FALKIRK COUNCIL

Subject:	**INTERNAL AUDIT - RECOMMENDATIONS OUTSTANDING**
Meeting:	**AUDIT COMMITTEE**
Date:	**25 March 2013**
Author:	**INTERNAL AUDIT MANAGER**

1. INTRODUCTION

1.1 The purpose of this report is to provide an update to Members on recommendations made by Internal Audit which remain outstanding.

2. RECOMMENDATIONS OUTSTANDING

2.1 Members will recall that an initial report on outstanding Internal Audit recommendations was presented to the 29 October 2012 meeting of this Committee. It was agreed that I would provide update reports at future meetings.

2.2 Since the October meeting various updates have been received from Services (reducing the number of recommendations outstanding) and a number of final reports have been issued (with the opposite effect).

2.3 In October, a total of 127 recommendations were reported as being outstanding. As at 15 March 2013, a total of **84** recommendations are outstanding.

2.4 Comparison between the previous and current figures is not particularly meaningful as the latter includes recommendations made since October. It is, however, possible to reach the following broad conclusions:

- progress has been made in implementing recommendations previously reported as outstanding;

- Services continue to recognise the value of Internal Audit recommendations and the risks of not taking action to implement them;

- the revised follow up approach has improved the frequency and quality of dialogue on recommendations outstanding; and

- there remains scope to improve arrangements for agreeing, implementing, and reporting on Internal Audit recommendations.

2.5 All **84** current outstanding recommendations are set out at **Appendix 1**, sorted by agreed 'Target Implementation Date'. These cut across **25** individual audits and all Services.

2.6 The following tables summarise the information included at **Appendix 1** [1].

Audit Year	Audits Completed	Audits with No Outstanding Recs	Audits with Outstanding Recs
2008/09	22	19	3
2009/10	22	20	2
2010/11	21	16	5
2011/12	20	11	9
2012/13	13 (to date)	7	6
TOTAL	**98**	**73**	**25**

Audit Year	Audits with Outstanding Recs	Recs Made During Audits	Number of Recs Implemented	Number of Recs Outstanding
2008/09	3	43	37	6
2009/10	2	13	11	2
2010/11	5	48	24	24
2011/12	9	63	31	32
2012/13	6	28	8	20
TOTAL	**25**	**195**	**111**	**84** [2]

2.7 Within these figures there may be recommendations that have been implemented, superseded, or where managers have decided not to implement due to a changed risk profile or reduced resources. Until I am advised by Services that any of these apply, however, I will continue to report recommendations as outstanding.

2.8 For information, the following table provides a breakdown of recommendations outstanding based on the overall assurance provided at the time of the audit.

Level of Assurance	Number of Recs Outstanding
Substantial Assurance	31
Substantial / Limited Assurance	4
Limited Assurance	44
No Assurance	0
Not Applicable	5
	84

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[1] **NOTE:** 2012/13 audits now included. These were not included in the figures reported to the October 2012 Audit Committee meeting.

[2] **NOTE**: **62** of these remain outstanding beyond their agreed implementation date.

3.   RECOMMENDATIONS

3.1   **Members are invited to:**

   3.1.1   note the report on recommendations outstanding; and

   3.1.2   seek assurances from **Chief Officers** that recommendations will be implemented, or the risk of not implementing formally accepted.

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Internal Audit Manager

Date: 15 March 2013

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
1	31 March 2009	Social Work	Supporting People Arrangements	Substantial	Scottish Government guidance on evaluating and reporting performance against the National Outcome and Indicator Framework should be adopted once published.	The Scottish Government guidance on how to measure, achieve and report on outcomes and indicators will be adopted once issued. **04 March 2013 – Update** Outcome monitoring has remained an issue across all care services and work is currently being carried out in relation to Foster Care. Intend to learn from this and adapt and adopt across other client groups.	Contracts and Commissioning Manager	Social Work
2	30 June 2009	Education	Supply Teacher Provision	Limited	A comprehensive performance evaluation and reporting framework should be developed as a matter of priority.	Performance evaluation and reporting will be considered by the Employee Resources Adviser. **11 March 2013** Performance of Supply Teacher system is being developed.	Educational Resources Manager	Education
3	30 September 2009	Social Work	SWIS	Limited	A System Security Statement should be prepared. This should include system architecture documentation.	A System Security Statement, based on Annex 3 of the Internal Audit report, will be produced for SWIS. **04 March 2013 – Update** Significantly improved system documentation is now in place. In February 2013 the SWIS Management Board confirmed security as its first priority. System Security Statement to be in place within 6 months.	Senior Information / IT Co-Ordinator	Social Work
4	30 September 2009	Social Work	SWIS	Limited	The Crystal Reporting software licence review should be concluded as a matter of priority.	A report from ICT Development Team will be requested with options plus recommendations for Social Work.	Senior Information / IT Co-Ordinator ICT Project Leader	Social Work / Corporate and Neighbourhood
5	30 September 2009	Social Work	SWIS	Limited	Audit log functionality should be reviewed.	The Service Manager, Performance Management, will identify Social Work service priority areas for monitoring screen uses and then request ICT to provide a report with advice and guidance on possible options. **04 March 2013 – Update** This will be done within 6 months.	Service Manager, Performance Management ICT Project Leader	Social Work / Corporate and Neighbourhood
6	31 October 2009	Education	Supply Teacher Provision	Limited	Consideration should be given to identifying the most efficient and effective method of assessing and reporting on supply teacher performance. The resulting policy and guidance should be rolled out and communicated to all relevant staff.	This will be considered within the context of NGT18. **11 March 2013 – Update** Performance of Supply Teacher system is being developed	Educational Resources Manager	Education
7	31 July 2010	Governance	Falkirk Printworks	Substantial	Formal guidance relating to the ordering / payment / receipt of goods and services should be put in place. The issues relating to the ordering, receipt and payment of goods and services should be addressed.	Guidance notes and process maps showing the procedure to be adopted are currently being prepared by the Support Administrator. The points raised in Paragraph 3.17 will be addressed as recommended.	Printworks Manager	Governance

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
8	31 August 2010	Governance	Falkirk Printworks	Substantial	Stock-take results should be reconciled to computerised stock records, with discrepancies investigated and remedied.	A programme of reconciliation of stock to the Shuttleworth system will be developed.	Printworks Manager	Governance
9	31 August 2010	Governance	Falkirk Printworks	Substantial	The issues relating to the receipt, completion, delivery and billing of orders should be addressed.	The order form will be reviewed as recommended and the style of invoice will be amended to include payment terms.	Printworks Manager	Governance
10	01 September 2010	Governance	Falkirk Printworks	Substantial	Consideration should be given to installing Integra within the Printworks Unit.	Integra has been installed at Printworks. Once the staffing structure is in place following the on-going staff re-design, and after necessary training has been undertaken, all financial information will be input at the facility.	Printworks Manager	Governance
11	30 September 2010	Governance	Falkirk Printworks	Substantial	The issues relating to Business Continuity Planning should be addressed.	The existing Business Continuity Plan will be updated.	Printworks Manager	Governance
12	31 October 2010	Governance	Falkirk Printworks	Substantial	Comprehensive performance indicators and targets should be put in place.	A range of performance indicators will be developed. Customer satisfaction will be sought.	Printworks Manager Printworks Manager	Governance
13	31 December 2010	Governance	Falkirk Printworks	Substantial	The issues relating to risk management should be addressed.	The risk register will be reviewed and a full risk assessment undertaken on completion of the on-going building works.	Printworks Manager	Governance
14	31 December 2010	Governance	Falkirk Printworks	Substantial	A corporate printing and copying policy should be established.	This is part of the remit of the MFD Working Group.	Customer and Development Manager / Printworks Manager	Governance
15	31 March 2011	Education	Community Learning and Development Arrangements	Substantial	The Service should adopt the Council's Achievement and Personal Development Scheme for all staff and volunteers, with available resources aligned to identified training and development needs.	CLD will adopt, and ensure the implementation of, the APDS scheme for appropriate staff. **11 March 2013 – Update** There has been a phased approach to the implementation of APDS. CLD Manager and Principal Officers are working through it with a view to rolling it out across the Service in the coming year.	CLD Manager	Education
16	31 March 2011	Social Work	Direct Payment Arrangements	Substantial	Legal Services should review all outstanding policies as a matter of priority. Once approved, these should be disseminated to relevant staff and clients, with training provided if required.	Draft policy documents have been passed to Legal Services to be examined, amended where necessary, and published when approved.	Chief Governance Officer	Governance

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
17	30 April 2011	Development	IT Contract Management Arrangements	Not Applicable	Business Development, in conjunction with Corporate and Neighbourhood Services ICT, should collate a comprehensive inventory of Development Services systems and applications.	Our current list of systems is quite comprehensive but some work would be needed to identify names or numbers of users for every system and information from ICT is required on software licences / media held by them on Development Services behalf. ICT have confirmed they would be happy to co-operate and would also update their inventory of Development Services applications / systems as required. **11 March 2013 – Update** Partially implemented, revised target date of June 2013.	Business Development Manager	Development
18	30 June 2011	Development	IT Contract Management Arrangements	Not Applicable	Ownership of, and responsibility for, managing all Development Services ICT contracts should formally rest with Business Development.	Although some additional research and communication will be needed to integrate Roads Services and Economic Development. **11 March 2013 – Update** Changes in personnel have delayed information gathering. New target date of May 2013.	Business Development Manager	Development
19	29 July 2011	Social Work	Budgetary and Financial Control Arrangements	Limited	The planned review of Day Care provision should include identifying existing contracts (and the need to re-tender) and gaps where no contract exists.	The Day Care review has produced an interim report that makes a number of recommendations. The report will be presented to the Acting Director of Social Work Services for approval. The recommendations will then be taken forward by the Service Manager – Older People. **01 August 2012 – Update** The Service Managers for Older People and Contracts and Commissioning are currently meeting to progress the existing contracts and tender arrangements. Progress will be reviewed in October 2012.	Service Manager Older People / Service Manager Contracts and Commissioning	Social Work
20	01 September 2011	Finance	Integra System Management and Security	Substantial	Further consideration should be given to the need for an off-site contingency server. A formal Business Continuity Plan should be prepared and periodically tested.	Discussions currently taking place with ICT and detailed costs awaited. A formal business continuity plan to be produced. **11 February 2013 – Update** Specification has been agreed for an off-site contingency server and ICT are placing an order for delivery this financial year. Following receipt, testing will take place to ensure operational. The formal business continuity plan has still to be completed but arrangements have been reviewed and improved for cheque production. In addition, an alternative BACS submission method for 'essential' creditors payments has been developed with only the user manual and final testing to be completed.	Depute Chief Finance Officer (Corporate Finance)	Finance

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21	30 September 2011	Social Work	Budgetary and Financial Control Arrangements	Limited	Formal written budget monitoring procedures should be established and made available to all relevant Social Work Services staff.	Current procedures will be reviewed and any new or additional guidance and procedures will be developed. These will be communicated across all staff groups, including briefing sessions. **04 March 2013 – Update** Within Children and Families levels of authorisation have been reviewed and re-issued and imprest procedures have been re-drafted. Within Community Care all procedures are currently being reviewed and updated, to be completed by April 2013.	Head of Service Children and Families / Head of Service Community Care / Accountancy Services Manager	Social Work
22	31 December 2011	Development	Building Design: Disability Discrimination and Equality Act Arrangements	Substantial	A Service Level Agreement (or equivalent) should be put in place between BDU and the client for the delivery of a design, supervisory, and contract management service.	There is a revised, finalised SLA in place with Corporate and Neighbourhood Services (Housing client) awaiting sign off, and an SLA is in draft development with the emerging Community Trust. The model SLA being developed with the Trust will be utilised as the template for roll out over the course of 2011 to other Services. The SLA defines the scope of services to be provided, and will cover aspects of design, supervision, contract management and various other service obligations. **11 March 2013 – Update** SLAs have been agreed with the Community Trust and with Corporate and Neighbourhood Services. Work is ongoing with Education Services. SLA with Social Work still to be done, and expected to follow model established with Education.	Building Design Manager	Development

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
23	01 March 2012	All Services	Corporate Data Security and Transfer	Limited	CMT should confirm governance and accountability structures and arrangements in relation to corporate information security management.	It would be desirable to have an Information Security Officer post with responsibility for managing the Information Security Policy and for monitoring the implementation of that Policy, as well as ownership of DPA / FoI / data sharing arrangements, and links into records management, wider building and personnel security, and corporate risk management. A number of years ago, CMT gave approval for an Information Security and Data Protection post to be established. It is agreed that responsibility for this area of work needs to be confirmed, and it is proposed that this is discussed by CMT again in light of this audit, but within the context of current financial circumstances. If a new post is required, then this should be split / paid for by all Services. A Job Description has been prepared. <u>05 October 2012 – Update</u> The Data Protection / Information Security Officer Job Description is in the process of being reviewed, with a view to its issue to CMT prior to the end of October.	Corporate Management Team	All Services
24	01 March 2012	All Services	Corporate Data Security and Transfer	Limited	The exercise to update Services' Data Handling Registers should be completed, within a timescale agreed by CMT.	All Services to review, and ICT Strategy Group to oversee and monitor. <u>04 March 2013</u> Social Work Services have started a survey of data flows from SW systems to other services and external stakeholders.	All Services	All Services
25	31 March 2012	All Services	Corporate Data Security and Transfer	Limited	In relation to the Forth Valley Information Sharing Protocol: • a central point of contact, responsible for collating and ensuring the consistency and quality of guidance procedures, should be established; and • separate guidance procedures for data transfers between the Council and external organisations not covered by the Protocol should be established.	Information Security post, when established, to co-ordinate, and to feed into the new Scottish Accord for Sharing of Personal Information as appropriate.	TBC	Corporate and Neighbourhood
26	31 March 2012	Corporate and Neighbourhood	IT Contract Management Arrangements	Substantial	For business critical applications a Contract Monitoring Form should be developed and used, clarifying CMO roles / responsibilities and providing a record of compliance with contract deliverables and performance. Where appropriate an Issues Log should also be developed and monitored.	The Contract Monitoring Form will be adopted for business critical applications. It will be stored with relevant records in the business continuity database. An Issues Log will be created where appropriate.	Technology and Infrastructure Manager / System Owners / Contract Monitoring Officers	Corporate and Neighbourhood / All Services

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
27	31 March 2012	Corporate and Neighbourhood	IT Contract Management Arrangements	Substantial	All CMOs should be reminded of the need to monitor compliance with contract license terms, and to establish the potential impact of contract license breaches.	Recommendation Accepted	Technology and Infrastructure Manager / System Owners	Corporate and Neighbourhood / All Services
28	31 March 2012	Corporate and Neighbourhood	IT Contract Management Arrangements	Substantial	A formal System Security Statement should be established and maintained for Integra, IHMS, and Covalent.	All Contract Monitoring Officers will be required to put in place a formal System Security Statement.	System Owners / Contract Monitoring Officers	Corporate and Neighbourhood / All Services
29	31 March 2012	Corporate and Neighbourhood	IT Contract Management Arrangements	Substantial	An Access Control Policy should be established and maintained for Integra, IHMS, and Covalent.	All Contract Monitoring Officers will be required to put in place a formal Access Control Policy.	System Owners / Contract Monitoring Officers	Corporate and Neighbourhood / All Services
30	31 March 2012	Corporate and Neighbourhood	IT Contract Management Arrangements	Substantial	System Owners / CMOs should ensure that best value continues to be achieved and demonstrated with the current supplier prior to extending contracts or rolling over annual charges.	This will be done as a matter of course.	System Owners / Contract Monitoring Officers	Corporate and Neighbourhood / All Services
31	31 March 2012	Development	IT Contract Management Arrangements	Not Applicable	Business Development and Corporate and Neighbourhood Services ICT should review and formalise their respective responsibilities to ensure compliance with the Council's Information Security Policy Statement.	Agreed that an SLA would be beneficial. ICT have confirmed they would be happy to co-operate with this. **11 March 2013 – Update** No SLA has been developed. This will be re-visited when the corporate ICT Strategy is available.	Business Development Manager	Development
32	31 March 2012	Development	IT Contract Management Arrangements	Not Applicable	Ownership and control of Development Services ICT budgets should be formally allocated to a monitoring officer within Business Development.	Recommendation Accepted **11 March 2013 – Update** Budget monitoring has improved on last year due to better information being held centrally. Processes for monitoring expenditure and for communicating budget levels to Unit Managers need to be developed and approved by DMT. Target date May 2013.	Business Development Manager	Development
33	31 March 2012	Governance	Falkirk Printworks	Substantial	Formal contracts should be put in place with each external client.	Framework agreement in place with Clackmannanshire Council. In respect of the NHS, further discussion is required at a senior level.	Printworks Manager Printworks Manager / Customer and Development Manager	Governance
34	01 April 2012	All Services	Corporate Data Security and Transfer	Limited	Service Managers should liaise with their ICT Customer Contact to confirm that all mobile devices are adequately protected (encrypted and virus protected).	Guidance and advice has been, and continues to be, provided by ICT. Mobile phone guidance and simplified AUP and ISP guidance will be considered by ICT Strategy Group in April 2012. **04 March 2013 – Update** Social Work Services now issue only encrypted devices and memory sticks to staff. Development Services issued guidance to staff in 2011 and continue to do so as part of the induction process.	All Services	All Services

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
35	30 April 2012	Corporate and Neighbourhood	Following The Public Pound	Limited	EFU should formally review and, if necessary, update the 'Information for Officers' guidance, taking account of recommendations made in this report.	Amend guidance and communicate to all Services to ensure consistency in monitoring practice, including: • clarity on Service responsibilities and available support; • FPP process, eg performance outcomes, financial management; • standards and timetable for reporting to Members; • monitoring checklist for MOs; • FAQ on Intranet for MOs; and • guidance for external organisations on monitoring obligations. • Report to CMT on Service compliance with FPP. <u>05 October 2012 – Update</u> All of the aforementioned actions have been addressed, with the exception of a report to CMT on Service compliance with FPP.	EFU	Corporate and Neighbourhood
36	30 April 2012	Corporate and Neighbourhood	Following The Public Pound	Limited	EFU should include core competencies expected of MOs within the 'Information for Officers' guidance.	Develop guidance regarding separate monitoring duties into strategic and operational functions. Services to amend current monitoring structures, where appropriate. Review organisations by service type to assess any appropriate grouping re-design of service. <u>05 October 2012 – Update</u> Existing guidance needs to be further developed to provide greater clarity on the roles expected of Officers within the monitoring process. Service compliance with these aspects will be included within a future report to CMT. Limited service and monitoring re-design has taken place within Abuse related services and Children's Services.	EFU All Services All Services	Corporate and Neighbourhood / All Services

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
37	30 April 2012	Corporate and Neighbourhood	Following The Public Pound	Limited	A JWA should be established for all funded organisations for 2011/12, as a matter of priority.	Outstanding JWAs to be put in place as a matter of urgency. Review JWA template to incorporate guidance for MO in setting outcomes. Incorporate monitoring return into JWA to ensure that progress towards outcomes is monitored on a regular basis. Provide training and guidance to Officers on using outcomes and evaluating progress. **05 October 2012 – Update** Outstanding JWAs have still to be put in place and training and guidance provided to Officers on using outcomes and evaluating progress. **04 March 2013 – Update** SW Children and Families now have JWAs in place with all but three funded bodies.	All Services EFU EFU EFU	Corporate and Neighbourhood / All Services
38	30 April 2012	Corporate and Neighbourhood	Following The Public Pound	Limited	MOs should perform an annual financial assessment prior to agreeing funding. This should include review of reserves held.	Amend risk and financial assessment templates to include assessment of risk on level of funding provided. Merge into single document. Clarify and formalise Finance Services' role within financial assessment and monitoring process. Provide guidance and training on financial assessment and monitoring. Produce guidance for MOs and external organisations on reserves. **05 October 2012 – Update** Guidance has still to be developed for external organisations on reserves. In addition, guidance and training has still to be provided on financial assessment and monitoring.	EFU EFU / Finance Services Finance Services EFU / Finance Services	Corporate and Neighbourhood / Finance
39	30 April 2012	Corporate and Neighbourhood	Following The Public Pound	Limited	Prior to releasing funds, MOs should confirm to management that monitoring has been undertaken and that JWA terms are being met (through completion of the checklist, which should include the financial information to be collected). Consideration should be given to requiring Head of Service approval prior to the release of funding.	Develop guidance regarding separate monitoring duties into strategic and operational functions. Ensure JWAs are signed by Chief Officers, which will provide approval for monitoring arrangements and payment schedule. **05 October 2012 – Update** Both actions are still a work in progress. **04 March 2013 – Update** All SW Children and Families and Criminal Justice JWAs are now signed off by the Head of Service.	EFU All Services	Corporate and Neighbourhood / All Services

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
40	30 April 2012	Corporate and Neighbourhood	Following The Public Pound	Limited	When renewing JWAs, consideration should be given to making funding payments in arrears.	Produce guidance for MOs and external organisations on the consideration of reserves. Ensure that JWAs are signed by Chief Officers, which will provide approval for monitoring arrangements and payment schedule.	EFU / Finance Services All Services	Corporate and Neighbourhood / Finance / All Services
41	30 April 2012	Corporate and Neighbourhood	Following The Public Pound	Limited	Detailed consideration should be given to the shape, size, and purpose of the MO role.	Develop guidance on separating monitoring duties into strategic and operational functions. Services to amend current monitoring procedures, where appropriate. Review organisations by category and consider any grouping for monitoring purposes.	EFU All Services Funding Review Group	Corporate and Neighbourhood / All Services
42	30 April 2012	Corporate and Neighbourhood	Following The Public Pound	Limited	EFU should consider preparing guidance for MOs and external organisations, in relation to measuring best value and assessing the impact per £1 of funding / return on investment.	Investigate possible methods of measuring return on investment. Develop guidance and training for MOs and external organisations, as appropriate.	EFU EFU	Corporate and Neighbourhood
43	30 April 2012	Corporate and Neighbourhood	Severance Arrangements	Substantial / Limited	Service Accountants should monitor for material differences between Payroll / Pensions Sections and Accountancy Services savings data, and investigate if and when these arise.	Service Accountants are instructed to always check the value of in-year savings per the Payroll Report with the value they calculate. This should be done as a matter of course and by default when they process the virement to reflect the saving in the ledger. **26 February 2013 – Update** Finance Services and HR are currently discussing system functionality that would allow reports to be passed to Service Accountants to allow this check to be done.	Depute Chief Finance Officer	Finance
44	30 April 2012	Corporate and Neighbourhood	Severance Arrangements	Substantial / Limited	Consideration should be given to how actual savings are routinely monitored and included in management information.	Service Accountants will submit to Services, on a quarterly basis, a list of all individuals who have left under voluntary severance, with a note of the proposed savings / costs and any other relevant details such as replacement at a lower grade. Service Directors will then prepare a report noting the actual savings / costs against each individual. **04 March 2013 – Update** System functionality to allow Services to run their own reports is being explored.	Service Accountants and Service Directors	Finance / All Services
45	30 April 2012	Social Work	Non-Residential Social Care Services Charging Policy	Not Applicable	Service users should be asked to confirm their income levels on an annual basis, with all change details submitted to Community Advice Services for reassessment of the user's affordability and service charge.	An annual review of service users' financial circumstances will be undertaken in April each year.	Community Advice Service Team Leader / Customer Services Manager	Social Work

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
46	31 July 2012	Development	Roads Maintenance Arrangements	Substantial	Roads Section management should formally establish a policy on the completion of service inspections, which fits with Falkirk Council's approach to asset management planning. This should be included in the next review of the RAMP.	It is not deemed necessary to undertake service inspections in addition to the current safety inspections. This policy will be included in the next review of the RAMP. **11 March 2013 – Update** Policy will be included in next review of the RAMP.	Asset Management Officer	Development
47	31 July 2012	Development	Roads Maintenance Arrangements	Substantial	Roads Section management should re-establish the purpose of the various customer satisfaction surveys, and review the questionnaires accordingly. Results should link directly into monthly performance information.	Feedback will be used to develop improved performance. Area Roads Officers will undertake customer satisfaction surveys as part of issue of programmed works as per Quality Process RDP014. **11 March 2013 – Update** Some progress has been made with gathering information from customers, however, further progress is required. There has been some discussions nationally on the use of a common customer satisfaction survey to aid in benchmarking work and to highlight common problems across Scotland.	Area Roads Officers	Development
48	31 July 2012	Education	Commissioning and Monitoring of Major School Improvement Projects	Limited	A short life, cross-Service, working group should be set up to: • improve financial monitoring systems; • examine training requirements; and • consider the capability, functionality, configuration, and role of Profess.	Work on developing the reporting template for financial information will be developed and agreed by working group. Training needs will follow from development work as required. Configuration of Profess system information reporting will be undertaken if required, following the agreed financial reporting interface. **11 March 2013 – Update** Work on developing the reporting template for financial information is on-going.	Property Manager, Design Co-Ordinator, and Capital Manager	Education / Development / Finance
49	31 July 2012	Education	Commissioning and Monitoring of Major School Improvement Projects	Limited	Development Services and Capital Section should ensure that Education Services are provided with regular internal and external fees data (covering amounts paid and anticipated), clearly showing variations from initial budget.	Reporting template for financial information will be developed and agreed by working group. Training needs will follow from development work as required. Configuration of Profess system information reporting will be undertaken if required, following the agreed financial reporting interface. **11 March 2013 – Update** Work on developing the reporting template for financial information is on-going.	Property Manager, Design Co-Ordinator, and Capital Manager	Education / Development / Finance

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
50	31 July 2012	Education	Commissioning and Monitoring of Major School Improvement Projects	Limited	A monthly cost control report should be introduced by Development Services Design Teams, including both actual and estimated potential costs. This could be either via Profess reconfiguration or a standard off-system template.	Reporting template for financial information will be developed and agreed by working group. Training needs will follow from development work as required. Configuration of Profess system information reporting will be undertaken if required, following the agreed financial reporting interface. **11 March 2013 – Update** Work on developing the reporting template for financial information is on-going.	Property Manager, Design Co-Ordinator, and Capital Manager	Education / Development / Finance
51	31 July 2012	Education	Commissioning and Monitoring of Major School Improvement Projects	Limited	The issues relating to post-project evaluation should be addressed.	A standardised template for undertaking post-project evaluations will be jointly developed and agreed as part of the SLA / Protocol. The SLA / Protocol will define what projects this should be undertaken for. **11 March 2013 – Update** The standardised template for undertaking post project evaluations has been agreed. The SLA has yet to be finalised.	Building Design Manager, Design Co-Ordinator, Property Manager	Education / Development
52	01 August 2012	All Services	Corporate Data Security and Transfer	Limited	CMT should consider whether the application of a formal data classification scheme (for example, based on the Government Protective Marking Scheme) would be appropriate.	Information Security post, when established, to offer guidance. In the meantime, Records Management will continue to implement and promote the Local Government Classification Scheme, and give consideration to the Government Protective Marking Scheme.	Corporate Management Team	All Services
53	31 August 2012	All Services	Premises Managers' Handbook Compliance	Limited	The issues identified during testing of compliance with Premises Managers' Handbook responsibilities should be addressed as a matter of priority.	Chief Officers, via their Corporate Risk Management Group representatives, will put in place arrangements within their own Service to ensure that PMH responsibilities are fully completed and documented. **11 March 2013 – Update** This will be confirmed upon completion of the 2013 Statement of Assurance process.	Chief Officers / Service CRMG Reps / all Premises Managers	All Services
54	31 August 2012	Corporate and Neighbourhood	Severance Arrangements	Substantial / Limited	The issues relating to consultation and supporting documentation should be addressed. This should include Services formally recording the operational and financial reasons for offering severance (particularly for pooled applications).	Agree that the consultation requires to be evidenced. This will be built, as far as possible, into the on-line process, and Service Directors will be required to ensure relevant actions are taken. **05 February 2013 – Update** The on-line process (which is now being piloted) includes a requirement for Services to confirm consultation has taken place. The on-line system will be rolled out more widely in April 2013.	Head of HR and Customer First, and Service Directors	Corporate and Neighbourhood / All Services

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
55	01 September 2012	Corporate and Neighbourhood	Procon System Management and Security	Substantial	A formal Business Continuity Plan should be prepared and periodically tested.	A formal Business Continuity Plan will be prepared and implemented for IHMS. This will be used as the basis for either a separate Procon BCP or as a joint system Plan.\n\nBusiness Continuity Plan will be developed in conjunction with ICT.	Performance and Compliance Co-ordinator	Corporate and Neighbourhood
56	30 September 2012	All Services	Premises Managers' Handbook Compliance	Limited	A letter confirming roles, responsibilities, and training opportunities should be issued to all nominated Premises Managers.	A letter will be prepared and issued to all Premises Managers in line with the recommendation.	Organisational Development Manager	Corporate and Neighbourhood
57	30 September 2012	Development	Roads Maintenance Arrangements	Substantial	All annual planned maintenance programme supporting documentation should be retained in line with the Council's Retention Policy.	All supporting documentation will be scanned and retained in line with the Council's Retention Policy.\n\n**11 March 2013 – Update**\nImprovements have been made in retaining electronic copies of documents relating to the annual maintenance programme of works. For carriageway assets, all assessment documents are now scanned and hyperlinked to the Programme. Further work is required to ensure the same is done for footway assets.	Area Roads Engineers	Development
58	30 November 2012	All Services	Premises Managers' Handbook Compliance	Limited	The Premises / Premises Manager register should be reviewed and updated.\n\nA formal agreement should be established for the sharing of information on changes to operational property and Premises Managers.	Work will be undertaken to develop an improved protocol between HR, Asset Management, and Services. Methods of identifying when changes in Premises Manager happen through the use of the HR / Payroll system will also be investigated. The letter outlining responsibilities will be issued and training will be offered to all new Premises Managers identified through this process.	Organisational Development Manager	Corporate and Neighbourhood
59	31 December 2012	Education	Commissioning and Monitoring of Major School Improvement Projects	Limited	The Design Protocol should be reviewed to ensure that it is fit for purpose, and its mandatory use in projects over £500k (and high profile / risk projects) should be re-iterated to staff.	Both Services will work jointly to prepare a generic SLA which will include both the Design and Facilities team remits.\n\nAn appendix (protocol) will be agreed where Education Services have separate needs / requirements.\n\n**11 March 2013 – Update**\nAwaiting finalisation of SLA.	Head of Educational Planning and Resources, Head of Roads and Design	Education / Development
60	31 December 2012	Education	Commissioning and Monitoring of Major School Improvement Projects	Limited	The SLA should be reviewed and amended to clearly articulate the roles and management information requirements of Education Services, Design Teams, and Facilities Management Section.	Both Services will work jointly to prepare a generic SLA which will include both the Design and Facilities team remits.\n\nAn appendix (protocol) will be agreed where Education Services have separate needs / requirements.\n\n**11 March 2013 – Update**\nAwaiting finalisation of SLA.	Head of Educational Planning and Resources, Head of Roads and Design	Education / Development

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
61	31 December 2012	Education	Commissioning and Monitoring of Major School Improvement Projects	Limited	Education and Development Services should review the AI process. This should include clarifying when Education Services are to be notified and consulted on changes, and should be within an agreed financial threshold. The revised process should be reflected in the recommended revised SLA.	The reporting of AIs or contract variations will be developed and integrated into the new financial reporting framework for appropriate agreement. The new SLA and protocols will clearly state when such contract variations need to be individually reported to Education Services for approval. **11 March 2013 – Update** The thresholds for reporting of AIs or contract variations have been agreed. Awaiting finalisation of SLA.	Head of Educational Planning and Resources, Head of Roads and Design	Education / Development
62	31 January 2013	All Services	Corporate Risk Management Arrangements	Limited	CRMG should review the CRR as a matter of priority (and on a quarterly basis thereafter), and ensure consistency between the Policy and Strategy and the format and content of the CRR.	The CRR remains relevant and provides a framework for the preparation of Service Risk Registers. The format and content of the CRR will, however, be considered at an early meeting of CRMG, and on a quarterly basis thereafter (as part of an agreed CRMG work programme). **11 March 2013 – Update** The CRR and Policy has been circulated to CRMG members for their comments.	Director of Development Services / CRMG members	All Services
63	31 March 2013	All Services	Recruitment and Selection	Substantial / Limited	The points relating to the content of the Recruitment and Selection Policy should be addressed.	The Recruitment and Selection Policy will be reviewed and amended to reflect the relevant points identified. **08 February 2013 – Update** A review of the Policy has commenced and is taking into account the recommendations from the audit as well as other changes implemented through legislation or other national developments.	Head of HR and Customer First	Corporate and Neighbourhood
64	31 March 2013	All Services	Corporate Risk Management Arrangements	Limited	The Risk Management Policy and Strategy should be reviewed by CRMG and be formally approved by CMT and Audit Committee.	The Policy and Strategy will be reviewed and updated, taking into account the issues raised in this report. The updated Policy and Strategy will be presented to the Spring meeting of the Audit Committee, and prior to that will be considered by CRMG and CMT. **11 March 2013 – Update** A revised Policy, framework, and draft workplan has been circulated to CRMG members for their comments. These will be presented to CMT and Audit Committee in March 2013.	Director of Development Services	Development

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65	31 March 2013	All Services	Corporate Risk Management Arrangements	Limited	Services should be required to develop a robust Risk Register, consistent with the CRR. These should be considered and reviewed by CRMG on a cyclical basis. Service Risk Registers should form an integral part of the Service Planning process. Related to that, we re-iterate our previous recommendations that: • Service Planning guidance is updated to cover the incorporation of risk management in Service Plans; • Services link their risks to the corporate risk categories set out in the CRR.	The updated Policy and Strategy will more clearly set out Services' responsibilities, and will require that all Services develop and maintain a comprehensive Risk Register based on the seven agreed categories of risk. The Policy and Strategy will also require that Service Risk Registers are considered by CRMG on a cyclical basis (as part of an agreed CRMG work programme). This will include an update on how Services are managing identified risks. In addition, consideration will be given to options for embedding risk management practice in future corporate and Service planning guidance. **11 March 2013 – Update** The CRR and Policy has been circulated to CRMG members for their comments. Further guidance will be issued to support the Policy and Strategy, and support will be offered as part of the Service planning process.	All Service Directors / CFO / CGO / Head of Policy, Technology, and Improvement / CRMG members	All Services
66	31 March 2013	All Services	Corporate Risk Management Arrangements	Limited	CMT should review the role and remit of CRMG, and set out its expectations of the Group in a formal Terms of Reference.	The revised and updated Policy and Strategy will clearly set out the role and remit of the Group, as well as an annual work programme. The Policy and Strategy will be considered by CRMG and CMT ahead of presentation to Audit Committee in Spring 2013. **11 March 2013 – Update** A review of working groups is being undertaken, and this will help shape the membership and remit of CRMG. This will be completed in Spring 2013.	Director of Development Services	Development
67	31 March 2013	Corporate and Neighbourhood	IHMS Project Management	Limited	The requirement for a Business Case (including investment appraisal) should be a mandatory requirement for any future corporate ICT projects.	No action for IHMS, but agreed for future projects.	TBC	Corporate and Neighbourhood
68	31 March 2013	Corporate and Neighbourhood	IHMS Project Management	Limited	Formal risk management arrangements should be introduced for the remainder of the IHMS project. In addition, the requirement for ongoing risk assessment and management should be a mandatory requirement for any future corporate ICT projects.	Each ICT contract is managed differently according to the needs of the project and the systems in place. We will continue to use the on-line Capita helpdesk, and note the need for appropriate risk and issues management for other projects.	TBC	Corporate and Neighbourhood
69	31 March 2013	Corporate and Neighbourhood	IHMS Project Management	Limited	Project status reports should be initiated for the remainder of the IHMS project. In addition, formal project status reports should be a mandatory requirement for any future corporate ICT projects.	We will prepare Status Reports.	TBC	Corporate and Neighbourhood

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70	31 March 2013	Corporate and Neighbourhood	IHMS Project Management	Limited	There are a number of points in relation to the Project Board that we **recommend** are addressed: - There are no Terms of Reference (TOR) for the Project Board. The TOR should provide clarity on roles and responsibilities and also set out any links between the Project Board and the Council's corporate ICT Strategy Group and Corporate Management Team (CMT). The governance arrangements associated with the IHMS project should be reviewed to ensure that the Council's CMT is being routinely updated on progress (which we would expect for any high risk, high visibility, corporate project). - Minutes / action points from Project Board meetings are not formally recorded. This should be introduced to ensure transparency over what is being discussed and agreed. - Due to the lack of minutes there was no record that the Project Board were receiving updates on project risks and issues; project milestones and status; and project spend against budget. These areas should be standing agenda items for Project Board meetings.	The names and high level responsibilities of IHMS Board members and Module Champions are on the IHMS area of the Intranet. Consideration will be given to CMT reporting arrangements. In relation to minutes and action points, a more formalised record will be maintained.	TBC	Corporate and Neighbourhood
71	31 March 2013	Corporate and Neighbourhood	IHMS Project Management	Limited	This review has highlighted a number of areas in the Project Management Framework where improvements are required. We have attached, at **Annex 1**, a list of the areas we have reviewed and **recommend** that is used as the basis of a checklist for any future corporate ICT projects. This checklist should be mandatory for all Project Sponsors and Project Managers. We have also attached, at **Annex 2**, a suggested project management structure that we **recommend** should be the minimum requirement for any future corporate ICT projects.	Business Improvement Team will consider the required corporate approach to project management and monitoring, with input from Internal Audit and Service representatives if appropriate.	TBC	Corporate and Neighbourhood
72	31 March 2013	Finance	Pensions Transactional Systems	Substantial	The Standards of Service that the Pensions Section aims to provide to the Scheduled and Admissions Bodies should be set out formally on an annual basis.	Agreed. **14 February 2013 – Update** A Pensions Administration Strategy is being prepared, for completion in Spring 2013.	Pensions Manager	Finance
73	31 March 2013	Finance	Payroll	Substantial	A target date should be set for completing the exercise to update operational procedures.	Procedures in place. As per Service Plan these will maintained on an ongoing basis.	Payroll Officer	Finance
74	31 March 2013	Finance	Payroll	Substantial	The issues in relation to the administration and monitoring of over and under payments by Payroll Section staff should be addressed.	This is being considered within the context of the new Overpayments Policy which has been developed by Human Resources. Payroll will apply the Policy in all over or under payment cases.	Payroll Officer	Finance

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75	30 April 2013	All Services	Premises Managers' Handbook Compliance	Limited	Corporate Risk Management Group Service representatives should ensure that: • an annual Statement of Assurance and Action Plan is completed by all Premises Managers; • Education Services' Statement of Assurance position paper is presented at the June meeting of the Corporate Risk Management Group on an annual basis; and • Statements of Assurance and Action Plans are verified by an independent Officer.	Chief Officers, via their Corporate Risk Management Group representatives, will ensure that Statements of Assurance are completed and submitted for all premises. Prior to the submission of Statement of Assurance information to CRMG, each Service CRMG representative will ensure that the accuracy and completeness of the information is verified. **11 March 2013 – Update** This will be confirmed upon completion of the 2013 Statement of Assurance process.	Chief Officers / Service CRMG Reps	All Services
76	30 April 2013	Finance	Payroll	Substantial	The issues in relation to the number of Payroll Section staff with access to run the payroll; Payroll Section staff having access to their own payroll records; and password duration / dormancy should be addressed.	This is currently necessary due to staff cover arrangements. As soon as staffing arrangements return to normal we will review and limit the number of users with access to their own records and the ability to run payrolls. Password duration and dormancy issues will be reviewed.	Payroll Officer (Systems and Control)	Finance
77	31 May 2013	All Services	Corporate Risk Management Arrangements	Limited	Operational risk management guidance should be developed (following review of the Policy and Strategy). Risk management should be covered at staff induction, and be embedded in all other training and development (as relevant). All Services should review their risk management training requirements.	Operational guidance will be developed to support the revised and updated Policy and Strategy. Options relating to induction and on-going training will be considered. This will be done within the context of a wider, CRMG led, review of Service training needs. **11 March 2013 – Update** Risk Management will be included in training for Service Managers in April 2013. Further guidance and training will be developed following the above work and support will be offered as part of the implementation process.	Director of Development Services Director of Development Services / CRMG members	All Services
78	01 June 2013	Governance	Appointment of Consultants	Limited	The points relating to the content of the Protocol for the Appointment of Consultants, and related guidance, should be addressed.	Legal Services, in conjunction with Finance and Procurement and in consultation with other Services, will undertake a broader review of the use of consultants. This will include review and update of the Protocol, and the need for associated guidance and training.	Legal Services	Legal Services
79	01 August 2013	Governance	Appointment of Consultants	Limited	Training and awareness arrangements should be reviewed. This should include coverage in the induction process for new starts.	Legal Services, in conjunction with Finance and Procurement and in consultation with other Services, will undertake a broader review of the use of consultants. This will include review and update of the Protocol, and the need for associated guidance and training.	Legal Services	Legal Services

	Target Implementation Date	Service	Audit Name	Assurance Level	Recommendation Details	Agreed Management Action	Responsible Officer	Responsible Officer - Service
80	31 August 2013	All Services	Appointment of Consultants	Limited	A business case should always be prepared / approved. Unless subject to agreed exceptions, appropriate market testing should always be undertaken. Authorisation arrangements should be clear, and applied in full. Legal Services should be asked to assist in preparing appropriate formal agreements for all appointments. All appointments should be published in the Information Bulletin. Invoices should be checked / authorised, and paid promptly.	Chief Officers will ensure compliance with the existing, and any future updated and revised, Protocol within their area of responsibility.	All Services	All Services
81	30 September 2013	Finance	Payroll	Substantial	The Payroll Section Data Handling Register should be updated.	This will be reviewed and updated.	Payroll Officer (Systems and Control)	Finance
82	31 December 2013	Finance	Payroll	Substantial	There should be formal notification issued to the employee by Payroll Section to confirm when their bank account details have been changed.	This recommendation will not be implemented at present as current arrangements, whereby employees must provide their old account information, is considered adequate. The potential for automating the suggested control will, however, be explored with the Resourcelink software provider.	Payroll Officer (Systems and Control)	Finance
83	31 December 2013	Finance	Payroll	Substantial	The issues in relation to the two audit reports should be addressed.	A reminder email has been issued to all staff reminding them of the need to record checks. A checklist is not considered necessary as reports are checked for completeness by the officer who produces them. This is done when the reports are produced and when they are returned after checking. The threshold level will be considered. This will be based on an assessment of risk.	Payroll Officer	Finance
84	31 March 2014	Development	Roads Maintenance Arrangements	Substantial	Formal priority rating sample checking procedures should be developed. In addition, a formal rating scale in relation to the condition score awarded should be developed.	Priority rating sample checking procedures will be formalised and included in the revised Carriageway Lifecycle Plan. The rating scale will be developed further. **11 March 2013 – Update** No formal priority rating sample check procedure has been developed, as yet. The programme for 2013/14 and beyond is currently under development and a checking procedure will be developed as part of this work. The checking procedure will be included in Quality Process QP110 and in the RAMP Maintenance Manual which has to be developed.	Roads Manager	Development