



Shetland Islands Council

Agenda Item

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| Meeting(s): | Policy & Resources Committee | 7 December 2016 |
| | Audit Committee | 12 December 2016 |
| Report Title: | Audit Scotland and other External Audit Reports – Best Value Report Angus Council | |
| Reference Number: | IA-21-16-F | |
| Author / Job Title: | Crawford McIntyre – Executive Manager – Audit, Risk & Improvement | |

1.0 Decisions / Action required:

- 1.1 That the Policy & Resources Committee and the Audit Committee:

NOTE the contents of this report and COMMENT on any actions required, for recommendation to the relevant Committee, or an officer.

2.0 High Level Summary:

- 2.1 In August 2014 a policy was approved by the Council to improve reporting procedures for Audit Scotland, and other External Audit bodies reports, directed to this, and other Councils.
- 2.2 In the case of best value reports, not specific to Shetland Islands Council, these cannot be allocated to a specific officer.
- 2.3 Responses from relevant officers are sought and a report co-ordinated by the Executive Manager – Audit, Risk & Improvement
- 2.4 A best value report has recently been issued to Angus Council (link below).

3.0 Corporate Priorities and Joint Working:

- 3.1 Improved external engagement and sharing best practice will contribute to high standards of governance and the Council being operated and managed effectively.

4.0 Key Issues:

- 4.1 The overall view of officers is that the report contains many parallels with initiatives that the Council already has in place or are a work in progress and that none of the findings present concern from a Shetland perspective. If Members however consider that further information is required on a specific matter this will be acted upon.

5.0 Exempt and/or confidential information:

- 5.1 None

| 6.0 Implications : | | |
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| 6.1 Service Users, Patients and Communities: | The Council must ensure Best Value in the delivery of services. The work of the Policy and Resources Committee and the Audit Committee together with improvement opportunities identified in Audit Scotland and or external audit reports contribute to this. | |
| 6.2 Human Resources and Organisational Development: | None arising directly from this report however the Angus Best Value report highlights a number of Human Resource issues. | |
| 6.3 Equality, Diversity and Human Rights: | None arising directly from this report. | |
| 6.4 Legal: | The Council has a statutory duty to demonstrate best value. Being aware of best value matters highlighted in other Councils can contribute to the Council demonstrating best value. | |
| 6.5 Finance: | None arising directly from this report albeit there are financial matters within the Angus report. | |
| 6.6 Assets and Property: | None arising directly from this report albeit an Asset and Property issue is highlighted in the Angus report. | |
| 6.7 ICT and new technologies: | None arising directly from this report albeit an ICT / Technology matter is referred to in the Angus report | |
| 6.8 Environmental: | None arising directly from this report. | |
| 6.9 Risk Management: | Audit Scotland and External advisors reports provide useful information on best practice from other local authorities and recommendations for the Council to improve. A failure to deliver effective external engagement or to learn from suggested improvement recommendations or best practice from elsewhere increases the risk of the Council working inefficiently. | |
| 6.10 Policy and Delegated Authority: | As outlined in Section 2.6 of the Council's Scheme of Administration and Delegations, the remit of Audit Committee includes "...review reports from the Council's External Advisors and review action on External Audit recommendations". The Policy and Resources Committee has within its remit "...ensure the Council discharges its functions relating to Best Value". | |
| 6.11 Previously considered by: | None | N/A |

Contact Details:

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17 November 2016

Background Documents:

<http://www.audit-scotland.gov.uk/report/angus-council-best-value-audit-report>



Shetland Islands Council

Agenda Item

2

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|----------------------------|--|--------------------------------|
| Meeting(s): | Audit Committee | 12 th December 2016 |
| Report Title: | Audit Scotland and other External Audit Reports | |
| Reference Number: | IA-24-16-F | |
| Author / Job Title: | Crawford McIntyre - Executive Manager, Audit, Risk and Improvement | |

1.0 Decisions / Action required:

- 1.1 The Audit Committee to consider the progress statements provided by Lead Officers in Appendix 1, and makes any relevant comment on action plans.

2.0 High Level Summary:

2.1 This regular report provides an opportunity for the Audit Committee to consider and monitor progress on any recommended actions resulting from Audit Scotland and External Audit body reports which have been or will be presented to the functional Committees. It also provides an opportunity for the Committee to monitor compliance with the external audit reports reporting policy and procedures.

2.2 The reports produced by the Council's External Auditors and Advisers provide valuable information for Committees and officers throughout the Council.

2.3 It is for the Audit Committee to be satisfied that appropriate and timely action is being taken in relation to Audit Scotland and other external audit reports, in accordance with Council Policy

3.0 Corporate Priorities and Joint Working:

3.1 Corporate Plan no 9 of 20: *"People who use our services will experience excellent standards of customer care."*

3.2 Corporate Plan no 12 of 20: *"Our performance as an organisation will be managed effectively, with high standards being applied to the performance of staff and services. Poor performance will be dealt with, and good service performance will be highlighted and shared."*

3.3 This report helps to improve the arrangements for member engagement in monitoring council performance and contributes to a high standard of governance.

4.0 Key Issues:

4.1 Appendix 1 contains a list of the current reports for information. The progress statement is a recent statement received from Lead Officers; where no officer has given a progress statement Performance and Improvement staff provide the statement "Report will be or has been presented to XX Committee on XX date".

4.2 The Audit Committee is required to monitor the consideration of external audit reports by Committees in accordance with the agreed procedure and by reviewing progress against action plans. The Committee should note that the expected presentation of reports to the relevant Committee within 2 cycles of publication has not been met, as follows:

EA0090 Care Inspectorate – North Haven (Support Service): published on 15 June 2016, due to be presented to Integration Joint Board in September but not yet reported. Lead officer advised the report will be presented to Integration Joint Board on 10 March 2017.

EA0092 Audit Scotland – The National Fraud Initiative in Scotland: published on 30 June 2016, due to be presented to Audit Committee in September but not yet reported.

EA0108 Audit Scotland - Scotland's Colleges 2016: published 25 August 2016, due to be presented to Development Committee 04 October but not yet reported. The Lead Officer is currently on secondment, therefore a response has been sought from the Interim Joint Principal.

5.0 Exempt and/or confidential information:

5.1 None.

| 6.0 Implications : | | |
|--|--|--|
| 6.1 Service Users, Patients and Communities: | This report highlights and monitors that the recommended actions advised by the external body are completed. This ensures that our customers are getting the best possible service and that we are committed to improving our services across Shetland. | |
| 6.2 Human Resources and Organisational Development: | This report contributes to improving the arrangements for Member engagement in monitoring Council performance and contributes to high standards of governance. | |
| 6.3 Equality, Diversity and Human Rights: | None. | |
| 6.4 Legal: | There may be legal implications from the recommended actions from the external body report. | |
| 6.5 Finance: | None. | |
| 6.6 Assets and Property: | There may be property implications from the recommended actions from the external body reports. | |
| 6.7 ICT and new technologies: | None. | |
| 6.8 Environmental: | There may be environmental implications from the recommended actions from the external body reports. | |
| 6.9 Risk Management: | External advisors reports provide useful information on best practice from other local authorities. A failure to deliver effective external engagement or to learn from best practice elsewhere increases the risk of the Council working inefficiently. | |
| 6.10 Policy and Delegated Authority: | As outlined in Section 2.6 of the Council's Scheme of Administration and Delegations, the remit includes "...review reports from the Council's External Advisors and review action on External Audit recommendations". This delegation supports the policy requirement and procedure for presenting External Adviser reports as set out in Section 3 above, and it is a matter for the Audit Committee to monitor and ensure compliance. | |
| 6.11 Previously considered by: | None | |

Contact Details:

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Performance and Improvement Officer
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20 November 2016

Appendices:

Appendix 1 – External Advisers Reports - Progress

Audit Committee - External Adviser's Reports - Progress

Generated on: 01 December 2016

Rows are sorted by Original Due Date

| Code & Title | Lead Officer | Committee | Published | Target Presentation Date | Presented to Committee on | Progress Statement | Link |
|---|------------------|--------------------------------|-------------|--------------------------|---------------------------|---|---|
| EA0084 Care Inspectorate - Dunrossness Primary School Nursery | Audrey Edwards | Education & Families Committee | 02-Mar-2016 | 13-Jun-2016 | 03-Oct-2016 | Was presented to Education & Families Committee on 03 October 2016. | Link to inspectorate report: http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=281556 Link to Committee report: http://www.shetland.gov.uk/coins/viewDoc.asp?c=e%97%9Dd%94r%7B%90 |
| EA0092 Audit Scotland - The National Fraud Initiative in Scotland | Jonathan Belford | Audit Committee | 30-Jun-2016 | 21-Sep-2016 | | This report will be presented to the next Audit Committee in September 2016. | Link to report:- http://www.audit-scotland.gov.uk/report/the-national-fraud-initiative-in-scotland |
| EA0088 Audit Scotland - Reshaping Care for Older People - Impact Report | Denise Morgan | Integration Joint Board | 10-May-2016 | 23-Sep-2016 | | Report will be presented to Integration Joint Board Audit Committee 10 March 2017. | Link to report:- http://www.audit-scotland.gov.uk/report/reshaping-care-for-older-people-impact-report |
| EA0089 Care Inspectorate - Westview (Care Home) | Denise Morgan | Integration Joint Board | 08-Jun-2016 | 23-Sep-2016 | 29-Sep-2016 | Report was presented to the Integration Joint Board Audit Committee 26 August 2016. | Link to report: http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=28330 Link to Committee report: http://www.shetland.gov.uk/coins/viewDoc.asp?c=e%97%9Dd%94n%7F%88 |
| EA0090 Care Inspectorate - North Haven (Support Service) | Denise Morgan | Integration Joint Board | 15-Jun-2016 | 23-Sep-2016 | | Report will be presented to Integration Joint Board Audit Committee 10 March 2017. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283485 |

| Code & Title | Lead Officer | Committee | Published | Target Presentation Date | Presented to Committee on | Progress Statement | Link |
|---|---------------|-----------------------------------|-------------|--------------------------|---------------------------|--|---|
| EA0095 Care Inspectorate - Montfield Support Services | Denise Morgan | Integration Joint Board | 06-Jul-2016 | 23-Sep-2016 | 26-Aug-2016 | Report presented to IJB Audit Committee | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283820 Link to Committee report: http://www.shetland.gov.uk/coins/viewDoc.asp?c=e%97%9Dd%94n%7F%89 |
| EA0091 Care Inspectorate - Isles Haven Nursery | Scott Hunter | Education & Families Committee | 15-Jun-2016 | 03-Oct-2016 | 03-Oct-2016 | Inspection complete and reported to Education & Families Committee on 3 October 2016. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283440 Link to Committee report: http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=19894 |
| EA0097 Care Inspectorate - Fostering Service | Scott Hunter | Education & Families Committee | 30-May-2016 | 03-Oct-2016 | 03-Oct-2016 | Inspection complete and reported to Education & Families Committee on 3 October 2016. | Link to report: http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283907 Link to Committee report: http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=19887 |
| EA0098 Audit Scotland - Maintaining Scotland's Roads: | David Coupe | Environment & Transport Committee | 04-Aug-2016 | 03-Oct-2016 | 03-Oct-2016 | Report RD-04-16-F delivered to Environment and Transport Committee on 3 October 2016. Progress to date was noted and the Roads Service Action Plan to address outstanding issues was approved. | Link to report:- http://www.audit-scotland.gov.uk/report/maintaining-scotlands-roads-a-follow-up-report-0 |
| EA0101 Care Inspectorate - Short Breaks for Children | Scott Hunter | Education & Families Committee | 02-Aug-2016 | 03-Oct-2016 | 03-Oct-2016 | Inspection complete and reported to Education & Families Committee on 3 October 2016. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284252 Link to Committee report: http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=19800 |

| Code & Title | Lead Officer | Committee | Published | Target Presentation Date | Presented to Committee on | Progress Statement | Link |
|--|----------------|--------------------------------|-------------|--------------------------|---------------------------|---|---|
| EA0102 Care Inspectorate - Short Breaks for Children (support service) | Scott Hunter | Education & Families Committee | 02-Aug-2016 | 03-Oct-2016 | 03-Oct-2016 | Inspection complete and reported to Education & Families Committee on 3 October 2016. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284250 Link to Committee report: http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=19800 |
| EA0103 Care Inspectorate - Janet Courtney Halls of Residence | Shona Thompson | Education & Families Committee | 01-Aug-2016 | 03-Oct-2016 | 03-Oct-2016 | Inspection complete and reported to Education & Families Committee on 3 October 2016. | Link to report: - http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284215 Link to Committee report: http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=19921 |
| EA0105 Care Inspectorate - Adoption Service | Scott Hunter | Education & Families Committee | 30-May-2016 | 03-Oct-2016 | 03-Oct-2016 | Presented to Education & Families on 03 October 2016. | Link to report: http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283906 Link to Committee report: http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=19801 |
| EA0096 Care Inspectorate - Housing Support Service | Anita Jamieson | Development Committee | 05-Jul-2016 | 04-Oct-2016 | 04-Oct-2016 | Presented to Development Committee on 4 October 2016. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283796 Link to Committee report: http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=19972 |
| EA0099 Audit Scotland - Supporting Scotland's economic growth: The role of the Scottish Government and its economic development agencies | Douglas Irvine | Development Committee | 14-Jul-2016 | 04-Oct-2016 | 04-Oct-2016 | Presented to Development Committee 4 October 2016. | Link to report:- http://www.audit-scotland.gov.uk/report/supporting-scotland%E2%80%99s-economic-growth-the-role-of-the-scottish-government-and-its-economic Link to Committee report: http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=19973 |

| Code & Title | Lead Officer | Committee | Published | Target Presentation Date | Presented to Committee on | Progress Statement | Link |
|--|----------------|--------------------------------|-------------|--------------------------|---------------------------|--|---|
| EA0108 Audit Scotland - Scotland's Colleges 2016 | Irene Peterson | Development Committee | 25-Aug-2016 | 04-Oct-2016 | | Not presented to Development Committee 4 October 2016. Lead officer to update. The Lead Officer is currently on secondment, therefore a response has been sought from the Interim Joint Principal. | Link to report:- http://www.audit-scotland.gov.uk/report/scotlands-colleges-2016-0 |
| EA0109 Audit Scotland - Superfast broadband for Scotland: a progress update | Douglas Irvine | Development Committee | 18-Aug-2016 | 04-Oct-2016 | 04-Oct-2016 | Presented to Development Committee 4 October 2016. | Link to report:- http://www.audit-scotland.gov.uk/report/superfast-broadband-for-scotland-a-progress-update Link to Committee report: http://www.shetland.gov.uk/councils/submissiondocuments.asp?submissionid=19974 |
| EA0080 Audit Scotland - Community Planning: An update | Vaila Simpson | Shetland Partnership Board | 03-Mar-2016 | 31-Oct-2016 | 25-Oct-2016 | Report presented to Shetland Partnership Board 25 October 2016. | Link to report: http://www.audit-scotland.gov.uk/report/community-planning-an-update Link to Committee report: http://www.shetland.gov.uk/councils/submissiondocuments.asp?submissionid=20063 |
| EA0106 Care Inspectorate - North Haven (Care Home) | Denise Morgan | Integration Joint Board | 16-Aug-2016 | 11-Nov-2016 | | Report will be presented to Integration Joint Board Audit Committee 10 March 2017. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284497 |
| EA0100 Care Inspectorate - Mental Health Community Support Service at Annsbrae House | Denise Morgan | Integration Joint Board | 15-Jul-2016 | 23-Nov-2016 | | Report will be presented to Integration Joint Board Audit Committee 10 March 2017. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284327 |
| EA0104 Care Inspectorate - Nordalea (Care Home) | Denise Morgan | Integration Joint Board | 11-Aug-2016 | 23-Nov-2016 | | Report will be presented to Integration Joint Board Audit Committee 10 March 2017. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284397 |
| EA0107 Care Inspectorate - ASN Holiday Club | Scott Hunter | Education & Families Committee | 11-Aug-2016 | 23-Nov-2016 | 03-Nov-2016 | Inspection report presented to E&F Committee on 03 October 2016 - no questions | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284393 Link to Committee report: http://www.shetland.gov.uk/councils/submissiondocuments.asp?submissionid=19893 |

| Code & Title | Lead Officer | Committee | Published | Target Presentation Date | Presented to Committee on | Progress Statement | Link |
|---|-------------------|---------------------|-------------|--------------------------|---------------------------|---|---|
| EA110 Audit Scotland - Social Work in Scotland | Martha Nicolson | Children & Families | 22-Sep-2016 | 06-Feb-2017 | | Report will be presented to Education & Families Committee and also Integration Joint Board. Dates to be confirmed. | Link to report:- http://www.audit-scotland.gov.uk/report/social-work-in-scotland |
| EA112 Care Inspectorate - Children's Residential Services | Scott Hunter | Children & Families | 13-Oct-2016 | 06-Feb-2017 | | On Agenda for Feb E&F Committee | Link to report: http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=285695 |
| EA111 Audit Scotland - Angus Council: Best Value audit report | Crawford McIntyre | Audit Committee | 04-Oct-2016 | 09-Feb-2017 | | Report will be presented to Audit Committee on 12 December 2016. | Link to report:- http://www.audit-scotland.gov.uk/report/angus-council-best-value-audit-report |



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|----------------------------|---|------------------|
| Meeting(s): | Audit Committee | 12 December 2016 |
| Report Title: | Audit Scotland and other External Audit Reports – Review of Policy and Procedure. | |
| Reference Number: | IA-22-16 F | |
| Author / Job Title: | Crawford McIntyre – Executive Manager – Audit, Risk & Improvement | |

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| 1.0 | Decisions / Action required: |
| 1.1 | That the Audit Committee: Consider the assessment of progress against policy and procedure in relation to Audit Scotland and other External Audit Reports (refer Appendix 1), and make any relevant comment on planned actions for further improvement. |
| 2.0 | High Level Summary: |
| 2.1 | In August 2014 a policy was approved by the Council to improve reporting procedures for Audit Scotland, and other External Audit bodies reports, directed to this, and other Councils. |
| 2.2 | The introduction of the policy and procedure has improved reporting procedure within the Council and is acknowledged in Audit Scotland's 2015/16 annual audit report for Shetland Islands Council. In the past Audit Scotland had expressed concerns that reports were not always adequately addressed by Shetland Islands Council. |
| 2.3 | A review of the policy and procedure that has been in operation for 2 years would represent best practice. |
| 2.4 | The existing policy and procedure is set out in Appendix 1 with comment italicised regarding current practice and suggested improvement actions. |
| 3.0 | Corporate Priorities and Joint Working: |
| 3.1 | This report seeks to help improve the arrangements for Member engagement in monitoring Council performance and contributes to high standards of governance. |
| 4.0 | Key Issues: |
| 4.1 | The key issue is how Shetland Islands Council further improves implementation of the policy approved in 2014 and this report seeks to underpin suggested improvement actions. |
| 5.0 | Exempt and/or confidential information: |
| | None |

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| 6.0 Implications : | | |
| 6.1 Service Users, Patients and Communities: | The Council must ensure Best Value in the delivery of services. The work of the Audit Committee and improvement opportunities identified in Audit Scotland and or external audit reports contribute to this. | |
| 6.2 Human Resources and Organisational Development: | None arising directly from this report albeit future Audit Scotland and / or External Audit reports may have relevant recommendations or potential improvements. | |
| 6.3 Equality, Diversity and Human Rights: | None arising directly from this report albeit future Audit Scotland and / or External Audit reports may have relevant recommendations or potential improvements. | |
| 6.4 Legal: | None arising directly from this report albeit future Audit Scotland and / or External Audit reports may have relevant recommendations or potential improvements. | |
| 6.5 Finance: | None arising directly from this report albeit future Audit Scotland and / or External Audit reports may have relevant recommendations or potential improvements. | |
| 6.6 Assets and Property: | None arising directly from this report albeit future Audit Scotland and / or External Audit reports may have relevant recommendations or potential improvements. | |
| 6.7 ICT and new technologies: | None arising directly from this report albeit future Audit Scotland and / or External Audit reports may have relevant recommendations or potential improvements. | |
| 6.8 Environmental: | None arising directly from this report albeit future Audit Scotland and / or External Audit reports may have relevant recommendations or potential improvements. | |
| 6.9 Risk Management: | Audit Scotland and External Advisors reports provide useful information on best practice from other local authorities and recommendations for the Council to improve. A failure to deliver effective external engagement or to learn from suggested improvement recommendations or best practice from elsewhere increases the risk of the Council working inefficiently. | |
| 6.10 Policy and Delegated Authority: | As outlined in Section 2.6 of the Council's Scheme of Administration and Delegations, the remit includes "...review reports from the Council's External Advisors and review action on External Audit recommendations". This delegation supports the policy requirement and procedure for presenting External Adviser reports, and it is a matter for the Audit Committee to monitor and ensure compliance. This report seeks to improve this process. | |
| Previously considered by: | None | N/A |

Contact Details:

Crawford McIntyre

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21 November 2016

Appendices: **Appendix 1** – Current policy and procedure and comment thereon.

Appendix 2 – Revised Appendix for report to Audit Committee

Background Documents: None

Appendix 1

2.0 Policy

- 2.1 All Audit Scotland and other External Adviser's/Audit body's reports should be considered by the relevant committee within two cycles of publication.

In general this happens with Audit Committee advised of overdue reports.

- 2.2 It is expected that each report will result in a Council action plan that deals with all the report's recommendations. In the event that no action plan is required, the matter will still be reported to the relevant committee.

The presentation format for "action plans" is variable. A reminder will be issued to officers of the requirement to prepare an action plan where required.

- 2.3 The Audit Committee will still be provided with all such reports when published. In addition, the Audit Committee will also consider the agreed action plan once this has been agreed by the relevant Service Committee.

Audit Committee is provided with links to reports that are submitted to relevant committee and can comment accordingly.

- 2.4 It would be expected at a later date that the lead officer would confirm when all agreed actions were implemented and completed.

This does not routinely happen at present. It is proposed that the appendix reported to Audit Committee be reviewed (Refer Appendix 2) so reports are not removed from the appendix until the relevant officer confirms completion of the action plan. To facilitate monitoring of this the appendix will show the date that is proposed for the final action to be implemented.

- 2.5 Reports will be presented to the Audit Committee to monitor progress against action plans.

A report is routinely presented to Audit Committee every second cycle.

3.0 Procedure

- 3.1 The Audit, Risk and Improvement service will be notified of every Audit Scotland and other External Adviser's/Audit body's report as soon as the report is published.

This does not routinely happen. However, Audit, Risk & Improvement staff regularly review relevant websites (Audit Scotland, Education Scotland and

Care Inspectorate) to identify relevant reports. Officers will be reminded of this requirement.

- 3.2 Audit, Risk and Improvement, with the relevant Service, will identify the lead officer responsible for the Council's response to the report.

This is routinely undertaken.

- 3.3 The lead officer will present the report to the appropriate Service Committee, within two committee cycles, with a recommended action plan.

Reports are presented. In some cases action plans could be improved.

- 3.4 Audit, Risk and Improvement will present the Service Committee's responses to each report, to the Audit Committee, after the Service Committee decides on a response/action plan.

Reports are submitted every second cycle.

- 3.5 The Audit Committee will then consider the report, and the Service Committee's recommended actions.

As above.

- 3.6 Progress against the agreed action plan should be monitored by the relevant Service Committee and the Audit Committee.

As referred to above this can be improved upon with officers confirming when actions are all completed.

Audit Committee - External Adviser's Reports - Progress

Generated on: 04 November 2016

Rows are sorted by Original Due Date

| Code & Title | Lead Officer | Committee | Target Presentation Date | Presented to Committee on | Action Plan Due Date & Progress | Link | Action Plan Completed Date |
|---|------------------|--------------------------------|--------------------------|---------------------------|---|---|----------------------------|
| EA0082 Care Inspectorate - Fair Isle Primary School Nursery | Audrey Edwards | Education & Families Committee | 13-Jun-2016 | 11-Apr-2016 | Was presented to Education & Families Committee on 11 April 2016. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=281396 Link to report: http://www.shetland.gov.uk/coins/calendar.asp | 11-Apr-2016 |
| EA0084 Care Inspectorate - Dunrossness Primary School Nursery | Audrey Edwards | Education & Families Committee | 13-Jun-2016 | | Will be presented to Education & Families Committee on 03 October 2016. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=281556 | |
| EA0086 Audit Scotland - National Scrutiny Plan for Local Government 2016-17 | Jonathan Belford | Audit Committee | 15-Jun-2016 | 25-May-2016 | Report was presented to the Audit Committee on 25 May 2016. | Link to report:- http://www.audit-scotland.gov.uk/uploads/docs/report/2016/lsp_160331_shetland_islands.pdf Link to Committee report: http://www.shetland.gov.uk/coins/submissiondocument.s.asp?submissionid=19366 | 25-May-2016 |
| EA0085 Audit Scotland - An Overview of Local Government in Scotland 2016 | Jonathan Belford | Policy & Resources Committee | 20-Jun-2016 | 18-Apr-2016 | Report was reported to Policy and Resources Committee on 18 April 2016. | Link to report:- http://www.audit-scotland.gov.uk/report/an-overview-of-local-government-in-scotland-2016 Link to Committee report: http://www.shetland.gov.uk/coins/submissiondocument.s.asp?submissionid=19162 | 18-Apr-2016 |

| Code & Title | Lead Officer | Committee | Target Presentation Date | Presented to Committee on | Action Plan Due Date & Progress | Link | Action Plan Completed Date |
|---|------------------|-------------------------|--------------------------|---------------------------|---|---|----------------------------|
| EA0081 Audit Scotland - Changing models of Health and Social Care | Denise Morgan | Integration Joint Board | 28-Jun-2016 | 28-Jun-2016 | Reported to Integration Joint Board Audit Committee on 28th June 2016. A further update report is currently being prepared for the IJB audit committee on 11.11.16. | Link to report http://www.audit-scotland.gov.uk/report/chan-ging-models-of-health-and-social-care-0 Link to Committee report: http://www.shetland.gov.uk/coins/agenda.asp?meetingid=5290 | 28-Jun-2016 |
| EA0083 Care Inspectorate - Wastview (Support Service) | Denise Morgan | Integration Joint Board | 28-Jun-2016 | 27-Aug-2016 | A verbal report was presented to the Integration Joint Board Audit Committee 26 August 2016. | Report will be presented to the IJB Audit Committee in June. Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=281398 | 27-Aug-2016 |
| EA0092 Audit Scotland - The National Fraud Initiative in Scotland | Jonathan Belford | Audit Committee | 21-Sep-2016 | | This report will be presented to the next Audit Committee in September 2016. | Link to report:- http://www.audit-scotland.gov.uk/report/the-national-fraud-initiative-in-scotland | |
| EA0088 Audit Scotland - Reshaping Care for Older People - Impact Report | Denise Morgan | Integration Joint Board | 23-Sep-2016 | | Report will be presented to Integration Joint Board Audit Committee 10 March 2017. | Report being discussed at CH&SC Directorate. Link to report:- http://www.audit-scotland.gov.uk/report/reshaping-care-for-older-people-impact-report | |
| EA0089 Care Inspectorate - Westview (Care Home) | Denise Morgan | Integration Joint Board | 23-Sep-2016 | 29-Sep-2016 | Report will be presented to the Integration Joint Board Audit Committee 26 August 2016. | Report presented to IJB Audit Committee Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283307 | 29-Sep-2016 |
| EA0090 Care Inspectorate - North Haven (Support Service) | Denise Morgan | Integration Joint Board | 23-Sep-2016 | | Report will be presented to Integration Joint Board Audit Committee 11 November 2016. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283485 | |

| Code & Title | Lead Officer | Committee | Target Presentation Date | Presented to Committee on | Action Plan Due Date & Progress | Link | Action Plan Completed Date |
|---|---------------|-----------------------------------|--------------------------|---------------------------|--|---|----------------------------|
| EA0095 Care Inspectorate - Montfield Support Services | Denise Morgan | Integration Joint Board | 23-Sep-2016 | 29-Sep-2016 | Report will be presented to Integration Joint Board Audit Committee 26 August 2016. | Report presented to IJB Audit Committee Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283820 | 29-Sep-2016 |
| EA0091 Care Inspectorate - Isles Haven Nursery | Scott Hunter | Education & Families Committee | 03-Oct-2016 | 27-Sep-2016 | | Inspection complete and reported to cttee 3/10 Inspection complete and reported to cttee 3/10 Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283440 | 27-Sep-2016 |
| EA0097 Care Inspectorate - Fostering Service | Scott Hunter | Education & Families Committee | 03-Oct-2016 | 27-Sep-2016 | | Inspection complete and reported to cttee 3/10 Inspection complete and reported to cttee 3/10 Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283907 | 27-Sep-2016 |
| EA0098 Audit Scotland - Maintaining Scotland's Roads: | David Coupe | Environment & Transport Committee | 03-Oct-2016 | 03-Oct-2016 | Report RD-04-16-F delivered to Environment and Transport Committee on 3 October 2016. Progress to date was noted and the Roads Service Action Plan to address outstanding issues was approved. | Link to report:- http://www.audit-scotland.gov.uk/report/maintaining-scotlands-roads-a-follow-up-report-0 | 03-Oct-2016 |
| EA0101 Care Inspectorate - Short Breaks for Children | Scott Hunter | Education & Families Committee | 03-Oct-2016 | 03-Oct-2016 | | Inspection report received and presented to cttee 3/10 Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284252 | 03-Oct-2016 |

| Code & Title | Lead Officer | Committee | Target Presentation Date | Presented to Committee on | Action Plan Due Date & Progress | Link | Action Plan Completed Date |
|--|----------------|--------------------------------|--------------------------|---------------------------|---------------------------------|---|----------------------------|
| EA0102 Care Inspectorate - Short Breaks for Children (support service) | Scott Hunter | Education & Families Committee | 03-Oct-2016 | 27-Sep-2016 | | Inspection complete and reported to ctte Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284250 | 27-Sep-2016 |
| EA0103 Care Inspectorate - Janet Courtney Halls of Residence | Shona Thompson | Education & Families Committee | 03-Oct-2016 | | | Link to report: - http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284215 | |
| EA0105 Care Inspectorate - Adoption Service | Scott Hunter | Education & Families Committee | 03-Oct-2016 | 27-Sep-2016 | | Inspection complete and reported to cttee 3/10 Link to report: http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283906 | 27-Sep-2016 |
| EA0096 Care Inspectorate - Housing Support Service | Anita Jamieson | Development Committee | 04-Oct-2016 | | | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=283796 | |
| EA0099 Audit Scotland - Supporting Scotland's economic growth: The role of the Scottish Government and its economic development agencies | Douglas Irvine | Development Committee | 04-Oct-2016 | | | Link to report:- http://www.audit-scotland.gov.uk/report/supporting-scotland%E2%80%99s-economic-growth-the-role-of-the-scottish-government-and-its-economic | |
| EA0108 Audit Scotland - Scotland's Colleges 2016 | Irene Peterson | Development Committee | 04-Oct-2016 | | | Link to report:- http://www.audit-scotland.gov.uk/report/scotlands-colleges-2016-0 | |
| EA0109 Audit Scotland - Superfast broadband for Scotland: a progress update | Douglas Irvine | Development Committee | 04-Oct-2016 | | | Link to report:- http://www.audit-scotland.gov.uk/report/superfast-broadband-for-scotland-a-progress-update | |

| Code & Title | Lead Officer | Committee | Target Presentation Date | Presented to Committee on | Action Plan Due Date & Progress | Link | Action Plan Completed Date |
|--|---------------------------|--------------------------------|--------------------------|---------------------------|---|--|----------------------------|
| EA0080 Audit Scotland - Community Planning: An update | Vaila-fake; Vaila Simpson | Shetland Partnership Board | 31-Oct-2016 | | The audit report is being considered, and this report will be presented to the next Shetland Partnership Board in October 2016. | Link to report http://www.audit-scotland.gov.uk/report/community-planning-an-update | |
| EA0106 Care Inspectorate - North Haven (Care Home) | Denise Morgan | Integration Joint Board | 11-Nov-2016 | | | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284497 | |
| EA0100 Care Inspectorate - Mental Health Community Support Service at Annsbrae House | Denise Morgan | Integration Joint Board | 23-Nov-2016 | | Report will be presented to Integration Joint Board Audit Committee 11 November 2016. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284327 | |
| EA0104 Care Inspectorate - Nordalea (Care Home) | Denise Morgan | Integration Joint Board | 23-Nov-2016 | | Report will be presented to Integration Joint Board Audit Committee 11 November 2016. | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284397 | |
| EA0107 Care Inspectorate - ASN Holiday Club | Scott Hunter | Education & Families Committee | 23-Nov-2016 | | | Link to report:- http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=284393 | |
| EA110 Audit Scotland - Social Work in Scotland | Martha Nicolson | Children & Families | 06-Feb-2017 | | | Link to report:- http://www.audit-scotland.gov.uk/report/social-work-in-scotland | |
| EA112 Care Inspectorate - Children's Residential Services | Scott Hunter | Children & Families | 06-Feb-2017 | | | Link to report: http://www.careinspectorate.com/berengCareservices/html/reports/getPdfBlob.php?id=285695 | |
| EA111 Audit Scotland - Angus Council: Best Value audit report | Crawford McIntyre | Audit Committee | 09-Feb-2017 | | | Link to report:- http://www.audit-scotland.gov.uk/report/angus-council-best-value-audit-report | |



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|----------------------------|--|-------------------------|
| Meeting(s): | Audit Committee | 12 December 2016 |
| Report Title: | Six- monthly Internal Audit Progress Report 2016/17 | |
| Reference Number: | IA-20-16-F | |
| Author / Job Title: | Crawford McIntyre – Executive Manager – Audit, Risk & Improvement | |

1.0 Decisions / Action required:

- 1.1 That the Audit Committee note the contents of the six monthly report and comment accordingly.

2.0 High Level Summary:

- 2.1 The report presents the Audit Committee with details of progress made to date against the Audit Plan approved for 2016/17. It also highlights the main issues identified during Internal Audit assignments.

3.0 Corporate Priorities and Joint Working:

- 3.1 This report, which provides an update on audit activity, contributes to improving the arrangements for Member engagement in monitoring Council performance and contributes to high standards of governance, excellent financial management arrangements and working in a more effective way

4.0 Key Issues:

- 4.1 Satisfactory progress is being made against the 2016/17 Internal Audit Plan. It is anticipated that over 90% of the plan will be completed by the financial year end.
- 4.2 Main issues identified are referred to in Appendix 1.
- 4.3 Quarterly reports are provided to Directors highlighting agreed actions which have passed their agreed implementation date. These would then become the Director's responsibility to progress. Any ongoing lack of progress is reported to the Chief Executive and if necessary would then be reported to Audit Committee.
- 4.4 The most recent quarterly reports are currently with Directors and if necessary a report will be presented to a future Audit Committee.

5.0 Exempt and/or confidential information:

- 5.1 None

| 6.0 Implications : | | |
|--|--|-----|
| 6.1 Service Users, Patients and Communities: | The Council must ensure best value in the delivery of services. The work of Internal Audit and the Audit Committee can provide assurance in this regard. | |
| 6.2 Human Resources and Organisational Development: | None arising directly from this report. | |
| 6.3 Equality, Diversity and Human Rights: | None arising directly from this report. | |
| 6.4 Legal: | The Local Authority Accounts (Scotland) Regulations 2014 make it a statutory requirement for a local authority to operate a professional objective internal auditing service. Section 95 of the Local Government (Scotland) Act 1973 specifies that all Scottish Councils are required to have in place arrangements for ensuring propriety, regularity and best value in their stewardship of public funds. | |
| 6.5 Finance: | The work of internal audit contributes towards effective financial stewardship within Shetland Islands Council. | |
| 6.6 Assets and Property: | None arising directly from this report. | |
| 6.7 ICT and new technologies: | There is provision within the audit plan to undertake IT audit work. | |
| 6.8 Environmental: | None arising directly from this report. | |
| 6.9 Risk Management: | Whilst no specific risk can be attributed to this report, Internal audit facilitates reduction of risks identified as a result of work undertaken. This can only be the case if management act as per agreed actions plans to deal with issues identified by Internal Audit | |
| 6.10 Policy and Delegated Authority: | The Audit Committee remit includes consideration of audit matters and to oversee and review action taken on audit activity. | |
| 6.11 Previously considered by: | None. | N/A |

Contact Details:

Crawford McIntyre

Executive Manager – Audit, Risk & Improvement

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17th November 2016

Appendices:

Appendix 1 – Six monthly progress report 2016/17

Background Documents: *None*

| Audit | Auditee | Progress Report / Key Audit Issues |
|--|--|---|
| Housing | Executive Manager – Housing | <p>No key audit issues were identified during the course of the audit.</p> <p>All other audit issues, observations and minor issues were discussed, and agreed timescales for resolutions are now recorded on the Covalent System.</p> |
| Schools | Executive Managers – Schools & Quality Improvement. | Work ongoing. Scheduled to finish by end of third quarter. |
| Transport | Executive Manager – Transport Planning Operations | Report currently being finalised. |
| Planning – Building Standards | Team Leader – Building Standards | Scheduled for 4 th quarter. |
| Children's Resources c/fwd from 15/16. Report finalised June 2016. | <p>Executive Manager – Children & Families</p> <p>Executive Manager – Children's Resources</p> | <p>There was one key audit issue identified during the course of the audit surrounding the payment of adoption allowance. At present, there appears to be an overall lack of adequate control as no procedure is in place to review adoption allowance payments. We are therefore unable to ascertain if circumstances have changed and if the adoption allowance should still apply. Annual financial statements are also not being submitted.</p> <p>A further five audit comments were raised covering medication administration training, complaints handling, fire safety audits, inventory management and records management for client pocket money.</p> |



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| | | <p>A key observation was also raised in relation to petty cash imprests held at Laburnum and Haldane Burgess Crescent.</p> <p>All audit issues, observations and minor issues were discussed, and agreed timescales for resolutions are now recorded on the Covalent System.</p> |
|--|--|--|

| Investigations / Reviews | Reported to: | |
|--------------------------|---|---|
| SUMS College | Acting College Principal – Shetland College | Report issued. |
| Hardship Fund | Acting College Principal – Shetland College | Report issued. |
| LEADER Funding | Executive Manager – Economic Development | Report issued. |
| Performance Indicators | Internal | Review undertaken. |
| Recruitment | Executive Manager – Human Resources | Scheduled for 4 th quarter. |
| Sales Invoices | Executive Manager - Finance | Work ongoing. Nearing completion. |
| Scottish Welfare Fund | Executive Manager - Finance | Scheduled for 4 th quarter. |
| Hansel / Comfort funds | Executive Manager - Finance | Work ongoing. Running in tandem with schools audit. |



| | | |
|--|--------------------------------------|---|
| Council National Fraud Initiative (NFI) Arrangements | Team Leader - Revenue & Benefits | A new NFI data matching process is being undertaken. The Executive Manager – Finance has provided assurance that the process will be undertaken appropriately by the Council. |
| Capital Project – New AHS | Executive Manger – Capital Programme | Some initial scoping work undertaken. Substantial risks are effectively transferred to outside bodies. Work being finalised. No issues identified. |
| Physical & Environmental Security | Executive Manager - ICT | Work ongoing. Running in tandem with schools audit. |
| Back-up systems | Executive Manager - ICT | Scheduled for 3 rd quarter before the end of December 2016. |
| Service Desk Incident Problem management | Executive Manager - ICT | Scheduled for 4 th quarter. |
| Systems Access | Various | Ongoing. |
| PSIAS Audit Orkney | Orkney Islands Council | Work undertaken and report issued. |
| Follow up audit monitoring | CMT | 3 rd / 4 th Quarter. |
| H & SCI Joint Board | H & SCI Joint Board | 4 th Quarter. Fact finding ongoing. |





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|----------------------------|--|------------------|
| Meeting(s): | Audit Committee | 12 December 2016 |
| Report Title: | Risk Management Annual Report | |
| Reference Number: | IA-19-16-F | |
| Author / Job Title: | Executive Manager, Audit, Risk and Improvement | |

| |
|--|
| 1.0 Decisions / Action required: |
| 1.1 That the Audit Committee note the activities of the Risk Management Section, the management of risk across the organisation and make any relevant comment. |
| 2.0 High Level Summary: |
| 2.1 The Council's approach to the management of risk has been significantly revised and staff are working to embed new policy and procedures. This report sets out a number of work strands that have commenced or been delivered in the last twelve months, for the purposes of effectively managing the risks to Council's priorities and activities. |
| 2.2 The Council's management of risk continues to develop and embed, and this report lists the main activities being delivered by the Risk Management Section that contribute to the improved management of risk. |
| 3.0 Corporate Priorities and Joint Working: |
| 3.1 Our Plan 2016-2020 states that 'Our approach to managing the risks we face will have resulted in a more risk-aware organisation that avoids high-risk activities'. |
| 3.2 Risk Management staff work to provide support across the organisation to ensure that staff and services are working within Risk Management Policy and Strategy while striving to deliver the corporate, organisational and operational priorities. Further, the IJB's Risk Management Strategy is closely aligned to that of Shetland Islands Council. |
| 3.3 The Senior Risk Management Officer is working with the different organisations which collectively make up the Shetland Partnership, to provide support and consistency as they compile and manage the Partnership's risk register. |
| 4.0 Key Issues: |
| 4.1 The Risk Management Action Plan is complete and current risk actions are progressing to schedule; |
| 4.2 The agreed risk framework is in place and is functioning; |
| 4.3 The organisation's risk maturity is moving up the performance framework scale and continues to be actively monitored by the Risk Board; |
| 4.4 The refreshed risk check programme is progressing to schedule; |
| 4.5 The upgraded risk management information system, JCAD CORE, has been successfully implemented. |
| 5.0 Exempt and/or confidential information: |
| 5.1 None |
| 6.0 Implications : |

| | |
|--|---|
| 6.1 Service Users, Patients and Communities: | The various activities described in the attached report collectively improve the organisation's ability to manage risk and to more effectively protect and deliver services across the whole of Shetland. |
| 6.2 Human Resources and Organisational Development: | For an organisation to develop, systems and a framework that facilitate the management of risk must be embedded and effective. The Council's risk maturity is measured and monitored, and shows steady and continuing improvements over the last two years. |
| 6.3 Equality, Diversity and Human Rights: | The current risk system and approach supports the identification of any risks that may impact on Services' compliance with the legislative and regulatory frameworks within which they work. |
| 6.4 Legal: | The effective identification and management of risk reduces the likelihood of legal action against the organisation. |
| 6.5 Finance: | Early and effective management of risks can ensure plans are delivered effectively and without costly deviation or delay. Specific Finance risks are identified on the Corporate Risk Register. |
| 6.6 Assets and Property: | The risk of missed opportunities in relation to the Anderson High School Knab campus is identified on the Corporate Risk Register with a rating of Unlikely X Extreme, and is reported to the Risk Board on a quarterly basis. |
| 6.7 ICT and new technologies: | Training equips staff to develop and exploit the functionality of the upgraded risk system. Cyber risk appears on the Corporate Risk Register with a risk rating of Unlikely X Major. |
| 6.8 Environmental: | Effective communication of risk information through the organisation and with the Risk Board helps raise awareness of national and international, longer-term risks such as from environmental change. |
| 6.9 Risk Management: | The organisation's risk performance is measured against the ALARM National Performance Model and was independently audited using the Audit Scotland Best Value 2 review tool. |
| 6.10 Policy and Delegated Authority: | Audit Committee terms of reference includes the scrutiny of risk management activities. |
| 6.11 Previously considered by: | <i>None</i> |

Contact Details:

Joanne Jamieson, Senior Risk Management Officer,

Joanne.jamieson@shetland.gov.uk

15 November 2016

Appendices:

Appendix 1 – Annual risk review update

Appendix 2 – Scorecard report 2016

Appendix 3 – Risk performance framework

Background Documents: *None*

Annual update on Risk Management Section's activities and the management of risk across the organisation – to Audit Committee of 12 December 2016

In the last twelve months:





1. Progress on the Risk Review Action Plan is required to be reported to Audit Committee, [*min ref 33/15*], and this report confirms that all actions have been completed bar one. The only remaining incomplete recommendation is in relation to the review of the Scheme of Delegation, whereby responsibilities in relation to risk are made explicit. This task sits with Governance and Law and will form part of the wider review of governance. It is anticipated that it will be finalised by the end of March 2017.
2. A scorecard report showing Risk Management Section's current actions is attached, (see appendix 2).
3. The organisation continues to measure its efficacy in managing risk against the ALARM National Performance Framework (see appendix 3), which the Council adopted in June 2015 [*min.ref. SIC 38/15*]. The Risk Board annually reviews and agrees the organisation's current position, identifies the actions required to deliver improvements and sets targets and timescales for those improvements. The organisation's initial position was at level 2 on the framework and is now considered to be substantially at level 3 with some aspects potentially at level 4. The Risk Board has instructed a working group to carry out a gap analysis and identify work streams for moving forward.
4. The 2014 and 2016 independent reviews of the organisation's management of risk by Audit staff using Audit Scotland's Best Value 2 tool, were useful checks which demonstrated significant improvements between the time of the first assessment which was reported to Corporate Management Team in February 2014, and the follow up report which was reported to the Risk Board in February 2016 and then to Audit Committee on 13 April 2016 [*min. ref. 07/16*].
5. The Risk Board meets on a quarterly basis and the Corporate Risk Register is a standing item for discussion. It is now also reported to Policy and Resources Committee and Shetland Islands Council as part of the Planning and Performance Management Framework (PPMF) cycle.
6. The refreshed Risk Check programme, as reported to the Audit Committee of 13 April 2016, [*min. ref. 07/16*], commenced in July 2016 with six services scheduled for visits. Those are Housing, Tingwall Airport, Children's Services (Hayfield), Estate Operations, Ports and Sandwick Junior High School. A report summarising the key findings and significant risks identified across the services, will be presented to Audit Committee on 8 March 2017.










7. The organisation's risk management information system has been upgraded to a current version, called CORE, which provides a range of improved reporting functionality including in analysing and reporting of risk data. The move to the new system in August/ September was seamless and initial reactions have been entirely positive. Staff have undertaken follow-up training in order to equip them to better develop and utilise the full functionality, and this will progress over the next year.
8. Risk Management staff recently attended a two day public sector risk conference and a report on the various sessions, points to note and action points, will be presented to Risk Board on 24 January 2017. Service-specific points of note will be highlighted to relevant services and staff.

RRAP scorecard

Generated on: 16 November 2016

Risk Review Action Plan - Scorecard

| Code & Title | Description | Expected outcome | Dates | | | | | Progress | Progress statement | Lead |
|--|---|---------------------------------|---------------|--------------|-------------------|-------------|----------------|---|--|---------------------------|
| | | | Planned Start | Actual Start | Original Due Date | Due Date | Completed Date | | | |
| RM001 Roll out CORE, develop associated training plan and guidance | RM section to roll out CORE, develop associated training plan and procedures/ guidance as necessary, deliver and complete training to all users | Likely to meet or exceed target | 02-May-2016 | 02-May-2016 | 30-Mar-2017 | 30-Mar-2017 | |  | CORE has been implemented, all users now access risk registers via CORE, RM staff developing additional functionality & bespoke reporting as per requests | Audit, Risk & Improvement |
| RM003 Risk Management Framework - report to Audit Committee | Report to Audit Committee re Risk performance Framework for the organisation and whether Level 3 has been achieved on schedule. Consider next steps regarding aiming for Level 4. | Likely to meet or exceed target | 03-Oct-2016 | 24-Nov-2016 | 31-Oct-2016 | 31-Dec-2016 | |  | Risk Board has convened a small working group to carry out a gap analysis and identify whether additional activity is required to ensure organisational progress. | Audit, Risk & Improvement |
| RM004 Report on Risk Management operational activities to Risk Board quarterly | Report risk section operational activities to Risk Board quarterly | Likely to meet or exceed target | 05-Jul-2016 | 05-Jul-2016 | 30-Mar-2017 | 30-Mar-2017 | |  | Report to July '16 RB. Oct '16 RB was truncated because of more pressing budget issues, sum-up report to be provided to January '17 RB. | Audit, Risk & Improvement |
| RM005 Deliver risk check programme and report to Audit Committee in Feb 2017 | Undertake work as per risk check plan and upon completion of plan prepare report for SIC audit committee. | Likely to meet or exceed target | 01-Apr-2016 | 01-Apr-2016 | 28-Feb-2017 | 28-Feb-2017 | |  | Housing complete and issued, Transport Ops (Tingwall Airport) complete, Children's Services, Ports and Harbours, Estate Ops, Sandwick JHS all carried out, reports being prepared. | Audit, Risk & Improvement |

| Code & Title | Description | Expected outcome | Dates | | Progress | Progress statement | Lead |
|---|---|--|-------------------|-------------|--|---|---------------------------|
| RM006 Draft quarterly corporate risk register reports to Council and Policy and Resources Committee | Draft quarterly corporate risk register reports to Policy and Resources Committee and then to Council |  | Planned Start | 15-Jun-2016 |   | Info for report to 7 December P & R prepared. | Audit, Risk & Improvement |
| | | | Actual Start | 15-Jun-2016 | | | |
| | | | Original Due Date | 30-Mar-2017 | | | |
| | | | Due Date | 30-Mar-2017 | | | |
| | | | Completed Date | | | | |
| RM007 Develop mechanisms and relationships with partner boards and organisations | Develop mechanisms and relationships with partner boards and organisations to facilitate the delivery of an effective and consistent approach to the identification, reporting and management of risk; align, where possible, approaches and ethos, and then mechanisms to support that alignment |  | Planned Start | 01-Apr-2016 |   | Senior Risk Management Officer providing support to Shetland Alcohol and Drugs Partnership to prepare and manage the group's risk register. Shetland Partnership risk register progressing - risks to Local Outcomes Improvement Plan (LOIP) outcomes 1 and 2 identified and documented following meetings with Director of Children's Services (LOIP 1) and Director of Community Health (LOIP 2). | Audit, Risk & Improvement |
| | | | Actual Start | 01-Apr-2016 | | | |
| | | | Original Due Date | 30-Mar-2017 | | | |
| | | | Due Date | 30-Mar-2017 | | | |
| | | | Completed Date | | | | |
| RM008 Develop CORE data management & bespoke reporting to suit wide range of users | Develop data management in CORE, develop sophistication of associated bespoke reporting of risk information to suit the requirements of different teams, strategic groups, boards and partnerships. |  | Planned Start | 15-Jun-2016 |   | Training accessed 25 Oct 16 via webex and in person on 2nd Nov. Work plan in place to develop reporting for users. | Audit, Risk & Improvement |
| | | | Actual Start | 15-Jun-2016 | | | |
| | | | Original Due Date | 30-Mar-2017 | | | |
| | | | Due Date | 30-Mar-2017 | | | |
| | | | Completed Date | | | | |

| | Leadership & Management | Strategy & Policy | People | Partnership, Shared Risk & Resources Processes | Processes | Risk Handling & Assurance | Outcomes & Delivery |
|--|---|--|--|---|---|--|---|
| Level 5: Driving | Senior management uses consideration of risk to drive excellence through the business, with strong support and reward for well-managed risk taking | Risk management capability in policy and strategy making helps to drive organisational excellence | All staff are empowered to be responsible for risk management The organisation has a good record of innovation and well managed risk taking Absence of a blame culture | Clear evidence of improved partnership delivery through risk management and that key risks to the community are being effectively managed | Management of risk and uncertainty is well integrated with all key business processes and shown to be a key driver in business success | Clear evidence that risks are being effectively managed throughout the organisation Considered risk taking part of the organisational culture | Risk management arrangements clearly acting as a driver for change and linked to plans and planning cycles |
| Level 4: Embedded & Working | Risk management is championed by the CEO The Board and senior managers challenge the risks to the organisation and understand their risk appetite Management leads risk management by example | Risk handling is an inherent feature of policy and strategy making processes Risk management system is benchmarked and best practices identified and shared access the organisation | People are encouraged and supported to take managed risks through innovation Regular training and clear communication of risk is in place | Sound governance arrangements are established Partners support one another's risk management capability and capacity | A framework of risk management processes in place and used to support service delivery Robust business continuity management system in place | Evidence that risk management is being effective and useful for the organisation and producing clear benefits Evidence of innovative risk taking | Very clear evidence of very significantly improved delivery of all relevant outcomes and showing positive and sustained improvement |
| Level 3: Working | Senior managers take the lead to apply risk management thoroughly across the organisation They own and manage a register of key strategic risks and set the risk appetite | Risk management principles are reflected in the organisation's strategies and policies Risk framework is reviewed, developed, refined and communicated | A core group of people have the skills and knowledge to manage risk effectively and implement the risk management framework Staff are aware of key risks and responsibilities | Risk with partners and suppliers is well managed across organisational boundaries Appropriate resources in place to manage risk | Risk management processes used to support key business processes Early warning indicators and lessons learned are reported Critical services supported through continuity plans | Clear evidence that risk management is being effective in all key areas Capability assessed within a formal assurance framework and against best practise standards | Clear evidence that risk management is supporting delivery of key outcomes in all relevant areas |
| Level 2: Happening | Board/ Councillors and senior managers take the lead to ensure that approaches for addressing risk are being developed and implemented | Risk management strategy and policies drawn up, communicated and being acted upon Roles and responsibilities established, key stakeholders engaged | Suitable guidance is available and a training programme has been implemented to develop risk capability | Approaches for addressing risk with partners are being developed and implemented Appropriate tools are developed and resources for risk identified | Risk management processes are being implemented and reported upon in key areas Service continuity arrangements are being developed in key service areas | Some evidence that risk management is being effective Performance monitoring and assurance reporting being developed | Limited evidence that risk management is being effective in, at least, the most relevant areas |
| Level 1: Engaging | Senior management are aware of the need to manage uncertainty and risk and have made resources available to improve | The need for a risk strategy and risk related policies has been identified and accepted The risk management system may be undocumented with few formal processes present | Key people are aware of the need to understand risk principles and increase capacity and competency in risk management techniques through appropriate training | Key people are aware of areas of potential risk in partnerships and the need to allocate resources to manage risk | Some stand alone risk processes have been identified and are being developed The need for service continuity arrangements has been identified | No clear evidence that risk management is being effective | No clear evidence of improved outcomes |



| | | |
|----------------------------|---|------------------|
| Meeting(s): | Audit Committee | 12 December 2016 |
| Report Title: | Scottish Household Survey | |
| Reference Number: | IA-23-16-F | |
| Author / Job Title: | Crawford McIntyre - Executive Manager – Audit, Risk and Improvement | |

1.0 Decisions / Action required:

1.1 That the Audit Committee should discuss the content of the linked report and highlight any Indicators where further attention or explanation is required through this Committee, other Committees or by Council management.

2.0 High Level Summary:

2.1 The Scottish Household Survey is a continuous survey based on a sample of the general population in private residences in Scotland.

2.2 The Scottish Household Survey Annual Report presents reliable and up-to-date information on the composition, characteristics and behaviour of Scottish households at a national level.

2.3 Local Authority Tables for 2015 have been published recently, providing comparable information at Local Authority level. The 2015 report for Shetland is linked here: <http://www.gov.scot/Resource/0050/00509152.pdf>

3.0 Corporate Priorities and Joint Working:

3.1 The indicators in this report cover areas directly influenced by the Authority, areas of joint working and areas where the Authority has little or no influence.

3.2 Corporate Plan: *“Our performance as an organisation will be managed effectively, with high standards being applied to the performance of staff and services. Poor performance will be dealt with, and good service performance will be highlighted and shared.”*

4.0 Key Issues:

4.1 This report provides an opportunity for the Committee to discuss the Scottish Household Survey results, the trends in local indicators, and how local indicators compare with national indicators.

4.2 Of particular note is the information in table 10.1 on page 100 which shows *“Percentage agreeing with various statements about local authority services and performance”*.

5.0 Exempt and/or confidential information:

5.1 None

| 6.0 Implications : | | |
|--|---|--|
| 6.1 Service Users, Patients and Communities: | The Scottish Household Survey Annual Report is compiled taking account of our service users – the general public. | |
| 6.2 Human Resources and Organisational Development: | None | |
| 6.3 Equality, Diversity and Human Rights: | Section 2 of the report contains some indicators related to protected characteristics. Tables 4.13 - 4.17 shows discrimination against some protected characteristics. | |
| 6.4 Legal: | None | |
| 6.5 Finance: | None | |
| 6.6 Assets and Property: | None | |
| 6.7 ICT and new technologies: | None | |
| 6.8 Environmental: | None | |
| 6.9 Risk Management: | There is a risk that, due to the small sample size, the results are not a true representation of local issues. However, despite the small sample size, results are consistent year-on-year. | |
| 6.10 Policy and Delegated Authority: | The Audit Committee has responsibility for performance management. The linked report gives Members an opportunity to compare local performance against national averages. | |
| 6.11 Previously considered by: | N/A | |

Contact Details:

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Performance & Improvement Adviser
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22 November 2016

Appendices: None

Background Documents: <http://www.gov.scot/Resource/0050/00509152.pdf>



| | | |
|----------------------------|--|-------------------------|
| Meeting(s): | Audit Committee | 12 December 2016 |
| Report Title: | Audit Committee Business Programme – 2016/17 | |
| Reference Number: | GL-47-16-F | |
| Author / Job Title: | Team Leader - Administration | |

| | |
|------------|--|
| 1.0 | Decisions / Action required: |
| 1.1 | That the Audit Committee considers its business planned for the remaining quarters of the current financial year (1 April 2016 to 31 March 2017), and RESOLVES to approve any changes or additions to the business programme. |
| 2.0 | High Level Summary: |
| 2.1 | The purpose of this report is to inform the Committee of the planned business to be presented to the Committee for the remaining quarters of the financial year 1 April 2016 to 31 March 2017, and discuss with Officers any changes or additions required to that programme. |
| 2.2 | The presentation of the Business Programme 2016/17 on a quarterly basis provides a focussed approach to the business of the Committee, and allows senior Officers an opportunity to update the Committee on changes and/or additions required to the Business Programme in a planned and measured way. |
| 3.0 | Corporate Priorities and Joint Working: |
| 3.1 | Our Plan 2016, in its 20 by 20 states that:- “High standards of governance, that is, the rules on how we are governed, will mean that the Council is operating effectively and the decisions we take are based on evidence and supported by effective assessments of options and potential effects”. |
| 4.0 | Key Issues: |
| 4.1 | The Council approved the schedule of meetings for 2016/17 at its meeting on 16 December 2015 (Min Ref: 79/15). |
| 4.2 | It was agreed that the Business Programmes for each Committee/Board would be presented to the Planning and Performance Management Framework (PPMF) meetings, which are held on a quarterly basis, for discussion and approval. |
| 4.3 | The manner in which meetings have been scheduled is described below: <ul style="list-style-type: none"> ▪ Ordinary meetings have been scheduled, although some have no scheduled business at this stage. Where there is still no scheduled business within two weeks of the meeting, the meeting will be cancelled; |

- Special meetings may be called on specific dates for some items – other agenda items can be added, if time permits;
- PPMF = Planning and Performance Management Framework meetings have been called for all Committees and Council once per quarter. These meetings are time restricted, with a specific focus on PPMF only, and therefore no other business will be permitted on those agendas;
- Budget = Budget setting meetings – other agenda items can be added, if time permits, or if required as part of the budget setting process; and
- In consultation with the Chair and relevant Members and Officers, and if required according to the circumstances, the time, date, venue and location of any meeting may be changed, or special meetings added.

4.4 The Business Programme for 2016/17 is presented by Committee Services to the Council and each Committee/Board on a quarterly basis for discussion and approval, particularly in relation to the remaining projects and reports which are listed at the end of the business programme page for each Committee/Board as still to be scheduled.

5.0 Exempt and/or confidential information:

5.1 None

6.0 Implications :

| | |
|---|---|
| 6.1: Service Users, Patients and Communities: | The Business Plan provides the community and other stakeholders with important information, along with the Council's Corporate and Directorate Plans, as to the planned business for the coming year. |
| 6.2: Human Resources and Organisational Development: | None |
| 6.3: Equality, Diversity and Human Rights: | None |
| 6.4: Legal: | None |
| 6.5: Finance: | There are no direct financial implications in this report, but indirect costs may be avoided by optimising Member and officer time. |
| 6.6: Assets and Property: | None |
| 6.7: ICT and new technologies: | None |

| | |
|--|--|
| | |
| 6.8: Environmental: | None |
| 6.9: Risk Management: | The risks associated with setting the Business Programme are around the challenges for officers meeting the timescales required, and any part of the business programme slipping and causing reputational damage to the Council. Equally, not applying the Business Programme would result in decision making being unplanned and haphazard and aligning the Council's Business Programme with the objectives and actions contained in its corporate plans could mitigate against those risks. |
| 6.10: Policy and Delegated Authority: | Maintaining a Business Programme ensures the effectiveness of the Council's planning and performance management framework. The Business Programme supports each Committee's role, as set out in paragraph 2.3 of the Council's Scheme of Administration and Delegations. |
| Previously considered by: | N/A |

Contact Details:

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1 December 2016

Appendices:

Appendix 1 – Audit Committee Meeting Dates and Business Programme 2016/17

Background Documents:

Report GL-60-F: SIC Diary of Meetings 2016/17

<http://www.shetland.gov.uk/coins/Agenda.asp?meetingid=4785>



**Audit Committee - Meeting Dates and Business Programme 2016/17
as at Friday, 02 December 2016**

| Audit Committee | | | |
|--|--|---|--------------------------------|
| | | | <i>D= Delegated R=Referred</i> |
| Quarter 1 1 April 2016 to 30 June 2016 | Date of Meeting | Business | D/R |
| | Ordinary 13 April 2016 2 p.m. | Corporate Improvement and the Management of Risk | D |
| | | Internal Audit – Operational Plan 2016/17 | D |
| | PPMF & Ordinary 25 May 2016 10 a.m. | Audit Scotland and External Advisers Reports | D |
| | | Review of Internal Control 2015/16 and Action Plan | D |
| | | Solan and Bonxie – Conclusion of Sale | D |
| | | Committee Business Programme 2016/17 | D |
| | Ordinary 15 June 2016 2 p.m. | Internal Audit – Annual Report 2015/16 | D |
| Quarter 2 1 July 2016 to 30 September 2016 | Date of Meeting | Business | |
| | PPMF & Ordinary 31 August 2016 10 a.m. | Audit Scotland and External Advisers Reports | D |
| | | Audit Scotland SIC Local Scrutiny Plan 2016/17 | D |
| | | Committee Business Programme 2016/17 | D |
| | Special 21 September 2016 10 a.m. | SIC Pension Fund – Annual Audit Report on the 2015/16 Audit | D |
| | | SIC Pension Fund – Final Audited Accounts 2015/16 | D |
| | | SIC – Annual Audit Report on the 2015/16 Audit | R SIC 21 Sept |
| | | SIC – Final Audited Accounts 2015/16 | R SIC 21 Sept |
| | | Zetland Educational Trust – ISA 260 Report on the 2015/16 Audit | R SIC 21 Sept |
| | | Zetland Educational Trust – Final Audited Accounts 2015/16 | R SIC 21 Sept |



Audit Committee - Meeting Dates and Business Programme 2016/17 as at Friday, 02 December 2016

| Audit Committee - Continued | | | |
|---|---|---|--------------------------------|
| | | | <i>D= Delegated R=Referred</i> |
| Quarter 3 1 October 2016 to 31 December 2016 | Date of Meeting | Business | |
| | <i>Ordinary</i> 6 October 2016 | Meeting Cancelled | |
| | <i>PPMF & Ordinary</i> 12 December 2016 10 a.m. | Internal Audit – Six Monthly Internal Audit Progress Report 2016/17 | D |
| | | Audit Scotland and External Advisers Reports | D |
| | | Audit Scotland and other External Audit Reports – Best Value report Angus Council | D |
| | | Audit Scotland and External Audit Reports – Review of Progress against Policy and Procedure | D |
| | | Risk Management – Annual Report | D |
| | | Scottish Household Survey | D |
| | | Committee Business Programme 2016/17 | D |
| Quarter 4 1 January 2017 to 31 March 2017 | Date of Meeting | Business | |
| | <i>Ordinary</i> 9 February 2017 10 a.m. | Use of Council's Vehicles Usage Policy – Update | D |
| | <i>PPMF & Ordinary</i> 8 March 2017 10 a.m. | Local Government Benchmarking Framework 2015/16 | D |
| | | EA0092 Audit Scotland – The National Fraud Initiative in Scotland | D |
| | | Audit Scotland and External Advisers Reports | D |
| | | Deloitte's Scotland Annual Audit Plan 2016/17 - SIC | D |
| | | Deloitte's Annual Audit Plan 2016/17 – Pension Fund | D |
| | | Committee Business Programme 2017/18 | D |

Planned Committee business still to be scheduled as at Friday, 02 December 2016

- Sumburgh Airport
- Code of Corporate Governance
- Update on Scrutiny Plan Activity

Audit Committee - END

tbc = to be confirmed

PPMF = Planning and Performance Management Framework meetings – no other business to be added

Budget = Budget setting meetings – other items can be added if time permits

Ordinary = Ordinary meetings – other items can be added

Special = Special meetings arranged for particular item(s) – other items can be added if time permits

END OF BUSINESS PROGRAMME as at Friday, 02 December 2016