Staff and Recruiting Managers may not be aware of what is expected of them. Risk of non-compliance with Disclosure Scotland's 'Code of Practice'.	Procedures should be produced by the HSC Recruitment Co-ordination Team in conjunction with HR Recruitment Team and senior HSC Management to ensure the recruitment process is safe, consistent and compliant with appropriate legislation and CEC policies. This should include the requirement to complete the 'PVG/Disclosure Risk Assessment Form'	HSC Recruitment Co-ordination Team will work with HR Recruitment Team to develop safe and consistent procedure including the requirement to update both of the PVG / Disclosure Forms noted. Procedures to be strengthened to ensure that we are up to date to reflect safe storage and retention procedures. HSC to formally communicate this to all relevant staff and recruiting managers, including the safe storage and retention periods of both forms. Confirmation of this to be sent to Locality Managers.	31/03/17	31/05/2017		<b>July Update</b>  Meeting held with Health and Social Care early July to agree actions and evidence required. Finding owner currently on annual leave and will progress on return.  IA has been advised that HSC awaiting evidence from Localities	Cathy Wilson, Business Support Manager, Health and Social Care
SW1601ISS.7	Social Work: Pre-Employment Verification	Medium	The HSC Recruitment Co-ordination Team carry out 'Bulk Interviews' on a monthly basis for Care Home and Homecare posts where there are a number of different posts required at different locations around the city. This is due to a high volume of staff movement within these posts, which due to the nature of the posts are required to be filled timeously. However, it was established that the 'Location Manager' who the nominated candidate reports to on their first day of work is not necessarily the same manager who has interviewed the candidate or taken the candidate through the pre-employment checks to check their identification. It is acknowledged that this carries the risk that the person who turns up for work may not be the person that was interviewed.	Risk of identification fraud resulting in the Council employing a candidate who does not have the skills or experience required to fulfil the duties of the post. Risk of financial sanctions re Right to Work in UK Legislation	All nominated candidates be requested to bring photographic identification with them which should be checked and verified by the 'Location Manager' on the candidates first day of work. Failure to bring the appropriate identification should result in the candidate being refused to start work within the Council. This should be embedded within H&SC and Safer and Stronger Communities procedures and communicated to all relevant staff.	Locality Managers to seek confirmation from either recruiting managers and/or location managers to ensure that candidates are being requested to bring photographic ID on their first day of work. This process will also be embedded within the H&SC and Safer & Stronger Communities procedures and communicated to all relevant staff.	31/03/17	31/05/2017		<b>July Update</b>  Meeting held with Health and Social Care early July to agree actions and evidence required. Finding owner currently on annual leave and will progress on return.  IA has been advised that HSC awaiting evidence from Localities	Cathy Wilson, Business Support Manager, Health and Social Care

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SW1601ISS.8	Social Work: Pre-Employment Verification	Medium	The Council's Recruitment and Selection Policy states that "all individuals in the recruitment and selection of potential candidates on behalf of the Council" must receive Council training in equality issues, Safer Selection, and the application of the policy". The CECIL Competency Based Recruitment and Selection module under "Safer Selection and Pre-employment Checks; notes the Council's approach to safer selection includes 'Mandatory training for all recruiters' and that if a manager recruits on a regular basis they should repeat the modules every 2 years. Checks were carried out on twenty individual managers who were involved in the recruitment of the nine nominated candidates whose PVG check had returned 'vetting information'. Testing highlighted that seven of the twenty managers have either not received the mandatory training or the fact that they have completed the training, has not been recorded on the iTrent system. Details of the seven managers noted above were subsequently provided to the HSC Business Manager.	Managers are not complying with Council Policy. Managers may be undertaking the recruitment process without having the required skills to make an informed decision as to whether the candidate is suitable for the post.	All managers identified through audit testing as not complying should be contacted to establish whether they have completed the mandatory training. The iTrent system should be updated with the date completed.	The HSC Business Manager will resolve this issue with the individual Locality Managers and ensure iTrent is updated on satisfactory completion.	31/05/17		Red	<b>July Update</b> Meeting held with Health and Social Care early July to agree actions and evidence required. Finding owner currently on annual leave and will progress on return.  Managers have been reminded that mandatory training must be completed before undertaking any recruitment activity and to ensure that the iTrent system needs to be updated with the date training was completed. Awaiting evidence from the Locality Managers.	Cathy Wilson, Business Support Manager, Health and Social Care
		Medium					A review of the iTrent information held for each recruiting manager within Health and Social Care should be undertaken to establish any manager who has not completed the Recruitment and Selection training within the last 2 years. Any manager who is identified as not having complied with this training requirement should be requested to complete the training as soon as possible and not recruit staff until they have undertaken the training. A mechanism for monitoring the mandatory				
<b>EJJB</b>											
HSC1604ISS.3	IJB Data Integration & Sharing	Medium	During our audit procedures, we observed there are compatibility and connectivity issues when using CEC hardware at NHS locations or to access NHS owned systems and vice versa. CEC staff have experienced difficulties in connecting through Wi-Fi at NHS sites (and vice versa) in order to access their emails, and some systems cannot be accessed using specific hardware such as mobile devices (i.e. tablets, mobile phones).	There is a risk of the operational efficiency and effectiveness being impacted by an inability to access system in a timely manner.	The IJB should ask for a review of connectivity and hardware compatibility to be conducted in NHS and CEC sites, to ensure all staff can be fully operational wherever they are located.	The ICT and Information Governance Steering Group will request a review of connectivity and hardware compatibility to be conducted across all sites housing integrated teams and consider any recommendations arising from that review.	30/06/17	New date required	Yellow	Update requested 14/7/17	Wendy Dale, Strategic Commissioning Manager
<b>ICT Solutions</b>											
CW1601ISS.5	Monitoring of Contract Payments	Advisory	A '90 Day Plan' has been instigated by the Head of ICT to accelerate deliverables overdue, and the governance arrangements have been revised in line with this. A contract governance schedule (8.1 annex 1) notes the following key governance forums; ICT & Digital Board, Supplier Management Board and Programme Boards. These Boards were to meet monthly or more frequently, as agreed. In practice, the ICT & Digital Board was never constituted. It effectively merged with the Supplier Management Board into the Joint Management Board (JMB). The roles of these now form part of a composite 'Weekly Progress Meeting (WPM)'. The weekly meeting is attended by CGI and Council ICT Senior Management Teams, and includes a relationship meeting, workforce update, service issues & escalations and change management review, commercial review, and sessions for each major project. The 90 day plan is reviewed in the WPM sessions, and current actions and RAG status of key issues updated. It is intended to go back to the contract to ensure that the current arrangements meet the contractual obligations. It was noted that as the contract appendix does not actually prescribe the meeting titles, no contract rules have been broken by changing the arrangements. ICT Solutions governance arrangements outlined in the Orb reflect previous arrangements. Partnership management structures noted include forums no longer in place, such as the ICT Board.	Governance arrangements in the Orb are out of date and may lead to confusion.	ICT Solutions governance information published in the Orb requires to be updated to remove erroneous content.	Agreed.	31/05/17		Red	<b>July Update</b> Evidence of revised ICT governance framework provided and now published on the orb. IA has some follow-up questions based on evidence provided. Meeting scheduled for 25 July to discuss.	Ana Dragic, ICT Digital Team Lead
		Red			Management should ensure that ICT systems within the Council have been identified and classified appropriately. Disaster recovery processes should be vigorously tested to validate the ability of the Council to successfully recover systems and data within the defined timescales set by stakeholders. For systems that are identified which are not managed by central ICT (Shadow IT), Management should consider how they could work with the system owners in ensuring that these systems are resilient and can recover following a major incident.	Management should ensure that ICT systems within the Council have been identified and classified appropriately. This will be conducted for all centrally managed IT. See below for consideration of 'Shadow IT'.	30/06/17	31/08/17	Yellow	<b>July Update</b> 8 key systems identified: full prioritisation/alignment with BCPs not completed. IA has requested rationale for the 8 key systems identified to understand the basis of selection. Meeting scheduled 25/7 for further update.	Neil Dumbleton, ICT Security Manager

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CW1603ISS.1	External Vulnerability Assessment	Medium	Following the transition of IT managed services from BT to CGI in early 2016, there have been remediation activities across the Council's estate to improve the security across infrastructure, networks and systems. Remediation plans to recertify for Public Sector Network (PSN) accreditation and ongoing progress with the Security Management Plan (which defines the baseline security measures CGI will implement) have helped to further secure the Council's defences since this time. The Council have attempted to define an overarching security programme to coordinate these security improvement efforts. However Management have been constrained by a need to remediate current control issues. As a result, this overarching programme has not been progressed. Security improvement activities are not being carried out as part of a wider programme (joining together the SMP as well as other security activities such as user education and identification of shadow IT elements) to ensure that efforts are coordinated and prioritised in such a way that would allow the most significant risks to the organisation to be addressed. Furthermore, the lack of security programme means that there is not a consolidated approach that would in form Senior Management of progress, provide oversight over the status of enterprise security and allow visibility over significant security gaps within the Council. It is therefore challenging for ICT Management to obtain the required engagement from stakeholders to make	Without an overarching programme of IT security, there is a risk that improvement activities are not coordinated appropriately or reported on to Senior Management. As a result, high risk items may not be prioritised effectively or attention is given to work that may provide little benefit in reducing significant vulnerabilities and securing the Council's enterprise security. Furthermore, costs to the Council may escalate if improvement activities are not challenged with sufficient rigour.	The Council, with the support of CGI, should implement a formal programme of security that would consolidate the security improvement and remediation activities across the organisation.	A security programme will be prepared by CGI, reviewed by the ICT Security Manager and subject to approval by the Head of ICT. CGI will be responsible for the implementation of the Security plan.	30/06/17	New date required		<b>July Update</b> Security Management Plan updated, and Security Programme developed. More information/work required on ICT security governance structures.  Meeting scheduled for 25/7 to discuss whether finding can be downgraded based on work performed to date.	Neil Dumbleton, ICT Security Manager
<b>Place</b>											
CW1502ISS.1	Governance Arrangements - Arms Length Companies	Medium	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. We understand that all Arms Length Companies are different and that they will require different levels of intervention and interaction with their Observer. We would however, as a minimum expect the following from Observers: Attendance as an observer at all Board and Audit Committee meetings; Regular receipt and scrutiny of risk registers; Regular receipt and scrutiny of management accounts and accompanying management information; and Regular access to management. We identified the following instances where these minimum requirements were not met: EICC: - the Observer attended 5 out of the 6 Board meetings tested but does not attend the Audit Committee meetings; and EDI: - the Observer attended 2 out of the 4 Board meetings tested. 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.	Observers may not carry out scrutiny to the required level when carrying out their governance roles of Council Companies on behalf of the Council. 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.	Process documentation covering as a minimum the following points, should be prepared and maintained for each of the Arms Length Companies within Place. Key management contacts; Basic structure of the entity; Key risks to the Council arising from the entity; Nature/timing of meetings attended; Key management information/reports received, their frequency and source; Use made of/procedures undertaken on management information received including any early warning thresholds/ KPI's; and Reporting requirements for the relevant scrutinising Council Committee.	To produce process documentation covering the above points for Transport for Edinburgh, Edinburgh Trams, and Lothian Buses.	31/12/16	31/05/17		<b>Update requested 14/7/17</b>	Paul Lawrence, Executive Director of Place and SRO
PL1601ISS.2	Recycling Targets	Medium	Contractors submit weighbridge tonnage data each month, which is used to calculate the recycling and landfill tonnage reported to the Transport and Environment Committee, and to prepare the annual SEPA submission. The current system for logging weighbridge tonnage submissions is manual as contractors provide their submissions in varying formats, some of which require further calculations to be made by Waste Services to establish the required figures. The data is entered manually into three separate databases, twice by the administrator and once by the Waste Collection Route Manager. The same data is entered into each database, with no significant differences in functionality between them.	Manual input could lead to errors in raw data used to calculate key performance measures; and Inefficient use of resources due to duplication of manual data input.	Automated data submission Contractors should be required to submit monthly weighbridge tonnage data in a prescribed format to support batch uploads of data to the tonnage database and reduce the need for manual data entry. Many contractors now have weighbridges which can produce tonnage data electronically and in real time. Management should investigate whether it is feasible to obtain this data directly. In the short term, a single database should be used for analysis and reporting. This will mean data only needs to be entered once.	There will be a review of the current process with the aim of implementing the recommendation of reducing the number of times data is inputted. This action will be taken forward on completion of the transformation process and once team structures are in place.	31/10/16	30/09/17		<b>July Update</b> Meeting held 10/7/17 for update. 1) Date of end September is unrealistic for resolving multiple data input challenges. 2) Also need to ensure that data has been entered correctly. 3) IA to remain close to finding and monitor progress with September implementation date. 4) Weighbridge data flow return is to be looked at as a detective control to identify variability on a month by month basis. This information is to be provided to internal audit to ascertain its use as a detective control. 5) The service is to identify if it is feasible to sample high value invoices to identify possible mismatches with weighbridge information.	Lesley Sugden, Waste Strategy Manager
						Within all new procurement exercises going forward part of the technical specification will address the potential for direct access to contractors weighbridge systems. Where this is not possible the Council will provide an appropriate format for the return of weekly tonnage information to reduce any requirements for double handling data. In addition the Council will investigate the use of the E-doc system with contractors which requires upload of weighbridge tickets to a secure cloud based portal.	31/03/17	31/03/17		<b>July Update</b> Meeting held 10/7/17 for update. Specification document has been updated and employed on the new dry mixed; food waste and residual waste contracts, which cover circa 70 - 75% of the tonnage weighed by the weighbridge. Calibration clauses are included in all recycling contracts. Weekly tonnage reports are also being provided by our Principal Contractors. [Closable on receipt of Evidence]	Lesley Sugden, Waste Strategy Manager
PL1601ISS.3	Recycling Targets	Medium	Waste service regulations require all weighbridges to be periodically calibrated by an independent regulator. The current contract specifications allow Waste Services to request these certificates for review. To date no contractor has been asked to submit their calibration certificates. Historic data had to be amended in February 2016, when errors on weighbridge downloads for food waste were identified for November 2015. The weighbridge was recalibrated. This was detected through a variance analysis completed by Waste Services, but may have been identified sooner had calibration certificates been requested from the contractor.	There is a risk that inaccurate weighbridge data is not identified resulting in higher payments to contractors and/or increased landfill tax if reported tonnage is higher than actuals.	Contract managers should request calibration certificates on a regular basis for assurance that accurate tonnage data is received from contractors.	A letter will be sent to all relevant contractors to request a copy of the most recent weighbridge calibration certificate. All future contracts will ensure that the annual requirement for a weighbridge calibration certificate is part of either the Terms and Conditions of Contract or will be contained within the Technical Specification itself. It may be considered to form a KPI within contracts going forward.	31/12/16	30/04/17		<b>July Update</b> Meeting held 10/7/17 for update. Letters to be sent to all contractors with a return date of 30/04/2017. IA to be provided with details of contractors who have provided calibration certificates, and a list of all calibration certificates requested.	Lesley Sugden, Waste Strategy Manager

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PL1601ISS.4	Recycling Targets	Medium	There are a number of Council service areas and divisions effected by the waste management strategy but are unaware of key issues, regulation changes and decisions. This appears to have been as a result of key stakeholders not having been appropriately identified and engaged in all areas of the process. The key stakeholders for the Council's overall waste management strategy are wide ranging, affecting related strategies and span both across the Council and externally.		As outlined within the response to Action 2, it is our intention to refresh the existing strategy and to consult with both internal and external stakeholders to help shape the final strategy. A series of commitments/actions will be a key output from the strategy and progress against individual actions/commitments will form a key part of reporting progress to stakeholders.	As outlined within the response to Action 2, it is our intention to refresh the existing strategy and to consult with both internal and external stakeholders to help shape the final strategy. A series of commitments/actions will be a key output from the strategy and progress against individual actions/commitments will form a key part of reporting progress to stakeholders.	31/03/17	30/09/17		<b>July Update</b> Work is continuing on the new Waste and Recycling strategy, this is not due to be presented to the Transport and Environment Committee until October at the earliest. A commitment to the date that the Waste and Recycling strategy is to be presented to committee, the committee papers and the outcome of the committee are to be provided to audit. The action can be reduced to low on the satisfactory receipt of this information. The strategy will then need to be communicated to stakeholders before the action can be closed	Angus Murdoch, Strategy Officer
PL1601ISS.5	Recycling Targets	Medium	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. The Council's strategic aim is to reduce overall waste being sent to landfill within the local authority by increasing recycling participation. Budgets have been set aside for schemes to increase public awareness and participation in an effort to achieve this strategic aim; however, a group of contributors to Edinburgh's overall waste (i.e. Council employees themselves) is being overlooked by not allocating sufficient resource to internal waste management schemes. In addition, there is a lack of data on how much waste is sent to landfill as a result of Council operations; therefore it cannot be accurately quantified how much the internally generated waste is costing the Council in landfill charges.		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 incorporating 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. Opportunities to improve the way in which the Council gathers and records data on its own waste arisings will be a key outcome of the working group. The Council's Trade Waste Service (part of the Waste & Fleet structure) has already met with Facilities Management to identify opportunities to increase the range of recycling opportunities across the Council estate. New services such as food waste recycling will be available in major Council offices such as Waverley Court and is already available across a number of schools.	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 incorporating 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. Opportunities to improve the way in which the Council gathers and records data on its own waste arisings will be a key outcome of the working group. The Council's Trade Waste Service (part of the Waste & Fleet structure) has already met with Facilities Management to identify opportunities to increase the range of recycling opportunities across the Council estate. New services such as food waste recycling will be available in major Council offices such as Waverley Court and is already available across a number of schools.	30/09/16	New date required		<b>July Update</b> - meeting held 10/7/17 to discuss  Recycling bins have been provided to corporate buildings (Gareth Barwell believes this is over 60% complete) The capital for this project was around 75K overspent last year and has no budget this year, so unsure re feasibility of ongoing roll out Factsheet or Cecil leaning module could be provided and tracked to evidence that users know how to use the recycling bins. If it can be evidenced that 70% of buildings have recycling bins the action rating can potentially be reduced to low risk.	Karen Reeves, Technical Team Leader
PL1601ISS.6	Recycling Targets	Medium	There is no formal review plan in place for the Council's Waste & Recycling Strategy 2010-2025. In addition, there is no clear action plan with assigned responsible individuals that stems directly from the strategy and assists for overall monitoring and review of the strategy. Instead, individual projects are created from the strategy that are monitored and reviewed individually on an ongoing basis. This is deemed sufficient for operational purposes, but there should still be an overarching review of the strategy as a whole on a regular basis to ensure that it remains relevant.		It is recognised within the service that the Strategy needs to remain as a 'living' document with appropriate points in its delivery for review. A number of the commitments within the existing document have been delivered and it is the intention that the existing strategy undergoes a complete update/refresh. It is proposed that the refreshed strategy is consulted on with both key internal and external stakeholders to agree the contents and accompanying action plans. The key purpose is to develop a roadmap of commitments, projects and actions for the service. Waste & Fleet Services are currently in the latter stages of an organisational review, a key part of which has been the establishment of the Service Support Unit (SSU). A Waste Strategy Manager has been recruited and joins the SSU in early January. A number of project delivery roles also exist within the strategy team. This increases and strengthens capacity within Waste & Fleet in order that the review and refresh of the existing Waste Strategy can commence in line with the proposed target date.	It is recognised within the service that the Strategy needs to remain as a 'living' document with appropriate points in its delivery for review. A number of the commitments within the existing document have been delivered and it is the intention that the existing strategy undergoes a complete update/refresh. It is proposed that the refreshed strategy is consulted on with both key internal and external stakeholders to agree the contents and accompanying action plans. The key purpose is to develop a roadmap of commitments, projects and actions for the service. Waste & Fleet Services are currently in the latter stages of an organisational review, a key part of which has been the establishment of the Service Support Unit (SSU). A Waste Strategy Manager has been recruited and joins the SSU in early January. A number of project delivery roles also exist within the strategy team. This increases and strengthens capacity within Waste & Fleet in order that the review and refresh of the existing Waste Strategy can commence in line with the proposed target date.	31/03/17	30/09/17		<b>July Update - meeting 10/7/17</b> Responsibility for the drafting and delivery of the waste and recycling strategy has been recognised within the scope of the Technical Co-ordinator role. This will involve a review of the existing strategy. Waste and Recycling strategy review is ongoing. Evidence to be provided to IA of the ongoing workplan and ownership of the Waste and Recycling review as well as an agreed frequency for this to be reviewed.	Angus Murdoch, Strategy Officer
PL1602ISS.2	Licensing	Medium	Schemes of delegation covering licensing powers and responsibilities are in place for civic licences (the Council scheme), and for licences governed by the Licensing Board. For civic delegated decisions where an application is a renewal and non-contentious, the Authorised Officer can be a Licensing CSO (GR6). This level of authority is not formalised in writing within the section. Delegated authority for granting licences was reviewed for a sample of twenty five applications processed in 2015/16. The following issues were noted: Licences for 60 market stalls required at short notice over the festive period should have been subject to Councillor consultation. As none were available, a Senior Officer countersigned the grant sheet; Supporting papers could not be found for one application. As grant sheets are not scanned in to the APP system, no evidence could be obtained as to the level of authority required to grant this licence. 3. All applications categorised as 'new' require Councillor consultation, however one new application reviewed appears to have been incorrectly categorised as a renewal and the decision delegated to an Officer. It was noted that for changes in ownership of existing HMOs notified within 28 days of change, the application can be signed off as a renewal. In this case, actual date of ownership was difficult to determine from the supporting documents held.	There is a risk that delegated authority is used to grant applications that should be considered by elected members.	Delegated powers within the section require to be formalised. A guidance note should be produced to accompany the scheme of delegation, outlining the categories of application that can be signed off by Officers, and at what grade. Guidance should cover the requirement for segregation of duties between CSOs processing an application and granting the licence. Guidance should also cover the procedure and any retrospective validation required where Councillor consultation is not available within the required timescale. Copies of signed grant decision sheets should be held in APP to evidence the granting or refusal of the licence.	A guidance note accompanying the Councils Scheme of Delegation to Officers will be prepared for all licensing staff and discussed with elected members. All staff will be briefed on this guidance. The Team will be instructed that all grant/refusal decision sheets must be scanned and indexed in the relevant action diary within APP.	31/10/16	30/06/2017 31/07/2017		<b>July Update</b> Amendment to scheme of delegation was agreed at full Council on 29 June (para 3.6 of the operational governance framework report). Paragraph 178 of the standing orders was amended to remove Councillors from role.  A briefing note has been prepared explaining the change to the new Convenor. It was expected that this would take place in May but was delayed as the new administration was not in place. The existing deadline was agreed with an expected May completion date and has now been changed to end July. deadline was agreed when we expected a May report.  Now that the change is agreed letters of delegation are being updated for Director approval. Once approval received, a staff briefing will be prepared reminding them all of the new procedure.	Andrew Mitchell, Regulatory Services Manager

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PL1603ISS.3	Mortuary Services	Medium	The current Bereavement Services risk register, dated July 2015, outlines a range of controls in place as part of the mitigation strategy to manage the body holding capacity risk. The risk was escalated to the Place risk register, and as at April 2016 was in the top 10 Departmental residual risks, categorised as one of the most controlled risks due to the controls noted as being in place. The mitigation strategy includes the following: Mortuary plan in place; and Staff training and participation in a Service quality action group. The Scientific, Bereavement and Registration Services Senior Manager noted that there are no formal mortuary plans in place covering arrangements to minimise storage times, and no such training is currently being delivered. In addition, no Service KPIs or performance / service standards are currently produced. Quality documents for the Mortuary covering forms, plans and procedures are being drafted. The mitigation strategy also notes that Funeral	The lack of an accurate risk register and formal mortuary plan increases the risk that intended controls are not implemented in practice leading to inefficient use of resources and demand not being managed effectively.	The Bereavement Services risk register requires to be updated to reflect current controls in place. Issues currently outwith Council control should be added to facilitate wider discussion on ways to better manage these. A mortuary plan should be prepared covering the management of body holding capacity. The plan should include: An outline of current arrangements; An outline of all key stakeholders; Service standards expected of Mortuary staff to ensure an efficient, prompt and respectful service; Standards expected of key stakeholders, for example, processes to be followed by Police when storing a body out of hours, prompt notification from Funeral Directors when assigned, and prompt collection by Funeral Directors when notified that a body has been released for uplift; and A	Work with Environment Service and Place Directorate to update the risk register post transformation review. A mortuary plan is under development and should be completed before the end of December 2016. Implementation by 31/01/2017 is anticipated.	31/03/17	New date required		<b>July Update - meeting held 10/7 to discuss</b> 1) A risk register is to be created. 2) Operational plan to be produced to track and forecast demand. This could be high risk as the Council is providing services to other local authorities and may not be able to meet the additional demand. 3) A contingency plan is to be produced to ease pressure on the council mortuary at times of high demand and it should be evidenced that this has been tested. 4) Potential for rating to be reduced to low if the risk register and operational plan can be evidenced. 5) Action can be closed on the receipt of evidence that that the risk register, operational plan and contingency plan have been implemented and tested.	Robbie Beattie, Scientific, Bereavement & Registration Services SeniorManager
PL1603ISS.5	Mortuary Services	Medium	The City Mortuary is a key stakeholder in the following plans: City of Edinburgh Council (CEC) Emergency Plan; interim update Jul 2014; CEC Corporate Business Continuity Plan; Oct 2013; CEC Corporate Pandemic Influenza Business Continuity Plan; Jul 2009 (re-issue due Apr 2017); Emergency Mortuary Management Arrangements Module of CEC Emergency Plan; draft Apr 2015; Services for Communities Contingency Plan (Bereavement Services); draft Jul 2015; and Services for Communities Business Continuity Plans for Bereavement Services; Dec 2013. There are inconsistencies and gaps between the plans including: The Bereavement Services contingency plan includes no detailed action plan covering body storage arrangements in the event of an extensive emergency, such as a pandemic, where National / reciprocal body storage resources will not be available. This area is currently under review nationally via the Scottish Government Silver Swan exercise; and The Emergency Mortuary Management Arrangements module, covering arrangements in response to intensive emergencies outlines the locations and number of body storage units within the Council and externally. This does not reflect: The basic storage available at the Mortuary; The current location of the Council emergency units; Average spare capacity for NHS Lothian, as determined at Easter 2016; and Average spare capacity of the Queen Elizabeth Hospital in	If contingency plans in place are not comprehensive, with accurate and up to date capacity information, the required actions to be undertaken by Council staff may be unclear, increasing the risk of inappropriate treatment of fatalities.	All Mortuary Service contingency plans require to be reviewed and redrafted to ensure that they are up to date, comprehensive and reflect current government guidance. Capacity and location information within contingency documents should be corrected to reflect current arrangements. Following review and update of plans in place: Training should be rolled out to staff; and The Corporate Resilience Unit should be provided with updated extracts.	Work with Corporate Resilience Unit to update contingency plans drafted before transformation review. Work with NHS Lothian to support them taking on the role of host mortuary for mass fatalities, thus easing pressure on Council mortuary.	31/03/17	New date required		July Update - as per finding above - actions to resolve both are linked.	Robbie Beattie, Scientific, Bereavement & Registration Services SeniorManager
SFC1403ISS.2	Community Recycling Centres	Low	The current CRC site policy appears very basic and inappropriate to adequately safeguard Council resources. Having such a basic policy exposes the CRCs to increased risk of commercial waste being passed off as household waste. The current policy may not be appropriate for modern CRC facilities and as a consequence, user guidance on the Council website is not sufficiently prescriptive or accurate to inform the CRC site user.	Loss of income to the Council  Increased cost of disposal of commercial waste passed off as domestic waste  Failure to meet residents expectation and reputational damage	CEC should consider a detailed and modern policy document to reflect the increased costs and environmental demands of providing this service.  This should be considered at the same time as the chargeability of certain types of household items (i.e. reclassification of waste created from improvements, repairs and alterations to a household).  Once the policy has been modernised and approved, an accompanying user guidance document and customer charter should be created and published. This should cover the following:  Items accepted Permitted vehicles (including hired vehicles, trailers, vans) Household and commercial waste requirements When customers need to register with the Council to use the sites Charging policy and methods of payment Hazardous waste Charity waste Health and safety requirements	A policy and procedures document is to be drafted and consulted upon before being released.	31/03/15	31/07/17		<b>July Update - meeting held 10/7/17 to discuss</b> The policy cannot be approved until the August Transport and Environment committee at the earliest and the procedures implemented after the approval of the policy.  Date noted s no longer achievable given timing of committee.  Actions: 1) A revised date of completion is to be provided to Internal Audit 2) A commitment to the date the CRC policy is to be presented to the Transport and Environment Committee is to be provided to Internal Audit and well as the draft committee papers. 3) Finding can be closed once the policy has been approved at committee.	Bob Brown, Waste & Cleansing Operations (Waste) Manager
SFC1403ISS.3	Community Recycling Centres	Low	It was noted that physical security and enforcement measures for the CRC sites was not sufficiently robust.  There is no number plate recognition technology in place, CCTV coverage is incomplete and it is possible for individuals to enter and remove items of value both during opening and closing hours. There are no CCTV cameras covering the weighbridge that would protect the integrity and safety of weighbridge staff and ensure that no cash transactions are taking place.	Safety of site officials compromised  Risk that valuable items can be removed  Abuse of Council service results in loss of income and/or increased costs	Security at each of the three CRC sites should be reviewed and strengthened.  The use of CCTV and monitoring at each site should be carefully considered to ensure that coverage is adequate and covers the high risk areas (metal disposals, weighbridge and re-use cabin). Consideration should be given to using automatic number plate recognition (ANPR) technology in conjunction with CCTV to make sure that CRCs are used appropriately, safely & securely, to monitor vehicle usage (including detecting any patterns) and to assist with disputes & complaint procedures.  As both a preventative and detective measure, use of a dedicated enforcement officer for a short period of time at each of the sites might highlight whether there is a wider issue of abuse of the system.  A robust enforcement and site security infrastructure would be a vital requisite for any strengthening of site usage policy and charging structure.	Constant monitoring of site security is to be implemented.  CCTV images re-directed to the main office at Powderhall with images also mirrored at the security office.  The weighbridge software is being changed to accommodate ANPR piloting at Powderhall. This is to be rolled out to Sighthill and Seafield CRC sites and be operational by March 2015.  Discussions with Community Safety regarding the implementation of an enforcement approach and associated support will be held.	31/03/15	31/12/17		<b>July Update - meeting held 10/7/17 to discuss</b> 1) CCTV has been installed at all sites and monitored centrally by Security. The CRC policy is required to allow staff to enforce the correct usage. 2) Automatic number plate recognition is to be implemented to identify repeat visitors and produce hot spot reports. ALready in place at Seafield and Sighthill depots. 3) A conflict resolution training programme has been implemented for CRC staff. 4) The enforcement of the usage policy is now the responsibility of the CRC staff not community safety and enhanced security has been implemented at Craigmillar CRC. Actions: • This action can be closed on the receipt of evidence that constant monitoring of site security has been implemented.	Bob Brown, Waste & Cleansing Operations (Waste) Manager

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<b>Resources</b>											
CF1402ISS.1	School Meals	Low	<p>For the school meals service delivered by SFC, the roles and responsibilities of key officers within SFC and C&amp;F were not clearly defined in a formal document such as a service level agreement (SLA) or working protocol.</p> <p>Although processes have not been formalised, good cross departmental working was evidenced between the C&amp;F Development Officer and SFC Catering Performance Officer. This collaboration was specifically noted within the menu planning process. Similarly Facilities Managers (FMs) and Kitchen Supervisors work closely with School Business Managers to resolve issues on site.</p> <p>It is understood that Corporate Facilities Management are producing SLAs for cleaning and janitorial services, however catering is not in scope at present. It is viewed differently as the end user of the service delivered is external, i.e., the pupils rather than Council staff.</p>	In the absence of any documentation the service is reliant on the knowledge of key members of staff and staff changes may impact on the effectiveness of the service.	Consideration should be given to preparing an SLA to outline the respective responsibilities within key cross departmental processes in delivery of the school meals service.	As part of a wider Facilities Management Review for the clarity on roles and responsibilities of key offices within SFC who have responsibility for delivering the schools meals service it is proposed that an SLA between C&F and SFC be put in place to ensure a first class school meals service is delivered.	30/04/15	30/09/2017 31/12/2017		<b>July Update</b> SLA completion is dependent on organisational reviews. Initial expected completion date was Sept 2017 and this has now been revised to December 2017.	Mark Stenhouse, Facilities Management Senior Manager
CG1503ISS.1	Continuous Controls - One Time Payments	Medium	<p>The One Time Payment Form (OTP) is defined as being for 'one time' payments which do not relate to a contract for supplies and services. However, the audit review highlighted that the OTP system is being heavily used for multiple payments in the following categories: System workarounds: Oracle payment system cannot make payments to non UK bank accounts; and Historically suppliers such as the DVLA and Sheriff Clerk required individual cheques provided with each application for Vehicle Tax or Council Tax Summary Warrant. This practice remains when other more efficient debit or electronic payment options should be available.</p> <p>Inefficient Channel: Due to either a lack of knowledge of options available; or lack of access to CEC systems; a large number of cheques are raised by CEC to CEC or to suppliers already on the database. Key examples of this are: Replenishment of Libraries Petty Cash Imprest; and Client account transfers in H&amp;SC.</p>	By their frequency and nature one time payments are subject to less rigorous verification controls on set up. The system also holds less data, for example supplier number and authoriser are not held. This increases the risk of: fraud and error being undetected; payments being made to inappropriate individuals or companies; key vendor system controls being bypassed leading to increased costs; incorrect financial figures being given in respect of FOI or other monitoring requests; and inefficient use of resources.	Channel shift should be embraced to move regular multi-payments to a more efficient platform.	Business World system is implemented. Procurement state that any methods of making payments to DVLA and Post Office is a statutory requirement and will have to continue at present. OTP 'S relating to vendors will only be accepted if payment is for a rebate only. [wef 18/1/16] Payment Services will request that these types of payments are set up in the new BW system as a sundry account and paid via BACS/Cheque. It must be noted that the new BW e-solution will not have the facility to convert currencies that are not British pounds.	31/10/16	01/10/2017 31/07/2017		<b>July Update</b> Whilst these actions are intrinsically linked to the implementation of the new Business World system (now expected to deliver April 2018), management has confirmed that revised interim controls have been implemented to mitigate this risk. A walkthrough of the enhanced controls has been scheduled for week commencing 17 July 2017. If the revised controls are assessed as adequate and evidence of their operation provided, this finding will be closed. <p>Ongoing focus in the short term has resulted in volumes of OTPs being minimised, with OTPs now limited to rebates since Jan 2016. However as noted DVLA and Post Office payments are statutory.</p>	Neil Jamieson, Customer Senior Manager
CG1511ISS.2	Continuous Testing-Standby, On Call & Disturbance Payments	Medium	<p>Guidance is published on the Orb for standby, on call and disturbance payments, setting out the rules and rates applicable. This guidance is supported by frequently asked questions. It is however a complex area with a range of common and less common situations, and in practice various combinations of allowances are claimed. The complexity of the process does not help scrutiny of claims and provides opportunity for inaccurate or inappropriate claims to be approved. Issues contributing to weakening the control framework, whether intended or otherwise are outlined below:</p> <ol style="list-style-type: none"> <li>1. Lack of relevant detail in narrative fields preventing proper scrutiny of claim. Claims often just have "Call" and not enough information to identify separate or repeat incidents;</li> <li>2. There are different claim forms for "Standby and Call-out", Overtime, "Non-Standby Call-out". The fact that these are separate and often input at different times makes robust scrutiny more difficult;</li> <li>3. Core and standby periods used by areas often differ from the published times provided by the Service Area; and</li> <li>4. Frequent failure to reset claim forms leading to conflicting dates appearing on forms.</li> </ol>	Claims being made and authorised in excess of what is appropriate as claims are accepted at face value with insufficient data to validate them.	The claim process should be simplified where possible on the migration to the new payroll system.	Management are aware of the weaknesses of the current HR/Payroll solution and have retested the functionality to confirm the findings contained in the report. Configuration of the Business World solution will where possible include reduced complexity to prevent the recurrence of these issues going forward. Ongoing we will document specific system controls that have been configured within the new system to preclude recurrence of these issues. This will be shared with Internal Audit for the purposes of completeness and ensure we have in fact closed out the weaknesses identified.	31/10/16	30/09/2017 01/04/2018		<b>July Update</b> Whilst these actions are intrinsically linked to the implementation of the new Business World system (expected delivery date April 18), management has confirmed that they are implementing new controls into the existing process to mitigate the risk. It is expected that these will be in place by end of August 2017. <p>Audit will arrange time to perform walkthroughs and obtain supporting evidence in early September. If the revised controls are assessed as adequate and evidence of their operation provided, this finding will be closed.</p>	Grant Craig, People Support Manager
CG1511ISS.3	Continuous Testing-Standby, On Call & Disturbance Payments	Medium	<p>The iTrent payroll system in its current configuration lacks basic automated input controls to validate the quality of information submitted. This leads to a high number of erroneous claims being accepted. A key example of this found during the review was a claim from 22:30 to 12:00 which led to a 1.5 hour claim being paid at 13.5hrs. This led to an overpayment of £316.80 which had not been identified. The money was recovered when we notified payroll. Lack of basic automated controls has led to the following types of errors being accepted, all identified during the course of this review:</p> <p>Conflicting standby header and week commencing dates, Incorrect mixture of 12 and 24 hour clock affecting claimed times, Invalid times accepted e.g. 2430, Future dates accepted, Historic dates from previous financial years accepted, Standby disturbance claims accepted when not on standby, and Mutually exclusive elements accepted at same time.</p>	The lack of basic automated application controls increases the risk of invalid claims being made, approved and paid.	As part of the development of and migration to the new payroll system logical validation checks over input should be incorporated wherever possible.	Management are aware of the weaknesses of the current HR/Payroll solution and have retested the functionality to confirm the findings contained in the report. Configuration of the Business World solution will where possible include increased validation to prevent the recurrence of these issues going forward. Ongoing we will document specific system controls that have been configured within the new system to preclude recurrence of these issues. This will be shared with Internal Audit for the purposes of completeness and ensure we have in fact closed out the weaknesses identified.	31/10/16	01/04/18		<b>July Update</b> Whilst these actions are intrinsically linked to the implementation of the new Business World system (expected delivery date April 18), management is currently investigating the costs associated with upgrading the iTrent system input controls to mitigate this risk. <p>If these costs are significant, then this finding will remain open until the Business World implementation is complete.</p>	Grant Craig, People Support Manager

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CW1501aISS.1	Procurement Arrangements	Medium	<p>Contract Register Updates It is the responsibility of Service Areas to provide complete, accurate and up to date contract information. Data is entered online via a contract register form in the Orb, downloaded to C&amp;PS and used to update the register manually. This ensures that fields are updated in the same format as much as possible. The online form is being simplified to improve consistency of data provided. A sample of 12 contracts awarded by the Finance &amp; Resource Committee in 2014/15 were selected to establish if details were reflected in the register. Most contracts had been updated, however in four cases contract end dates &amp; values, and cross referencing between the live contract and live framework tabs required further validation. The Senior Commercial Operations Officer recognised the need for better validation of data provided online by Service Areas prior to updating the register. It is also recognised that a formal system to track activity within and improve the links between the contract and pipeline registers is required. Access to the Registers The registers are currently held in excel with shared open access within C&amp;PS. There are plans to set up the pipeline register as a web application, with a link to an access database which will hold the contract register. Contract Register Overviews &amp; Feedback Bi-monthly contract register overviews sent to each Directorate include lists of all contracts due to expire within 18 months, for example, details of 105 contracts were issued to Services for Communities (SfC) in March</p>	Information inaccuracies on the contract register risk best value not being achieved and potential savings lost. Open access leaves the registers vulnerable to deliberate or accidental manipulation. The quantity of data provided creates additional work for both sides and may distract from the key information required.	Robust data validation checks are required to ensure the accuracy and completeness of contract register entries, including framework contract details. The Procurement Reform (Scotland) Act 2014 proposes a requirement for all Local Authorities to publish a register of contracts over £50,000, likely to come into effect within the next year. This pending wider scrutiny re-enforces the need to ensure that information is robust. Action should be taken to secure the pipeline and contract registers. This should include implementing password protection, restricting edit rights and creating an audit trail so that modifications can be tracked and monitored. Improvements need to be made to the process to ensure more targeted information in respect of expiring contracts is sent out focusing attention on areas where management feedback is required.	Validation checks are now in place. Each Category manager has reviewed the Register to validate entries aligned to their Category. 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. Reporting of contracts approaching expiry is a recent development. The early reports have identified gaps in our procedures for capturing the current status of actions being taken against each expiring contract. We will address this by developing and documenting a clear process for recording status updates. In addition we will ensure that both Delivery Teams and Commercial Partners review reports before they are circulated to services.	31/03/16	30/04/2017 01/08/18		<p><b>July Update</b> 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>The contract register and pipeline will be held within Business World 4 when this is implemented. As a consequence of delays to ERP programme the expected dates have not been met as CPS are reliant on Business World implementation.</p> <p>Whilst final implementation is dependent on Business World Implementation (expected April18), Audit are working with Procurement team to walkthrough the key controls (July) to establish whether the risk has been mitigated and the rating can be reduced.</p>	Tammy Gillies, Acting Head of Procurement
MIS1601aISS.3	Non Housing Invoices	Medium	<p>The system used to manage repairs and maintenance to operational buildings, AS400, is due to be replaced in the Autumn/Winter 2016. The system is over 40 years old and is limited in its capabilities and links to other Council systems. This means it is difficult to obtain information about repairs carried out. Only one officer is able to use AS400 reporting functions, and none we spoke to in Corporate Property knew how to access information about EBS non-housing recharges through the Frontier financial reporting system. This limits the management information available to Corporate Property about the volume and value of repairs. It also delayed our audit fieldwork and restricted the scope of our audit. For example, the AS400 (works ordering), Total (billing) and Oracle (finance) systems do not use the same reference numbers. A manual log is kept to record the invoice number for each works order raised on AS400. This was not consistently updated, so, despite the help of the non-housing administration team and Accounts Payable, we were able to trace invoices for only 4 of the 60 charges reviewed. We also identified occasions where details of work orders charged to Corporate Property had not been transferred into the Oracle data warehouse. This means we (and Corporate Property) were unable to validate the accuracy of the charge for those periods. The total charge only was recorded.</p>	Lack of management information about the volume and value of non-housing repairs.	Management will not have ready access to accurate and reliable information about the volume and cost of repairs and maintenance until AS400 is replaced by CAFM in Autumn/Winter 2016. We note that the introduction of CAFM has been delayed, and every effort should be made to meet the new target implementation date.	It is anticipated that CAFM will be in operational use (services being implemented on a rolling programme thereafter) in early 2017 with a non-Housing R&M implementation process in place for FY 2017/18	01/04/17	31/12/17		<p><b>July Update</b> This has progressed. However, following the PPP structural wall issue plus reports to CLT, the condition module has now been prioritised and, with assistance from external surveyors, this will be complete for the non-housing estate in autumn 2017. This will identify the backlog maintenance, both capital and revenue, and allow prioritisation and budget planning in detail going forward. The remaining property maintenance modules will be rolled out in 2017/18 and this is progressing.</p>	Peter Watton, Acting Head of Corporate Property
RES1603ISS.1	Leavers Process	High	<p>We selected a sample of 45 employees who left the Council in August 2016. 11 (25%) still had an open Active Directory account at the time of our audit in November 2016. An Active Directory account permits access to core Council IT systems including computer terminals, email and the intranet. User accounts for other Council systems such as Oracle (finance), Swift (social work), iTrent (HR and payroll) and Seemis (schools) are linked to the user's Active Directory account. Note that we did not review access to other Council systems, or systems</p>	Risk of a breach of data protection laws if sensitive data is accessed by staff who no longer work at the Council. Risk of inappropriate or fraudulent use of ICT systems access remaining active post employment, both by leavers accessing systems remotely, and by current employees with access to former colleagues' accounts. Once web-based Outlook and One Drive accounts are introduced in 2017, leavers will have access to sensitive data and mobile assets at risk.	Active Directory accounts must be closed when a member of staff (whether payroll or non-payroll) leaves the Council. Access to other Council IT systems, including those hosted by third parties such as eIRD (which holds child protection records and is hosted by NHS Lothian), must be terminated when the member of staff leaves the Council, or moves to a role where access to that system is no longer required.	As Finding 1, a process review workshop will be held on 29 March when issues and improvements in the leavers process (including HR, Customer Services and ICT) will be mapped and identified. HR guidance will then be refreshed. This will include mechanisms to notify administrators of systems hosted by third parties.	30/06/17	30/09/17		<p><b>July Update</b> Workshop sessions have been held on leavers process. We still have some work to do and a lot hinges on the work ICT &amp; CGI are currently doing around asset management. CGI are reviewing best practice across all of the clients they work with to design the best process possible for CEC and we have set a date of 30 September 2017 for this to hopefully be completed.</p>	Katy Miller, Head of Human Resources
RES1603ISS.5	Leavers Process	Medium	<p>We selected a sample of 45 employees who left the Council in August 2016. Security passes held by 18 of those employees (40%) had not been returned or disabled.</p>	Security passes could be used to fraudulently gain access to Council buildings putting sensitive data and mobile assets at risk.	Security passes should be collected from payroll and non-payroll leavers and returned to the Facilities Management Hub. We recommend that Facilities Management are also provided with a daily or weekly list of leavers, so security passes can be deactivated.	All security passes which have not been used for 3 weeks will be deactivated on 1 April. Cardholders will need to contact Security to reactivate them.	30/04/17	30/06/2017 31/08/2017		<p><b>July Update</b> 1) The Business Information team will run the leavers report every Monday, capturing the previous month's data, and this report will be sent to our security team who will action as appropriate; 2) The leavers report that we have been sent from February, c850 entries, will now be checked and passes deactivated as appropriate, as a matter of priority; 3) Once the cross check of staff on maternity leave / long term sickness has been completed, the exercise to deactivate unused passes will commence; 4) Revised date to clear the c900 backlog is considered reasonable, however, if this becomes doubtful, we will intimate this to IA; 5) Security has been requested team to send IA confirmation of the weekly leavers list having been received and evidence that it has been actioned; 6) Our intention is to send IA the evidence that will confirm deactivation of the c900 unused passes by 31.08.17, once the staff on maternity leave / long term sickness have been identified; 7) Quarterly review will be implemented to ensure that we capture everything, including those passes that had not been used for a while which may not necessarily be due to staff leaving.</p>	Mark Stenhouse, Facilities Management Senior Manager
						All temporary passes will be deactivated on 1 April. Cardholders will need to contact Security to reactivate them.	30/04/17	30/06/2017 31/08/2017		<p><b>Linked with action above- management actions are the same.</b></p>	Mark Stenhouse, Facilities Management Senior Manager

Unique Ref	Project Name	Issue Type	Finding	Business Implication	Recommendation	Agreed Management Action	Estimated Implementation Date	Revised	RAG Status	Status Update	Owner
RES1605ISS.1	Service Level Agreements with Outside Entities	Medium	We reviewed the arrangements in place with 5 organisations to which the Council provides professional services. Organisation Services provided 2015/16 Fees Lothian Valuation Joint Board Payroll services Accountancy services Internal Audit £ 20,100 SEStran Accountancy services Payments and procurement Insurance Treasury management Internal Audit Payroll services £ 23,350 Lothian & Borders Community Justice Authority Accountancy services Payments Internal Audit £ 22,000 CEC Holdings Accountancy services £ 20,000 Royal Edinburgh Military Tattoo Payroll services Treasury management Internal Audit £ 1,500 There was a current Service Level Agreement (SLA) in place with only one of those 5 entities (SEStran). The agreement had been set up in June 2013 for a period of 12 months, and has been extended a further 3 times since then. There was a further SLA with the Lothian & Borders Community Justice Authority. This SLA expired in March 2010. The Council has continued to provide accounting support including accounts preparation to LBCJA at the rates agreed in 2009. Additional services including accounts payable and internal audit were not included in this SLA. There were no SLAs in place with the remaining 3 entities. Services provided and fees charged were understood to be historic arrangements.	If service levels are not formally agreed with the other organisation, there is a risk that: There is reputational damage and increased resource pressure if the Council does not deliver services as expected by the counterparty; The Council may not receive appropriate remuneration for services provided; and Arrangements in place may not be appropriate or may conflict with other Council duties.	Service Level Agreements with the organisations to which the Council provides professional services should be reviewed and/or established. These should set out services provided, key activities and deliverables, and the respective roles and responsibilities of the Council and the counterparty. Service Level Agreements should be for a defined period and refreshed regularly to ensure that agreed services and charges remain appropriate.	A service level agreement with the Edinburgh Integration Joint Board is currently being developed. This template will be rolled out to other third party organisations to which the Council provides services as a generic service level agreement, with the exact terms (fees, services, dates) appended as a delivery schedule.	31/01/17	30/06/2017 29/09/2017		<b>July Update</b> The IJB SLA is signed and a generic SLA to be used as the basis for agreements with ALEOs as required has now been shared with all Service Areas. Directors / Heads of Service have been requested to confirm (for their areas) that service level agreements have been established to support all third party relationships where the Council provides services.  If individual responses are not provided by end August 2017, individual actions will be raised allocated across all Service Areas to ensure that SLAs are implemented.	Nick Smith, Head of Legal and Risk
<b>Strategy &amp; Insight</b>											
CSE1601ISS.2	Review of Grant Management	Rating reduced from High to Medium 19/7/17.	Conflicts of interest are difficult to define due to their inherent subjectivity and are often the subject of public scrutiny. The Culture and Sport Committee consists of 15 elected members. They approve grant funding to cultural organisations on an annual basis. A review of Companies House records and the Register of Interests found that ten of the elected members are current or recent directors of one or more of the funded organisations. This could result in the perception of conflicts of interest as in effect, elected members are awarding grants to organisations that they are connected to and have an interest in. The Councillors' Code of Conduct set by the Standards Commission for Scotland defines holding office in a company or voluntary organisation as a declarable non-financial interest (section 4.22). The Code states that an elected member must withdraw from the meeting room until any discussion or vote on an item where they have a declarable interest is concluded (section 5.7). The Code further advises that councillors should not accept a role or appointment if it would mean they frequently declare an interest at a particular committee on which they sit (section 5.22). There is an exemption within the code (section 5.18-d) where the appointment has been approved by the councillor's local authority and the company or voluntary organisation was: Established wholly or mainly for the purpose of providing services to the councillor's local authority; and Entered into as a contractual arrangement	Risk that public confidence is damaged by perception that the Committee's decisions are influenced by factors other than the public interest; and Risk of Contravention of the Councillors' Code of Conduct	In accordance with the Councillors' Code of Conduct, Councillors must declare an interest where they are a member or director of a public body, company, or other organisation. Unless the exemption discussed above applies, councillors must withdraw from the meeting room until discussion or voting on an item where they have a declarable interest. This includes scrutiny or funding of charities of which they are a director. To meet best practice governance standards, we recommend that councillors do not sit on Committees which award grants to and scrutinise the activity of charities of which they are a director.	Mandatory induction training for new elected members in May 2017 on these areas will be in place.	30/06/17	New date required		<b>July Update</b> Mandatory code of conduct training was scheduled as part of the new Councillor training programme with three scheduled sessions ( 9, 10 and 15 May) and two additional sessions delivered. .  Strategy and Insight has provided evidence of the training packs, however 19 of the Councillors (16 returning and 3 new Councillors) have not yet completed this mandatory training.  A training needs analysis will be carried out in August after recess, which will inform the Autumn training programme to be delivered in October/November. This will include training on the Code of Conduct.  Based on the above, the rating has been reduced from High to Medium.	Kirsty-Louise Campbell, Strategy & Governance Manager
RES1605ISS.2	Service Level Agreements with Outside Entities	Medium	There is no complete record of professional services provided by the Council to outside entities.	Lack of a contract register makes it difficult to monitor services provided to other organisations and ensure that current contracts are in place. There is a risk that the resources required to provide professional services to other organisations are not fully understood and accommodated.	A contracts register should be created which includes: Counterparty Date of agreement Period of contract and expiry date Services provided Contract manager Key contact at organisation Contracted fees The contracts register should be reviewed periodically to ensure that all professional services provided to external organisations are captured, and that there is a current service level agreement in place for each one.	The findings of this audit review will be presented to the Corporate Leadership Team. Executive Directors will be asked to detail professional services provided to other organisations and to ensure that these are underpinned by Service Level Agreements. The Governance Unit within Strategy & Insight will maintain the Council's Register of Service Level Agreements and shall liaise with service areas to ensure that these are regularly reviewed.	31/10/16	30/04/2017 New date required		All Service Area responses have now been received. Further clarity had been requested from 2 service areas. This has now been received and these submissions will be reviewed with a view to closing this action by the Outturn date of 30 April 2017.	Andy Nichol, Governance and Democratic Services Manager
				Risk that staff do not properly understand the implications of data security within their role and the steps they can take to minimise risk to the Council.	All staff should complete the e-learning module and role-specific training courses should be conducted, as planned, by Q2 2017.	Existing Council employees who have not yet completed the IG eLearning module will be instructed/strongly encouraged to do so. Once the elearning module is complete, staff will be expected to update their knowledge of the Information Governance related policies on an annual basis as part of the annual policy refresher process. However, completion of the elearning module may be considered excessive for front line manual workers who have minimal or no information governance responsibilities and a briefing note, prepared by the Information Governance Manager, will be used as an alternative for these particular employee groups.  <b>The above has been replaced with a revised action detailed below:</b>  We are introducing quarterly policy spotlights in August 2017 for all Council employees. The first policy spotlight will be the Information Governance related policies. We will use this opportunity to promote the eLearning, the GDPR Cake and Compliance Sessions, and Privacy Impact Assessment workshops. The Information Governance Team are currently summarising the key elements of all of the related policies and we will launch this as part of the policy spotlight as well as the briefing note for manual workers.	30/05/17	31/08/17		<b>July Update</b> A revised action and date has been agreed with the Learning and Development Manager	Margaret-Ann Love, Learning & Development Manager

Unique Ref	Project Name	Issue Type	Finding	Business Implication	Recommendation	Agreed Management Action	Estimated Implementation Date	Revised	RAG Status	Status Update	Owner
RES1607ISS.1	Online Customer Services	Medium	<p>Communication with the Head of Service and Service Manager for Licensing about the development and delivery of the HMO Licensing work stream has been irregular and limited to date. There was a 2-week consultation period in winter 2015 at the beginning of the project, but there has been limited communication since. There is no representative from the service area on the Project Board, and key programme documents have not been shared with the service area including: The Project Initiation Document (PID); The design document (which maps both the existing and the proposed processes); ICT and Transformation Service Level Agreements; Risk registers (with no process of escalation of the risks from the Service Area to the programme);</p> <p><del>Agendas and minutes from Project Board and other</del></p> <p>The plans to transform the Facilities Management service are ambitious and rely on staff adopting significant changes to working practices, and building users understanding and accepting agreed service levels. During our review of the project plans and documentation, it was noted an implementation plan to embed the new service and minimise disruption during and immediately following the launch of the new operating structure has not yet been developed.</p>	<p>Stakeholder expectations are not adequately managed as critical stages of the project are not communicated; The Project Board may not have a full understanding of the service requirements for each work stream, meaning that it may not deliver the expected benefits; The needs of users are not considered in the development of the system, meaning that it may not deliver expected benefits; Barriers to implementation that the service area is able to identify from experience, but which may not be obvious to the programme team (for example, legislative requirements) are not captured.</p> <p>There is a risk of loss of stakeholder support if disruption occurs during the implementation phase which would result in the programme failing to deliver the expected benefits.</p>	<p>Stakeholder Engagement The Project Board should include representatives from the live Service Area projects to ensure all critical documentation is shared and service and legislative requirements are considered, managing stakeholder expectations at each stage of the project. The Project Board may decide that this is most effectively managed through the creation of working groups for key work streams.</p>	<p>As part of the Programme rest (detailed in the 'Current Status Update' above), the programme governance and model used for business engagement is being reviewed, clarified and improved. This will include standardised documentation. When the detailed plan is received from CGI/Agilisys in April 2017 Working Groups for each "Dr op" will be convened to include Subject Matter Experts from each of the relevant service areas. Re-engagement across senior and frontline stakeholders is currently being planned to refresh the message and planned outcomes of the Programme to support buy-in across the organisation.</p>	31/05/17	31/08/17	<p><b>July 2017</b> Business Engagement Approach and Internal/External comms plans provided by Clare Mills (Project Manager). These set out the general principles of stakeholder engagement, with heads of service identified as key stakeholders to attend working group. However, no detail as yet on who those stakeholders are, frequency of meetings, nature of engagement etc. No workstream has progressed far enough at this stage for active engagement with stakeholders: expect progress by end of August.</p> <p><b>Rating reduced to 'Medium' given Business Engagement Approach now developed.</b></p>	Clare Mills, Project Manager	
RES1616ISS.1	Facilities Management	Medium	<p>The plans to transform the Facilities Management service are ambitious and rely on staff adopting significant changes to working practices, and building users understanding and accepting agreed service levels. During our review of the project plans and documentation, it was noted an implementation plan to embed the new service and minimise disruption during and immediately following the launch of the new operating structure has not yet been developed.</p>	<p>There is a risk of loss of stakeholder support if disruption occurs during the implementation phase which would result in the programme failing to deliver the expected benefits.</p>	<p>Formalise the project implementation plan to include mitigating controls which minimise disruption to service delivery.</p>	<p>The following action plan will be put in place: Hold a team workshop to discuss detailed Work Breakdown Structure for project preparation and implementation Develop programme including identifying critical path and key dependencies Finalise resource schedule for implementation and seek formal approval from CLT to implement any change within pre-agreed budget parameters Review governance for FM roll out and ensure it is sufficiently robust and in line with the wider AMS governance arrangements Continue to monitor progress and report in line with existing arrangements</p>	30/01/17	New date required	<p><b>July Update</b> Awaiting receipt of evidence from Service Area - IA chased 10/7/17.</p> <p>A team workshop was held and a detailed work break down structure and programme plan produced with key dependencies identified. All resource is now in place for programme delivery and it will be held within agreed budget parameters within AMS. The implementation team are currently re-programming the key milestones due to a decision taken by CLT to push the launch of consultation until after the Election and split the consultation into phases, launching with janitorial in mid May and cleaning and others after the summer holiday period. The FM implementation will continue to be monitored as part of the AMS governance arrangements and through the wider Change Board.</p>	Emma Baker, Project Manager	
<b>Investment &amp; Pensions</b>											
CG1509ISS.1	Pensions Compliance	Medium	<p>The LGPS Regulations state that monies held by or received by an administering authority, in this case City of Edinburgh Council, for a local government pension scheme must be held in a separate account with a deposit taker. Purchase ledger transactions and miscellaneous income receipts are processed through the main Council bank account and are posted to a nominal holding account on the Council ledger along with Council pension contributions. The nominal holding account is cleared down to a reserve of £ 3 million each month, with any balance above that transferred to a Pension Fund bank account. This means that at any point in time the Council will hold between £ 3 million and £ 12 million belonging to the Pension Fund in its own bank account.</p>	<p>The Council is in breach of statutory regulations. Pension Fund monies are not fully ring-fenced from Council liabilities.</p>	<p>Pension Fund monies should be fully ring-fenced. Management should consider whether it would be feasible and efficient to maintain a separate ledger for the Pension Fund and process all purchase and sales ledger transactions internally.</p>	<p>In summary, the Pension Fund is committed to fully address this issue and will seize the opportunity afforded by the Council procurement of a new financial payroll and ledger system. Appropriate process amendments will therefore be implemented by the go-live date for this new software, estimated at 1 October 2016. Where possible, some changes will be introduced much sooner. It is not proposed, however, to amend the pensioner payroll processes, given the prime customer service and also efficiency drivers. Full details and rationale is provided below: The Pension Fund has operated its own separate bank accounts since 2007, this only became mandatory from 1 st April 2011 under the 2010 regulations. Historically, Local Government Pension Schemes (LGPS) have been set up with a heavy reliance on the administering authorities systems and IT infrastructure. Owing to the inflexibility of these systems, it is our understanding that no Scottish LGPS administering authority is fully compliant with regulations. Audit Scotland is aware of this issue and has adopted a pragmatic approach in recognising that this may not be possible, given the cost implications in securing absolute bank account segregation. That said, Local Pension Fund wishes to take all practical steps to achieve regulatory compliance. To that end, liaison with senior City of Edinburgh Council Finance staff has already effected change in that pension strain costs payable by the Council will now be made by bank transfer. Further measures are shown as follows: Pension Contributions - to be paid via</p>	01/10/16	New date required	<p><b>July update:</b> The Fund has considered options to minimise the use of holding accounts and to this end the Council now pays pension contributions directly into the Fund bank account each month.</p> <p>However, a holding account is still maintained to facilitate purchase ledger transactions and miscellaneous income receipts through the Council's main bank account. The possibility of developing separate sales and purchase ledgers for the Fund through the Council's ICT has been explored but is considered prohibitively expensive.</p> <p>The Fund intends to explore the option of procuring a standalone ledger solution.</p>	John Burns, Chief Finance Officer, LPF	