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Date: 21 February 2024

Dear Sir/Madam

You are invited to the following meeting:

**Audit Committee**  
**Council Chamber, Lower Hillhead, Lerwick**  
**Wednesday 28 February 2024 at 10.00am**

Apologies for absence should be notified to Lynne Geddes, Committee Officer, on 01595 744592 or by email to the above address.

*(Please note that this meeting will be webcast live, recorded, and published online for public access after the meeting.)*

Yours faithfully

Executive Manager – Governance and Law

Chair: Councillor Allison Duncan  
Vice-Chair: Councillor Catherine Hughson

## **AGENDA**

- (a) Hold circular calling the meeting as read.
- (b) Apologies for absence, if any.

- (c) Declarations of Interest - Members are asked to consider whether they have an interest to declare in relation to any item on the agenda for this meeting. Any declaration of interest should be sufficient for those at the meeting to understand why you consider you have a clear and substantial interest. If you are in any doubt about whether you have a declarable interest that would prevent you from participating in discussion or a decision, you should seek the advice of the Monitoring Officer, or the Council's legal officers on his behalf, in advance of the meeting.
- (d) Confirm minutes of meeting held on 14 November 2023 (enclosed).

### **Items**

- 1. Risk Assurance Annual Report  
*CRP-01-24*
- 2. Scottish Household Survey  
*CRP-02-24*
- 3. Internal Audit – Audit Plan 2024-25  
*CRP-03-24*
- 4. Internal Audit Follow-up Monitoring  
*CRP-05-24*

*Appendix 2 of the following item contains **EXEMPT** information*

- 5. Internal Audit Summary Report  
*CRP-04-24*



## **MINUTES**

## **A & B - Public**

**Audit Committee  
Council Chamber, Lower Hillhead, Lerwick  
Tuesday 14 November 2023 at 10.00am**

**Present:**

A Duncan	C Hughson
S Leask	M Lyall
L Peterson	G Robinson
I Scott	C Smith
A Wenger	

**Apologies:**

G Robinson (for lateness)

**In attendance (Officers):**

C Ferguson, Director of Corporate Services  
P Fraser, Executive Manager – Finance  
J Riise, Executive Manager – Governance and Law  
K Collins, Financial Accountant  
L Malcolmson, Committee Officer  
L Adamson, Committee Officer

**Also in Attendance:**

D Black, Head of Audit and Inspection, Audit Glasgow/Chief Internal Auditor  
J Campbell, Senior Audit Manager, Audit Glasgow

**Also in Attendance (Remotely):**

B Howarth, Audit Director, Audit Scotland  
S O'Hagan, Senior Audit Manager, Audit Scotland  
F Owens, Audit Manager, Audit Scotland

**Chairperson**

Mr Duncan, Chair of the Committee, presided.

**Circular**

The circular calling the meeting was held as read.

**Declarations of Interest**

None

**Minutes**

The Committee confirmed the minutes of the meeting held on 19 September 2023 on the motion of Mr Smith, seconded by Mr Leask.

17/23     **Annual Audit Report on the 2022/23 Audit - Shetland Islands Council and Zetland Educational Trust**

The Committee considered a report by the Executive Manager - Finance (F-38-23) that presented the Annual Audit Report 2022/23 and the Audited Annual Accounts for Shetland Islands Council and the Audited Trustee's Annual Report and Financial Statements for Zetland Educational Trust for 2022/23.

The Executive Manager - Finance introduced the report and appendices. He thanked the Auditors and staff in the Finance Service and in other Council departments involved in the preparation of the documents.

Mr Howarth, Audit Scotland, referred to Section 7 of the cover letter at Appendix 1, advising on part of the audit process to seek feedback from the Committee on any issues to be brought to the Auditor's attention. He also reported on the key messages from the Audit Report and advised on the clean audit opinion.

In reporting on the audit of Zetland Educational Trust, Mr O'Hagan, Audit Scotland, advised that funds have been reclassified as being restricted rather than unrestricted. He confirmed there was no change to the value, but rather it was a presentational reflection.

Mr Howarth thanked the officers and Members for their time and patience during the audit process, this being their first year audit appointment.

*(Mr Robinson attended the meeting).*

In response to a question, the Executive Manager – Finance advised that the current figure of Council's investments was £377m.

Mr Howarth responded to comments regarding reporting on the reserves, and suggested that the Medium Term Financial Strategy was overstated on the expenditure side and said that a review of the Strategy projections would take a more balanced view in realising investments, the extent of unrealised gains on investment and on the position on using the Harbour Fund. He added that work in that regard would be taken forward with the Executive Manager – Finance to get a clearer picture going forward.

In responding to a question relating to one of the adjustments identified during the audit, the Committee was advised on the process that had been undertaken for the valuation of Council dwellings.

In regard to a question on proposals to improve tenant participation, Mr Howarth commented that the recommendation was from the previous audit undertaken in 2022/23 by the previous auditors. However, he

referred to the regular Tenant Satisfaction Surveys and advised that the next Survey would be carried out in the Spring of 2026.

In responding to a comment relating to a statement in the audit report, namely, “the Council has made progress with the recommendations in the 2022 BVAR. There is evidence of progress in almost all areas, but no area is fully complete yet”, Mr Howarth referred to the progress made against the recommendations, adding that in a holistic sense best value is an area of continuous improvement.

There were no further questions.

On the motion of Mr Smith, seconded by Mrs Lyall, the Committee approved the recommendations in the report.

The Chair commented that he had found the audit reports for the Council and the Zetland Educational Trust to be favourable. He said that there will always be positives and negatives to report. In that regard, he referred to the good progress in implementing the prior year’s audit recommendations, however more work was still required on the other outstanding recommendations, including Procurement Compliance and Commissioning of Consultant Services. He commented that Council finances at year end were reasonably sound, however there will be many challenges ahead, but despite these challenges the Council remains financially sound and to remain sustainable the Council must not commit to overdraw on reserves so as to be well placed to serve the Shetland community into the future.

The Chair concluded by thanking the Auditors, staff and Members for the preparation of the documents and staff for their ongoing work throughout the year.

### **Decision:**

The Audit Committee:

- NOTED the findings of the 2022/23 audit; the auditor’s covering letter which includes the audit opinion and Letter of Representation for both Shetland Islands Council and Zetland Educational Trust (Appendix 1); and the external auditor’s Annual Audit Report (Appendix 2);
- CONSIDERED a verbal report by the external auditor;
- RECOMMENDED that the Council RESOLVES to approve the audited Annual Accounts for 2022/23 for Shetland Islands Council, for signature (Appendix 3);
- RECOMMENDED that the Council RESOLVES to approve the Trustees’ Annual Report and Audited Financial Statements 2022/23 for Zetland Educational Trust, for signature (Appendix 4);

- APPROVED the Annual Governance Statement contained within the audited Annual Accounts for 2022/23 (Appendix 3).

18/23

### **Internal Audit Mid-Year Report**

The Committee considered a report by the Chief Internal Auditor (CRP-28-23) that provided an overview of Internal Audit performance during the first half of 2023/24.

The Senior Audit Manager, Audit Glasgow, summarised the main terms of the report.

In response to questions, the Senior Audit Manager provided further detail on the work associated with the National Fraud Initiative and on the investigations undertaken. She advised that not all matches investigated disclose fraud or errors and she confirmed that no significant frauds had been found to date.

In response to a question regarding the reference in the report to 'graduate apprentices', the Senior Audit Manager advised those were trainee auditors/accountants within Audit Glasgow.

In moving into debate, comment was made on the good report. Mr Robinson moved that the Committee approve the recommendation contained in the report. Mr Smith seconded.

### **Decision:**

The Audit Committee:

- NOTED the content of the report; and
- ADVISED the Director of Corporate Services of their views and any recommendations for onward reporting to the Council.

19/23

### **Internal Audit Summary Report**

The Committee considered a report by the Chief Internal Auditor (CRP-29-23) that provided an overview of the work undertaken by Internal Audit from 1 June 2023 and 31 October 2023 as part of the agreed Internal Audit Plan.

In introducing the report, the Chief Internal Auditor provided a brief overview of the audits undertaken during the period, namely, Payroll Verification; Community Health and Social Care Services; Grant Applications and Offers; Pension Fund Compliance with Cyber Security Principles and Council Tax Discount and Exemptions.

Referring to the Council Tax Discount and Exemptions audit, the Chief Internal Auditor reported that the issues identified led to a limited level of assurance being placed on the control environment. He outlined to Committee the recommendations as listed in the Action Plan. He advised

on the good management response to address those actions, which included a formal programme to review existing documents.

During the discussion, the Chief Internal Auditor responded to questions regarding the Council Tax Discount and Exemptions audit, as follows:

- The Action Plan includes a recommendation to review all the Council Tax policies and procedures and there was an expectation that a local policy, procedure and framework will be established in responding to the recommendation
- The audit highlighted cases where it was found that some discounts and exemptions were no longer due and a larger number where supporting evidence was not in place and where discounts and exemptions had been included incorrectly and will be reviewed and removed. In referring to the lengthy piece of work to be undertaken, which may see a recalculation of some Council tax bills, it was commented that while still to be quantified it would generate an increase in income to the Council.
- Recalculation or backdating of payments would be a decision of management, taking into consideration the change in circumstances and on how the change in circumstances had not previously been acted on. There would also be a judgement on how far back to pursue any historic calculations.

Upon request, the Chief Internal Auditor outlined the different exemptions and discounts relevant to Council Tax. He confirmed that the scope of the audit did not cover Council Tax reductions but focused on the discount and exemptions when Council Tax bills were issued.

During debate, the Chair referred to the four high priority recommendations from the audit of Council Tax Discount and Exemptions and then to the 'Risk Management' section of the report, which states that progress made by management to address the issues would be monitored. In that regard, he commented on the need for some urgency to review policies and for updates to be reported to Audit Committee.

Comment was made on the good report and the Chief Internal Auditor and his team were thanked for the work in that regard. Mr Leask moved that the Committee approve the recommendation in the report. Mr Smith seconded.

**Decision:**

The Audit Committee:

- NOTED the content of the report

- NOTED that the report format includes links to the full audit reports for further information
- COMMENTED on the outcome on the findings of the audit work completed; and
- ADVISED the Director of Corporate Services of their views and any recommendations for onward reporting to the Council.

20/23

**Internal Audit Follow Up Monitoring Report**

The Committee considered a report by the Chief Internal Auditor (CRP-31-23) that presented a summary of the status of Internal Audit recommendations previously reported to Committee.

In introducing the report, the Chief Internal Auditor referred to the concerns previously raised by Committee regarding the number of outstanding recommendations and he provided an update on the progress made since last reporting. The Chief Internal Auditor confirmed that the audit team would continue to work with management to help progress recommendations to completion.

Reference was made to the recommendations that had been allocated a revised timescale of 31 December 2023 for completion, and it was questioned whether that deadline would be met. The Chief Internal Auditor advised that while a number of recommendations had been completed, the evidence of implementation was still to be provided to Internal Audit, and in that regard he suggested those recommendations would meet the timescale in the report.

During the discussion, the Director of Corporate Services acknowledged that the majority of outstanding recommendations fall to Corporate Services and she advised on the difficulty in progressing the recommendations due to other work priorities. The Director of Corporate Services however suggested that she would review the outstanding Corporate Services recommendations and then provide a briefing note to Members.

In response to a suggestion that the recommendations be reviewed in terms of priority, the Chief Internal Auditor explained that the original recommendations had been given a priority ranking. He referred also to the additional column added to the Register, at Appendix 2, namely “Internal Audit Comments”, which included a Risk Status from Internal Audit on each recommendation. However while acknowledging the resource challenges within the Council, he said that it is for management to manage risk and to focus to get the higher risk recommendations addressed.

In referring to the statement in the report relating to the outstanding recommendations from the Housing Repairs and Compliance Checks audit, namely that “failure to adequately address these recommendations



poses a serious risk to both the Council's housing tenants and the Council", a question was posed regarding the prospect of engaging outside contractors to expedite the repairs and testing required. The Chief Internal Auditor advised on his understanding that external contractors are used, however the work was taking longer due to gaining access to properties and resource issues. The Director of Corporate Services suggested that the Housing Service provide a briefing note to Members on the proposals to address the outstanding recommendations.

While acknowledging that 30 recommendations had been implemented since the last report, it was however noted that quite a number of the outstanding recommendations require the same individual, within the Council, to implement. In that regard, it was questioned whether additional support could be provided to management in order to progress the recommendations. In responding, the Director of Corporate Services advised that the small team in the Change Programme have been tasked to undertake some work in this area, however she said that it was a very limited additional in-house resource to assist with the serious recommendations prioritised while some would have to wait. She said that buying in additional resources would be an additional expense to the Council and it was also very difficult to get additional staff resources at this time. She acknowledged that some tough decisions would have to be made on prioritising work that can be focused on at any one time.

During debate, reference was made to the lack of resources within the Council and that many officers are stretched at work, where it was commented that this is added to by Members when asking for additional reports and seminars that take away from day to day workloads. It was however noted that the Director of Corporate Services had been tasking staff to assist with the outstanding recommendations wherever possible.

It was however commented that 73 outstanding recommendations were far too many, and that some had been on the Register for a number of years. However it was suggested that the Risk Status Ranking was helpful to give priority to those to be moved forward as soon as practicable and when staff are available.

Reference was made to the serious risks posed by the outstanding recommendations from the Housing Repairs and Compliance Checks audit, where it was hoped that there would be no issues due to the failure to complete.

Mr Smith moved that the Committee approve the recommendations in the report at 1.1 (1-4), with an additional recommendation, namely "that the Audit Committee agree to extend the revised due date to 31 March 2024 to give officers additional time to address the issues raised in the report and that they work with Internal Auditors to take forward a report to the first scheduled meeting of Audit Committee following that date". In seconding, Mr Leask advised on the need to extend the deadline to give some credibility for the recommendations to be concluded.

Ms Peterson advised on the need for the most urgent and high risk recommendations to be completed as soon as possible. Ms Peterson moved, as an amendment, that the Audit Committee approve the recommendation as set out in the report at Section 1.1 (1-4). Mr Robinson seconded.

Following summing up, voting took place by a show of hands and the result was as follows:

Amendment (Ms Peterson)	4
Motion (Mr Smith)	3

**Decision:**

The Audit Committee:

- NOTED to content of the report
- NOTED the progress made in terms of the recommendations implemented
- ADVISED the Director of Corporate Services of its views and any recommendations for onward reporting to the Council; and
- NOTED that the Chief Internal Auditor will submit further reports on the status of outstanding recommendations.

21/23

**Whistleblowing Arrangements**

The Committee considered a report by the Chief Internal Auditor (CRP-30-23) that presented a draft Whistleblowing and Response Policy.

The Senior Audit Manager, Audit Glasgow, introduced the Whistleblowing Policy, advising that the document would not replace the Council's other related Policies, but would be another avenue for staff and the public to raise concerns within the Council. She advised also that feedback on concerns raised would be included in the Internal Audit update reports to Committee.

In responding to questions, the Senior Audit Manager advised that some staff can feel nervous to raise an issue, and that having an independent separate person can help individuals in the process. She advised that in terms of vexatious reporting, Audit Glasgow have the experience to filter those out. She went on to advise that all concerns received are logged and should a pattern of vexatious reporting emerge, those would be discussed with management.

The Senior Audit Manager confirmed that there is no additional cost to the Council from the work associated with the Whistleblowing Policy, being part of the contract of the work with Audit Glasgow.

During debate, positive comment was made of the work undertaken by Audit Glasgow over the years and on the confidence that would continue in their work for the Council on whistleblowing. The Policy also has the advantage of Internal Audit being provided by an external organisation, which would give a degree of separation for those staff who may need to use the service and confidence that their concern will be looked at impartially.

On the motion of Mr Leask, seconded by Mr Smith, the Committee approved the recommendation in the report.

**Decision:**

The Audit Committee:

- CONSIDERED the information presented in this report and the draft Whistleblowing and Response Policy attached at Appendix 1;
- RECOMMENDED that Policy and Resources Committee RECOMMENDS that the Council RESOLVES to APPROVE the Whistleblowing and Response Policy at Appendix 1.

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The Chair thanked Mr Black, Ms Campbell and all the staff involved in the preparation of the reports.

The meeting concluded at 11.27am.

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Chair





<b>Meeting(s):</b>	<b>Audit Committee</b>	<b>28 February 2024</b>
<b>Report Title:</b>	<b>Risk Assurance Annual Report</b>	
<b>Reference Number:</b>	<b>CRP-01-24-F</b>	
<b>Author / Job Title:</b>	<b>Joanne Jamieson Senior Risk Management Officer</b>	

## 1.0 Decisions / Action required:

- 1.1 That the Audit Committee reviews the organisation's arrangements and the work of the Risk Management Section in supporting and facilitating the management of risk, as described in this report, in order to be assured of the organisation's effectiveness in this regard.

## 2.0 High Level Summary:

- 2.1 This report provides a summary of the organisation's arrangements for the management of risk across its activities, and the activities of the Risk Management Section for the year to December 2023, in line with the Council's current Risk Management Policy and Strategy [Min Ref P & R 61/22].

## 3.0 Corporate Priorities and Joint Working:

- 3.1 "Our Ambition 2021-26" highlights that 'Our communications will enable us to clearly explain the challenges and opportunities to our workforce, community, partners and other key stakeholders and to engage them in being a part of the solutions, further strengthening these vital relationships and collaborative working'. The periodic reporting of risks is one of the ways in which the Council explains its challenges and opportunities.
- 3.2 The effective management and monitoring of risks is a key component of planning and performance management, as required by the Council's Performance Management Framework.

## 4.0 Key Issues:

- 4.1 Last year saw many changes to how risk activities are supported and delivered across the Council. There was a particular focus on providing support to change initiatives and significant risk mitigation measures.
- 4.2 A key activity is the ongoing work with colleagues across the Community Health and Social Care (CH & SC) directorate and in the NHS to reduce duplication and streamline risk reporting to the various governance bodies. The Directorate now uses one system for its risk registers, which reduces duplication significantly. This has also presented challenges; the Councils Risk Management team continues to work with CH & SC colleagues to provide training, align the differing risk appetites

and refine how risk is reported and discussed. Risk staff also attend meetings of the CH & SC Risk Board and Performance Management Group.

4.3 The implementation of a new health and safety management system has been a significant change for services across the whole Council. Risk staff have worked closely with colleagues in Health and Safety and across the Council to support the successful roll-out of this system, including by developing digital training resources and delivering training and support. Following implementation of the Incident Reporting module, the Risk Assessment module is now being rolled out across the Council. Approval by CMT in December to require all relevant risk assessments to be reviewed and migrated to the system by the end of 2024 will ensure that health and safety risk assessments for workplaces across the Council are now held in one accessible system. There are still ongoing discussions regarding the most effective way to enable digital access to the risk assessments by all staff.

4.4 The risk team concluded the pre-procurement arrangements and agreed terms for upgrading and moving the risk register system to the 'Cloud'. This was required as the current risk system will no longer supported by the provider. The team is currently developing training material and a communications plan before the upgrade is launched in March/ April.

4.4.1 In light of the many queries in relation to risk registers and assessments, the following table has been developed to communicate the salient points.

	<b>Risk register</b>	<b>Health and safety risk assessment</b>
<b>Records</b>	A record of risks that could impact on the Council's ability to achieve its plans. Risks can be legal, financial, physical, environmental, technological, societal, professional, economic, etc. Risk registers include the identified measures to prevent or mitigate the risk and/or its impacts	An assessment and record of the likelihood of harm occurring to people from anything that could cause injury or ill health, and how this is eliminated, or if not possible, controlled.
<b>System</b>	JCAD CORE	Evotix Assure
<b>Governance</b>	Policy requirement, best practice	Statutory requirement
<b>Reporting</b>	Used within Services; Used by Directorate Management Teams; reported to Risk Board, Policy and Resources Committee, and Shetland Islands Council quarterly; appended to quarterly Directorate and service performance reports	Statutory and operational requirement; must be shared with staff, and form a key part of putting in place a safe system of work.

4.5 In May 2023, the Council's Risk Board agreed a rolling three year operational plan for the Risk Management team based on current risks to Council's Corporate Plan, as reported quarterly to Council, and the objectives of the Council's Risk Management Strategy which are to:

- ensure consistency and transparency in the management of risk throughout the organisation;
- create greater ownership and awareness of risk, reduce uncertainty and strive for more resilient services;
- add value to the decision-making, Corporate, Directorate, Service and project planning and financial management systems;
- protect the Council, its staff, services, assets, reputation and finances.

- 4.6 Corporate Management Team meets quarterly as the Council's Risk Board, and considers risk-focussed reports, the Corporate Risk Registers and any risks and issues identified by departments, by exception. Areas highlighted over the last year included: staffing shortages, agency staff costs and international recruitment; concurrent risks from weather, conflict and supply chain issues; and National Care Service implications.
- 4.7 The Council's move to being largely self-insured has brought significant savings, but has also required various changes to ensure that risks are adequately managed.
- 4.7.1 A risk check identified a gap in arrangements that underpin the Council's self-insurance in relation to artefacts, works of art and civic gifts that are owned and managed by the Council, i.e. items that may be in Council offices, schools and other venues/locations. The Artefacts Policy was developed to address that gap, and was approved by Policy and Resources Committee in June 2023 (Min Ref P&R 37/23).
- 4.7.2 Engineering inspections are a service that was previously provided by our last insurer. With the move to self-insurance, that service required to be re-tendered. Efforts at securing a provider through tender were unsuccessful. The service was re-imagined with some in-house provision, and a handful of smaller contracts for specialist services secured. Risk Management staff have supported this work and are on the team that are developing an accessible, digital Premises Managers' Guide. This will support managers with their associated responsibilities for premises, and ensure that statutory checks are carried out. The Evotix Assure system will be used to enable digital recording of certain inspections and tests to enable compliance to be monitored and supported throughout the Council.
- 4.8 A refreshed approach to Onboarding, previously delivered as induction, is a key pillar of the Workforce Strategy; a positive Onboarding experience is known to improve the retention of staff. Two suites of content were therefore developed - Onboarding for all new staff (which is designed to welcome new employees and provide them with the information they need in their first days and weeks in post), and Onboarding for New Managers (which sets out what new managers need to know and need to do). Onboarding for new staff went live in August 2023 and Onboarding for new managers in Dec 2023. Take up will be monitored and reported to Corporate Management Team.
- 4.9 The Risk Management Officer plays an active role in Scotland's association for public sector risk, resilience and insurance professionals 'ALARM Scotland', including contributing to that national agenda, organising events and delivering presentations. In December 2023, the Council's Risk Management Officer was elected as Chair of ALARM Scotland.

- 4.10 A key aim of the Risk Management team is to provide appropriate support to services so that they can more effectively manage their risks. Across 2023, this included supporting the Burials Team by carrying out maintenance inspections to inform their prioritised maintenance plan and hence support accurate service planning and budgeting going forward. The Risk Management Officer is also a member of the Digital Skills Team, which provides digital support to staff across the organisation.
- 4.11 The Risk Management team planned to assess the organisation's risk performance using the current National Risk Performance Framework, and present a risk performance report to Audit Committee last year. It was however recognised that this framework was somewhat dated and would benefit from a review. Staff have been researching different approaches across local authorities and other sectors to identify an approach that takes account of industry best practice and provides an informative and useful output for the Council. That work is ongoing; the options will be reported firstly to Risk Board in June 2024 in order to agree a preferred approach, and the findings will be reported to the Council's Audit Committee in due course.
- 4.12 Looking ahead, the key tasks for 2024 include:
- The launch and roll-out of the upgraded risk register system and agreeing a new approach for assessing the organisation's risk performance. The findings from that assessment will highlight areas for development and will inform the rolling risk plan
  - There is work to do to embed risk management within project management, and it is expected that there will be significant improvements in this regard over the course of the year
  - Lastly, the Risk Management team continually strive to improve links across the organisation and add value to service delivery, projects and change through a range of approaches that enable the effective management of risk. The work of the team is particularly valuable at a time when service demand is growing, resources are becoming increasingly constrained, and change is a continual feature. The Risk Management team will continue to work closely with colleagues across the Council and be flexible in their approach to ensure their work is focussed on key service areas.

## **5.0 Exempt and/or confidential information**

5.1 None

## **6.0 Implications :**

### **6.1 Service Users, Patients and Communities:**

The management of risk is undertaken at strategic and operational levels across the Council and in conjunction with partner organisations, in particular NHS Shetland, regarding integrated service arrangements.

An effective Risk Board provides oversight, direction and mechanisms to share and monitor information on both risk management arrangements and risk data.



	Collectively these arrangements ensure services that are available for people who require them are informed by sound risk management systems.
<b>6.2 Human Resources and Organisational Development:</b>	<p>Effective risk management arrangements take account of risks with regard to the Council's workforce.</p> <p>The loss of key staff; and shortages of staff and skills, continue to be the two most frequently identified risks across Council risk registers. The effective management of risk ensures that services are protected and ensures the health, safety and wellbeing of our workforce.</p> <p>Electronic Corporate On-boarding provides a consistent suite of information and a warm welcome for all new staff and complements the provision of on-line systems that support the management of risk in the work place.</p>
<b>6.3 Equality, Diversity and Human Rights:</b>	The Council's Human Resources policies and governance frameworks ensure that equality, diversity and human rights are respected.
<b>6.4 Legal:</b>	The council is required to work within complex legal and regulatory frameworks and be an exemplar organisation. The Council's risk management arrangements are informed by legislative requirements, regulation and best practice, and are set out in the Risk Management Policy, Risk Management Strategy and associated documents.
<b>6.5 Finance:</b>	Medium and long term financial planning takes account of a wide range of risks and uncertainties.
<b>6.6 Assets and Property:</b>	<p>Risks to/from assets and property are managed through a programme of inspections, scheduled maintenance, reporting and co-ordination of repairs.</p> <p>Monitoring by premises managers will shortly be supported and enhanced by the review of the Premises Managers' Guide along with digital recording of various inspections and testing.</p>
<b>6.7 ICT and new technologies:</b>	The Council's ICT service and network ensure staff can access risk register and health and safety systems.
<b>6.8 Environmental:</b>	Climate change is the Council's most significant risk in terms of scale, likelihood and cost of mitigation. Environmental risks are described in service, departmental and the organisational risk registers, and sustainability aims are about to be added to the Council's values. That sustainability message will be added to Onboarding content.
<b>6.9 Risk Management:</b>	Corporate and departmental management teams give due consideration to the breadth of risks facing the organisation and its departments, services, service users and communities.

	<p>Reporting on the organisation's risk management arrangements, current risks and the measures in place to mitigate them, are key parts of risk monitoring and assurance.</p> <p>The Council's Corporate Management Team, chaired by the Chief Executive, meets quarterly to maintain strategic oversight of the risks faced by the Council.</p>	
<b>6.10 Policy and Delegated Authority:</b>	<p>In accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, the remit of the Audit Committee includes promoting good internal control, financial management, risk, governance and performance management in order to provide reasonable assurance of effective and efficient operation and compliance with laws and regulations; and monitoring the effective development and operation of risk management in the Council.</p>	
<b>6.11 Previously considered by:</b>	None	

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END



<b>Meeting(s):</b>	<b>Audit Committee Policy &amp; Resources Committee</b>	<b>28 February 2024 20 March 2024</b>
<b>Report Title:</b>	<b>Scottish Household Survey</b>	
<b>Reference Number:</b>	<b>CRP-02-24-F</b>	
<b>Author / Job Title:</b>	<b>Susan Msalila - Executive Manager – Change Programme</b>	

### 1.0 Decisions / Action required:

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

### 2.0 High Level Summary:

- 2.1 The Scottish Household Survey is an annual survey based on a sample of the general population in residences in Scotland.
- 2.2 During lockdown, the survey was conducted by telephone and did not include enough households to provide a reliable breakdown at a Local Authority level.
- 2.3 Full Local Authority Tables for 2022 were published in December 2023 providing comparable information at Local Authority level. The full set of 2022 data is available here:  
[Supporting documents - Scottish Household Survey 2022](#)
- 2.4 The Shetland sample size for most indicators is 350. This is one of the highest proportionate sampling size in Scotland and produces statistically significant results

### 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 Our Ambition Corporate Plan: *"We will monitor and report progress on this plan through our Change Programme and Performance Management Framework"*
- 3.3 As part of our obligations to comply with the Accounts Commission for Scotland's Publication of Information (Standards of Performance) Direction 2021 we must report information to compare our performance against time, and against other similar bodies, using nationally published indicators.

## 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 The survey is comprehensive and analyses data in almost 500 tables. Members may wish to consider the following results in particular:

### **4.2.1 Housing**

#### **Table 1\_1 – Property Ownership/Tenure**

Almost half (49%) own their property outright compared to 36% in Scotland. This is the third highest outright ownership in Scotland. Private renting is at 3%, which is the lowest in Scotland.

### **4.2.2 Neighbourhoods**

#### **Table 2\_1 – Rating of neighbourhood as a place to live**

98% rate their neighbourhood as “Very/fairly good place to live”, the third highest in Scotland.

More significantly, 80% rate their neighbourhood as a “Very good place to live”, the second highest in Scotland which ranges from 38% to 88%, with an average of only 61%.

#### **Table 2\_6 – Statements about neighbourhood strengths**

Statement	Result	Ranking
There are places where people can meet up and socialise	Strongly Agree 36% Strongly/tend to Agree 76%	2nd 2nd
There are welcoming places and opportunities to meet new people	Strongly Agree 36% Strongly/tend to Agree 71%	2nd 2nd
This is a neighbourhood where local people take action to help improve the neighbourhood	Strongly Agree 44% Strongly/tend to Agree 82%	3rd 2nd
This is a neighbourhood where most people can be trusted	Strongly Agree 74% Strongly/tend to Agree 97%	1st 1st
This is a neighbourhood where people are kind to each other	Strongly Agree 77% Strongly/tend to Agree 98%	2nd 1st
This is a neighbourhood where people from different backgrounds get on well together	Strongly Agree 50% Strongly/tend to Agree 88%	1st 1st

#### **Table 2\_11 – Strength of feeling of belonging to community**

59% describe their feeling of belonging to their community as “Very Strong”, 2nd highest in Scotland. When this is analysed by age (Table 2\_12), it shows an even spread from 35 and over. There is not enough data to report under 35s reliably.

#### **Table 2\_16 – Involvement with other adults in the neighbourhood**

Statement	Result	Ranking
I feel I could turn to someone in this neighbourhood for advice or support	94%	1st
If I was alone and needed help, I could rely on someone in this neighbourhood to help me	97%	1st
If my home was empty, I could count on someone in this neighbourhood to keep an eye on my home	96%	1st
In an emergency, such as a flood, I would offer to help people in my neighbourhood who might not be able to cope well	95%	13th

**Table 2\_18 – Percentage of adults saying a problem is very/fairly common in their neighbourhood**

Statement	Result	Scotland
Noisy neighbours or regular loud parties	3%	10%
Vandalism, graffiti or other deliberate damage to property	2%	12%
Rubbish or litter lying around	13%	28%
Neighbour disputes	3%	7%
Groups or individuals intimidating or harassing others	1%	7%
Drug misuse or dealing	8%	15%
Rowdy behaviour e.g. drunkenness, hooliganism or loutish behaviour	5%	11%
Abandoned or burnt out vehicles	2%	2%
Animal nuisance such as noise or dog fouling *	14%	31%
Any of the above	29%	52%
None of the above	71%	48%

\* This local Animal/fouling/noise problem is showing a steady decline since the peak of 24% in 2013. This is contrast to the national figure of 31%, which has remained at around the same level since 2012.

**Table 2\_29 - Percentage of adults who have experienced discrimination and/or harassment in the last 12 months**

17% of disabled respondents have experienced discrimination in the last 12 months, this is the 7th worst result in Scotland and significantly above the national average of 12%.

**Table 2\_32 - Perceptions of safety when walking alone in their neighbourhood after dark**

95% report feeling “Very/fairly safe” walking alone compared to the Scottish result of 81%. Analysing this by gender shows a local 94%/96% female/male split compared with a national split of 72%/92%.

#### **4.2.3 Finance**

**Table 3\_1 – How the household is managing financially**

10% say they “Do not manage well financially”, 23rd in Scotland. Further detailed analysis of this figure (by tenure/income/age/gender etc.) is available in the Table 3 financial spreadsheet [here](#).

#### **4.2.4 Internet**

**Table 4\_1 – Households with home internet access**

98% of local households have internet access compared with 91% in Scotland.

**Table 4\_23 – Smart Appliances**

Only 2% of local households report using “Smart heating”, this compares with 13% in Scotland.

#### **4.2.5 Physical Activity and Sport**

**Table 5\_14 Use of local authority sport and leisure facilities**

48% have used local authority sport and leisure facilities in the last year compared with only 29% in Scotland.

**Table 5\_21 – Satisfaction with local authority sport and leisure facilities**

85% are Very/fairly satisfied with local facilities, this contrasts sharply with the Scottish figure of 42%. This measure is as little as 20% in other areas.

## 4.2.6 Local Services

**Table 6\_1 Satisfaction with services**

Very or fairly satisfied with:	2013	2014	2015	2016	2017	2018	2019	2022
Shetland								
Local Health Services	77	73	74	81	78	80	80	80*
Local Schools	92	86	87	89	89	79	91	81
Public transport	60	56	55	71	72	63	65	63
% satisfied with all 3	48	42	42	59	55	47	56	52
Scotland								
Local Health Services	85	86	83	83	82	81	80	64*
Local Schools	81	79	74	73	70	71	73	69
Public transport	71	75	74	72	69	65	68	58
% satisfied with all 3	60	62	58	56	52	52	53	40

\*Local satisfaction with Health Services has remained steady whereas this has dropped significantly in other Authorities, post-pandemic.

Agree with these statements:	2016	2017	2018	2019	2022	Ranking 2022	Scotland 2022
Good at communicating services	59	51	57	67	67	1st	35
High quality services	66	67	64	74	72	1st	42
Good at communicating performance	46	43	41	54	43	5th	27
Services designed for needs	48	43	43	48	52	1st	31
Does its best with the money	34	34	44	53	56	3rd	43
Addressing key issues	43	41	43	50	51	3rd	33
Good at listening	26	22	25	29	31	5th	24
I can influence decisions	37	32	25	27	30	1st	18
I want more involvement in decisions	41	42	35	20	37	11th	33

**Table 6\_16 – Percentage agreeing with various statements about local authority services by year (above)**

Shetland continues to improve in each of these measures, year-on-year. Further detailed analysis of these figures (by tenure/income/age/gender etc.) is available in the Table 6 services spreadsheet [here](#).

## 4.2.7 Environment

**Table 7\_11 – Percentage of adults agreeing with the statement 'It's not worth me doing things to help the environment if others don't do the same'**

In Shetland 22% agreed with the above statement compared to 15% in 2018. The Scottish figure is 8%.

#### **4.2.8 Volunteering**

**Table 8\_1 – Whether or not adults have done formal volunteering in the last 12 months**

Shetland continues to report “formal” volunteering at double the national rate (44% vs 22%). Even when comparing Shetland to geographically similar areas elsewhere, Shetland still significantly outperforms in volunteering.

#### **4.2.9 Culture**

Satisfaction with Local Authority cultural services: “Very/fairly satisfied”	2017	2018	2019	2022	Ranking 2022	Scotland 2022
Libraries	67	62	77	76	2nd	37
Museums and Galleries	82	78	80	80	1st	38
Theatres and concert halls	74	74	68	72	1st	38

**Table 9\_36 – Satisfaction with local authority cultural services**

The figures above are for **all** respondents, not just those respondents who used the services.

#### **4.2.10 Trust in Institutions**

	Trust it a great deal / tend to trust it	Ranking	Scotland
Local Government	73	1st	60
The Civil Service	59	26th	62
The Education System	77	3rd	68
The Health System	91	1st	80
The Justice System which includes courts, lawyers and prisons	72	8th	64
The Police	86	5th	79
The Scottish Government	58	7th	54

### **5.0 Exempt and/or confidential information:**

5.1 None

### **6.0 Implications :**

<b>6.1 Service Users, Patients and Communities:</b>	The Scottish Household Survey Annual Report is compiled from responses from our community.
<b>6.2 Human Resources and Organisational Development:</b>	The high employment rate indicated in this survey will impact on the council’s ability to recruit.
<b>6.3 Equality, Diversity and Human Rights:</b>	Tables 2_28 and 2_29 shows discrimination against some protected characteristics.
<b>6.4 Legal:</b>	The Council has a statutory obligation to report information to compare our performance against time, and against other similar bodies, using nationally published indicators in accordance with the Accounts Commission for Scotland’s Publication of Information (Standards of Performance) Direction 2021 issued under section 1(1)(a) of the Local Government Act 1992.
<b>6.5 Finance:</b>	There are no financial implications arising directly from this report

<b>6.6 Assets and Property:</b>	None
<b>6.7 ICT and new technologies:</b>	None
<b>6.8 Environmental:</b>	None
<b>6.9 Risk Management:</b>	There is a risk that, due to the small sample size, the results are not a true representation of local issues. However, despite the sample size results are consistent year-on-year.
<b>6.10 Policy and Delegated Authority:</b>	<p>In accordance with Section 2.3.1 of the Council's Scheme of Administration and Delegations, the Audit Committee's remit includes <i>"To assess the effectiveness of the Council's Performance Management System by reviewing outputs from the system <b>and overview key performance indicators</b>"</i></p> <p>In accordance with Section 2.2.1 of the Council's Scheme of Administration and Delegations, The Policy &amp; Resources Committee's remit includes <i>"Ensure the outcomes are achieved through service plans.....<b>and manage performance</b>"</i> and <i>"Review the overall effectiveness of the Council's work and the standards of service..."</i></p>
<b>6.11 Previously considered by:</b>	N/A

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12 January 2024

**Appendices:** None

**Background Documents:**

[Scottish Household Survey 2022: Key Findings](#)





<b>Meeting:</b>	<b>Audit Committee</b>	<b>28 February 2024</b>
<b>Report Title:</b>	<b>Internal Audit - Audit Plan 2024/25</b>	
<b>Reference Number:</b>	<b>CRP-03-24-F</b>	
<b>Author / Job Title:</b>	<b>Duncan Black, Chief Internal Auditor</b>	

### **1.0 Decisions / Action required:**

That the Audit Committee:

- 1.1 APPROVES the Audit Plan 2024/25 attached to this report as Appendix 1.

### **2.0 High Level Summary:**

- 2.1 The purpose of this report is to provide details of the Internal Audit plan for 2024/25 and the outputs, which the Committee and senior management of the Council can expect from Internal Audit services in 2024/25.
- 2.2 The Public Sector Internal Audit Standards (PSIAS) require the Chief Internal Auditor to submit a risk based audit plan to an appropriate Audit Committee for approval. This report presents the proposed internal annual audit plan for the Council for 2024/25.

### **3.0 Corporate Priorities and Joint Working:**

- 3.1 The Audit Committee is an integral part of the formal governance arrangements of the Council making a significant contribution to the delivery of the ambitions within the Corporate Plan, 'Our Ambition 2021-26' which aim to "focus on the things that can help most to create opportunities and achieve long-term sustainability for Shetland.

### **4.0 Key Issues:**

#### **Background**

- 4.1 Internal Audit is an assurance function that primarily provides an independent and objective opinion on the control environment within the Council. The annual audit plan is designed to assist the Chief Internal Auditor in formulating that opinion.
- 4.2 In developing the annual audit plan, we:

- Consolidated our understanding of the Council through discussions with senior officers, attendance at meetings and a review of key strategic documentation;
- Consulted risk registers and attended the Risk Board to understand the nature of inherent risks facing the Council; and
- Reviewed the outputs from previous reviews at the Council (both internal and external).

- 4.3 Changes in organisational structures, system developments, changes in working practices, budgetary pressures and legislative requirements create a constantly changing control environment. Taking these factors into account, the highest risk areas are brought forward in the annual audit plan. Risk is assessed by considering various factors; these include the potential impact on Council priorities; the financial impact if controls fail; any changes or new processes/systems that have been implemented and the assessment of senior officers and internal auditors regarding the effectiveness of controls in key areas. These risk scores are weighted and the highest composite scoring areas are prioritised in the audit plan.
- 4.4 Internal Audit work will be undertaken in accordance with the PSIAS, which have been adopted by the Relevant Internal Audit Standard Setters (RIASS). The RIASS includes, among others, HM Treasury, the Scottish Government and the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 4.5 The Internal Audit function is delivered by Glasgow City Council, led by Duncan Black, Head of Audit and Inspection at Glasgow City Council. The day to day management of the audit plan is undertaken by Jillian Campbell, Senior Audit Manager at Glasgow City Council. Duncan and Jillian have significant experience providing the internal audit service to Glasgow City Council, its Arm's Length External Organisations, the Strathclyde Pension Fund, Integration Joint Board and the City Deal. The Internal Audit team at Glasgow holds the British Standard ISO9001:2015 Quality Management Standard. This Standard has been held for over 20 years and an annual assessment of compliance with the Standard is undertaken by independent British Standard reviewers. The last review undertaken by British Standard reviewers was in February 2023 and confirmed that the Internal Audit team continues to have processes and procedures in place that demonstrate compliance with the requirements of the Standard.
- 4.6 The PSIAS include key principles that public sector Internal Audit functions must follow and cover a range of areas including governance, performance standards and reporting requirements. The PSIAS introduced a requirement for an external assessment of an organisation's Internal Audit function, which must be conducted at least once every five years by a qualified, independent reviewer from outside the organisation. The latest external assessment was undertaken in 2021 at Glasgow City Council by the Assistant Director Audit and Risk Management and Principal Group Auditor from Birmingham City Council. The assessment confirmed that Internal Audit conforms to the requirements of the PSIAS.

## **Approach**

- 4.7 The Internal Audit Charter formally defines the purpose, authority and responsibility of Internal Audit. The Audit Charter is included at Appendix 3.
- 4.8 The Audit Plan 2024/25 shows the outputs which members of the Audit Committee and management can expect from Internal Audit during 2024/25. For each audit assignment, we will agree a terms of reference with management prior to commencing fieldwork. A summary of our findings will be agreed in draft with management, prior to reporting to the Audit Committee.
- 4.9 Our reports will include a summary of main audit findings, highlighting any control weaknesses and recommendations for improvement.
- 4.10 The PSIAS require that the audit plan should be kept under review to reflect any changing priorities and emerging risks. We will therefore ensure the plan remains relevant and reflects any changes to the inherent risks at the Council. The Audit Committee will be asked to approve any material adjustments to the audit plan.
- 4.11 Internal Audit will work with the appointed external auditors, Audit Scotland, to ensure that audit work dovetails efficiently, minimising unnecessary overlap or duplication.

## **The Role of the Chief Internal Auditor**

- 4.12 The CIPFA guidance in relation to “The Role of the Head of Internal Audit in Public Service Organisations” is intended to provide best practice for Heads of Internal Audit.
- 4.13 The role of the Chief Internal Auditor to Shetland Islands Council meets the principles set out in the CIPFA guidance.

## **Resourcing**

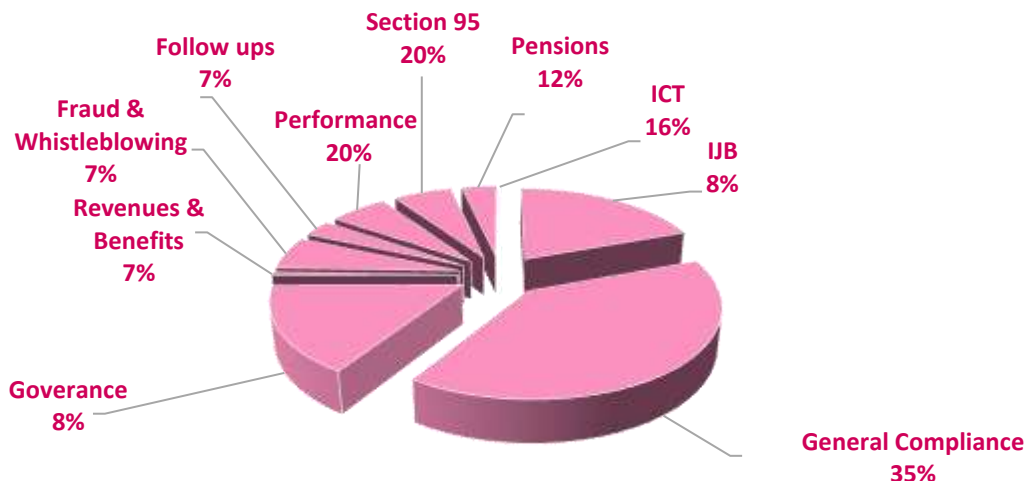
- 4.14 The audit fieldwork will be undertaken by the team of experienced auditors and trainee auditors at Glasgow City Council. The audit fieldwork will be undertaken in the main remotely, however where there is a need for audit fieldwork to be undertaken on site this will be agreed with the appropriate Director.
- 4.15 The delivery of the audit plan also requires resource input from across the Services, and in particular from staff within Corporate Services.

## **Internal Audit Outputs in 2024/25**

- 4.16 The main output from Internal Audit in 2024/25 will be the Chief Internal Auditor’s Annual Report.
- 4.17 The Annual Report will be based principally on the work undertaken by Internal Audit during the year to complete the audit plan.
- 4.18 The key areas we will cover in 2024/25, and on which we will provide assurance, are shown in Appendix 1, together with the main control risks associated with these areas.

An approximate breakdown of planned days per audit category is provided in the chart below:

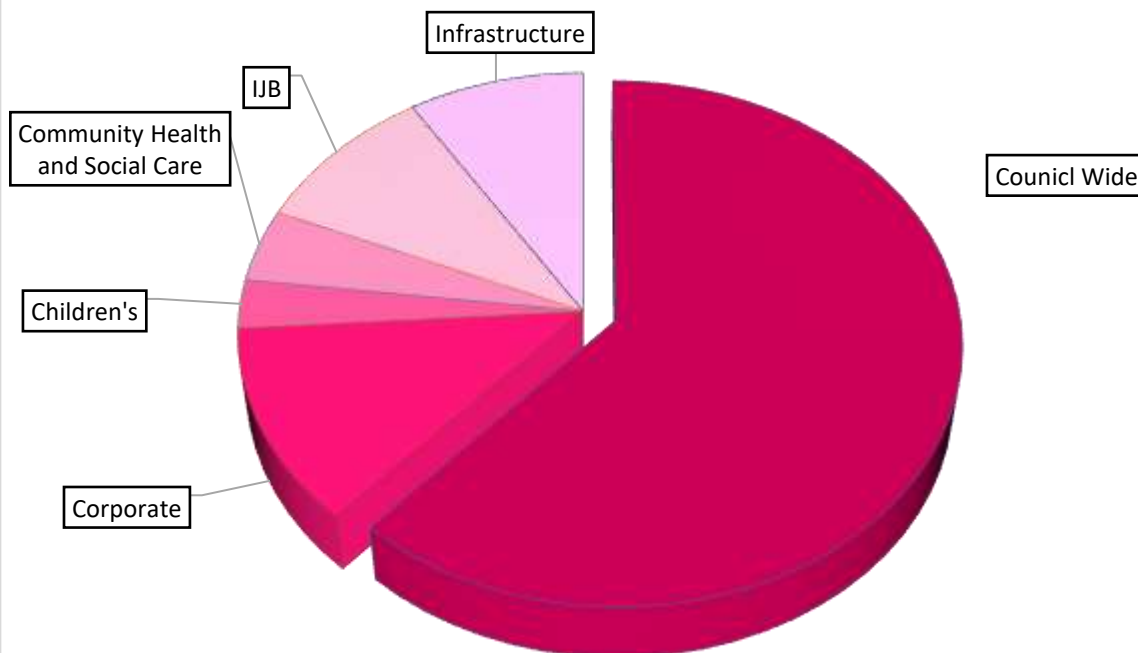
**Chart 1 - Split by Audit Category**



4.19 The range of distinct auditable areas (the Audit Universe), reviewed over the previous four-year period, is included at Appendix 2.

4.20 An approximate breakdown of the planned days per Directorate is provided in Chart 2 below.

**CHART 2 - SPLIT PER DIRECTORATE**



Although there are no specific audits within Development Services for 2024/25 a number of the Council wide reviews will involve Development Services.

## Resources

4.21 In 2024/25, 339 days are available to carry out assurance audit work.

### 5.0 Exempt and/or confidential information:

5.1 None

### 6.0 Implications:

<b>6.1 Service Users, Patients and Communities:</b>	The Council must ensure Best Value in the delivery of services. Internal Audit activities provide reassurance to the Council in this regard.
<b>6.2 Human Resources and Organisational Development:</b>	None directly arising from this report.
<b>6.3 Equality, Diversity and Human Rights:</b>	None directly arising from this report.
<b>6.4 Legal:</b>	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. The Internal Audit Plan 2024/25 sets out the planned internal audit activities for 2024/25, which will allow the Council to meet these requirements.
<b>6.5 Finance:</b>	The work of Internal Audit contributes towards effective financial stewardship within Shetland Islands Council. All costs shall be met from the 24/25 approved budget.
<b>6.6 Assets and Property:</b>	None arising directly from this report.
<b>6.7 ICT and new technologies:</b>	None directly arising from this report.
<b>6.8 Environmental:</b>	None directly arising from this report.
<b>6.9 Risk Management:</b>	The Internal Audit Plan 2024/25 takes a risk based approach to the planned audit activities in 2024/25.

<b>6.10 Policy and Delegated Authority:</b>	In accordance with Section 2.6 of the Council's Scheme of Administration and Delegations, the Audit Committee remit includes agreeing the Internal Audit Plan.
<b>6.11 Previously considered by:</b>	None

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28 February 2024

**Appendices:**

Appendix 1 – Internal Audit Plan 2024/25

Appendix 2 – Audit Universe

Appendix 3 – Audit Charter

END

**Shetland Islands Council Internal Audit – Annual Audit Plan 2024/25****Main Audit Outputs - Key System Areas and Control Risks****Pension Fund**

1. Pension – Data analytics

Risk – Poor record keeping and failure to carry out annual check of member records leading to incorrect payments.

**Governance**

2. Reviews of key governance areas, with a specific focus on the Scheme of Administration and Delegations. Also to be included are risk and control workshops.

Risk – that the Council doesn't have adequate governance arrangements in place leading to its key objectives not being achieved or the inappropriate use of resources.

**General compliance**

3. Reviews of different areas of operation within the Council. In 2024/25 areas such as stock management, use of agency staff, weighbridge operations and climate change strategies will be reviewed.

Risk – that the Council does not adequately control its operations leading to its key objectives not being achieved or the inappropriate use of resources.

**Information technology and information security**

4. Information Technology and Security – audits in this area will test the procedures, processes and arrangements designed to ensure that systems are appropriately controlled, and information is protected. Auditors will consider and assess information security issues throughout the course of all audits undertaken as part of the Audit Plan. Specific work will be undertaken to provide assurance over key Council system(s), with other work to be specified during the year.

Risk – There is a risk that a failure in the Council's IT provision will impact on service delivery.

**Financial Governance (section 95)**

5. Reviews of the financial management arrangements in place will be undertaken. This will include the budget monitoring and reporting arrangements.

Risk – there is a risk of financial instability if budgets are not monitored and reported correctly with action taken to address any overspends.





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Internal Audit Plan 2024/25 – Audit Universe

APPENDIX 2

Assurance Area	Audit Area	2021/22	2022/23	2023/24	2024/25
General Compliance	Health and Safety				✓
	Housing repairs including compliance checks	✓			
	Unannounced Spot Checks			✓	
	Overtime			✓	
	Client Money and Belongings	✓			
	Self Directed Support	✓			
	Free School meals	✓			
	Shetland Telecom	✓			
	Change Programme	✓			
	Use of Consultants	✓			
	Attendance Management		✓		
	Protection of Vulnerable Group scheme membership		✓		
	Complaints handling		✓		
	Resilience and asset management arrangements of the ferries		✓		
	Succession planning/Workforce planning/Recruitment		✓		
	Waste management arrangements		✓		
	Burial Ground Memorial safety		✓		
	Community Asset transfer arrangements		✓		
	Flexible Capacity <sup>1</sup>			✓	
	Stock				✓
	ParentPay				✓
	Weighbridge Operations				✓
	Care – Infection Control				✓
	Asset Management				✓
	Climate/Carbon strategies				✓

<sup>1</sup> Flexible Capacity – time built into the plan to enable an agile approach to address any new or changing risk areas throughout the year.

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Internal Audit Plan 2024/25 – Audit Universe

		Use of Agency Staff				✓
<b>Risk Management</b>		Risk Management <sup>2</sup>			✓	✓
<b>Governance</b>		Committee Effectiveness			✓	
		Governance of the Islands Growth deal		✓		
		Gifts & Hospitality		✓		
		Scheme of Delegation				✓
<b>Transformation</b>		Transformation/Best Value	✓		✓	
<b>Section 95</b>		Payroll		✓		
		LEADER	✓			
		Financial Management				✓
		COVID Business grants	✓	✓		
		Creditors		✓		
<b>Pension Fund</b>		Cyber Principles guidance			✓	
		Pension Fund Record Keeping	✓			
		Transfers		✓		
		Data Analytics				✓
<b>Grants</b>		Credits/hardship – Shetland College	✓			
		Treatment of grant applications/offers		✓		
		Management of grants			✓	
<b>Procurement</b>		Procurement compliance	✓	✓	✓	
<b>Performance</b>		Performance Indicators	✓	✓		

<sup>2</sup> Risk management – additional time is proposed for audit to coordinate risk management workshops with a selection of front line operational management. These will be used to identify the most up to date and significant risks, and to agree the best and most lean controls, incorporating principles from the “3 Lines of Defence” model.

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Internal Audit Plan 2024/25 – Audit Universe

	Performance Management				✓
Information Technology	Core system application reviews	✓		✓	✓
	Cyber Resilience			✓	
	Roll out of School devices	✓			
	Cyber Maturity	✓			
	Information Security	✓			
Revenues and Benefits	Council Tax exemptions and discounts			✓	
	Revenues and benefits compliance				✓
Fraud and Whistleblowing	National Fraud Initiative			✓	✓
	Whistleblowing			✓	✓
Follow ups	Follow up of previous recommendations	✓	✓	✓	✓
	Detailed follow up support			✓	✓

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## **SHETLAND ISLANDS COUNCIL**

### **INTERNAL AUDIT CHARTER**

Presented to Audit Committee: February 2021

Latest Review : February 2024

Next Review Date : February 2025

#### **1. Introduction**

- 1.1 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.
- 1.2 The Internal Audit Charter formally defines the purpose, authority and responsibility of Internal Audit, in accordance with the Public Sector Internal Audit Standards (PSIAS) adopted by the Relevant Internal Audit Standard setters.
- 1.3 Internal Audit is currently outsourced and delivered by the team at Glasgow City Council. The Chief Internal Auditor reports directly into the Chief Executive and the Corporate Management Team.
- 1.4 The Internal Audit Charter will be reviewed and reported to Senior Management as appropriate.

#### **2. Definitions**

- 2.1 Chief Audit Executive – the Chief Internal Auditor
- 2.2 Board – the appropriate Council Committee with the responsibility for Audit matters.
- 2.3 Senior Management – Council senior officers.

#### **3. Purpose**

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- 3.1 Internal Audit is defined within the PSIAS as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.
- 3.2 The Chief Internal Auditor provides the Chief Executive, senior Council officers and Elected Members with an annual opinion on the adequacy of the Council's system of internal control. It is management's responsibility to implement and maintain effective internal control systems within its area of responsibility. It is Internal Audit's role to assist management by reviewing and evaluating the effectiveness of those control systems.

## **4. Role of the Chief Internal Auditor**

- 4.1 The CIPFA guidance in relation to "The Role of the Head of Internal Audit in Public Service Organisations" is intended to provide best practice for Chief Auditor's to achieve, and for Audit Committees to measure Internal Audit against. The statement sets out an overarching principles-based framework which applies across the UK public sector. It states that the Chief Internal Auditor plays a critical role in delivering an organisation's strategic objectives by:
- Championing best practice in governance and management, objectively assessing the adequacy of the management of existing risks, and commenting on responses to emerging risks and proposed developments; and
  - Giving an objective and evidence-based opinion on all aspects of governance, risk management and internal control.

## **5. Authority**

- 5.1 Internal Audit's authority is derived from policies, procedures, rules and regulations established by the Council. These include, but are not limited to, the Financial Regulations and the Code of Conduct.
- 5.2 Internal Audit:
- Has unrestricted access to all Council records, cash, property, assets and people, where necessary on demand and without prior notice;
  - Can obtain explanations as is required to satisfy the probity of any matter under consideration;
  - Can require the production of any records and other such property as is deemed necessary, and
  - Requires all senior officers to report all actual or perceived losses (cash, stock, equipment or data), all suspected or actual instances of theft, embezzlement, fraud, corruption or any other impropriety.

## **6. Scope**

- 6.1 The scope of Internal Audit's work includes:

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- All Council systems, processes, policies, plans and procedures;
- Use and safeguarding of resources and assets, including data;
- Governance and risk management processes;
- Commissioning and procurement;
- Projects and programmes;
- Fraud, including investigation of allegations of fraud and corruption;

### **7. Resourcing and Audit Planning**

- 7.1 In line with PSIAS requirements Internal Audit develops a risk based audit plan which enables the Chief Internal Auditor to provide an annual opinion on the adequacy of the Council's system of internal control. The plan is developed through an assessment of risk and assurance needs and is sufficiently flexible to reflect changing organisational risks and priorities. It is submitted to the appropriate Council Committee with responsibility for audit.
- 7.2 The annual audit plan sets out the planned audit resources for the year with the objective of giving an evidence-based opinion. It is the Chief Internal Auditor's responsibility to ensure that Internal Audit is adequately resourced in order to carry out its function.

### **8. Independence and Objectivity**

- 8.1 The PSIAS define independence as "freedom from conditions that threaten the ability of the Internal Audit activity to carry out its responsibilities in an unbiased manner". The Chief Internal Auditor is external to the Council which assists Internal Audit to carry out the role and constructively challenge senior managers of the Council. Senior officers and those charged with governance have input into the annual audit plan however they do not direct the plan.
- 8.2 Auditors challenge, on the basis of objective evidence, decisions, policies or practices they consider inappropriate or in need of improvement, no matter who is involved in the decision making. It is essential for Council officers and Elected Members to recognise Internal Audit's role and responsibilities and accept Internal Audit comment and advice in this spirit, giving a reasoned response if they take a different view.
- 8.3 Internal Auditors exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activities or processes audited. They make a balanced assessment of relevant circumstances and are not unduly influenced in forming judgements by their own interests or others.

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- 8.4 Objectivity and independence in the provision of advice and guidance are maintained, and conflicts of interest avoided. Internal Audit has no operational responsibility for, or authority over, activities audited and all officers undertaking audit work are required to complete declarations of interest annually, including “nil” returns. Where Internal Audit officers are deemed to have operational involvement, they must remove themselves from any related Internal Audit activity.

## **9. Other Work**

- 9.1 Internal Audit will consider all requests for additional work, outwith the audit plan, on agreement with relevant senior officers. This includes attendance at working groups and offering advice and guidance.





<b>Meeting(s):</b>	<b>Audit Committee</b>	<b>28 February 2024</b>
<b>Report Title:</b>	<b>Internal Audit - Follow-up Monitoring</b>	
<b>Reference Number:</b>	<b>CRP-05-24-F</b>	
<b>Author / Job Title:</b>	<b>Duncan Black Chief Internal Auditor</b>	

## 1.0 Decisions / Action required:

### 1.1 Audit Committee is asked to

1. NOTE to content of the report;
2. NOTE the progress made in terms of the recommendations implemented;
3. ADVISE the Director of Corporate Services of its views and any recommendations for onward reporting to the Council; and
4. NOTE that the Chief Internal Auditor will submit further reports on the status of outstanding recommendations.

## 2.0 High Level Summary:

### 2.1 This report provides a summary of the status of Internal Audit recommendations previously reported to Committee. The report includes:

- A summary of the outstanding recommendations by Directorate;
- A summary of movement in the register; and
- A register of outstanding recommendations.

## 3.0 Corporate Priorities and Joint Working:

### 3.1 The Council's Corporate Plan, "Our Ambition 2021-2026", states that: "We are committed to doing our best for Shetland and are proud to deliver public services that make a real difference to our community. We have to revisit what we do, try out new ideas and find new ways of approaching problems so that we remain excellent at meeting the changing needs of our community. Excellent stops being excellent if we stop improving – we have to innovate and change in order to stay relevant".

### 3.2 Internal Audit reports provide an independent assessment of the effectiveness and integrity of the Council's systems; providing assurance to the Council in this regard and with regard to Best Value.

#### 4.0 Key Issues:

- 4.1 Services are responsible for implementing previously agreed audit recommendations. As of 9 February 2024, 68 of these recommendations remain outstanding. The table below outlines the split of outstanding recommendations and their priority across each Service.

Service	Priority of Recommendation			Total
	High	Medium	Low	
Children's Services	0	0	0	0
Children's Services and Community Health & Social Care Services (CHSCS)	0	0	0	0
Community Health & Social Care Services	1	1	1	3
Corporate Services	23	20	4	47
Development Services	4	3	1	8
Infrastructure Services	7	3	0	10
<b>Total</b>	<b>35</b>	<b>27</b>	<b>6</b>	<b>68</b>

- 4.2 During the period from 1 November 2023 (the previous follow up report date) to 9 February 2024, Services satisfactorily implemented 15 recommendations. The table below shows the progress made by each Service during the period, with further analysis at Appendix 1.

Service	Number of Recommendations				
	Outstanding or not yet due as of 01 November 2023	Added to the register during period	Implemented / superseded during the period	Out-standing as of 9 February 2024	Not yet due as of 9 February 2024
Children's Services	0	0	0	0	0
Children's Services and Community Health & Social Care Services	1	0	1	0	0
Community Health and Social Care Services	3	1	1	3	0
Corporate Services	58	12	10	47	13
Development Services	12	0	1	8	3
Infrastructure Services	16	0	2	10	4
<b>Total</b>	<b>90</b>	<b>13</b>	<b>15</b>	<b>68</b>	<b>20</b>

4.3	A register of all recommendations which have passed their original implementation date is included as Appendix 2. This register highlights the full text of the recommendation and the original due date for implementation.
<b>5.0</b>	<b>Exempt and/or confidential information:</b>
5.1	None.
<b>6.0</b>	<b>Implications:</b>
<b>6.1 Service Users, Patients and Communities:</b>	<p>The work of Internal Audit provides an opinion on the adequacy of the system of internal control and governance arrangements within the Council. This provides assurance to the Council with regard to the efficiency, effectiveness and economy of the Council's services and Best Value.</p> <p>There are several recommendations outstanding in relation to improvements in Business Continuity Planning.</p> <p>There are three recommendations outstanding in relation to improvements in housing repairs and compliance with safety checks.</p> <p>Several recommendations in relation to the management of services users' cash and belongings are included; improvements are required to the operational guidance for staff working in Community Health and Social Care settings.</p>
<b>6.2 Human Resources and Organisational Development:</b>	Several recommendations relate to improvements in health and safety arrangements; the new system is in the process of being implemented and progress is being made towards completion of the recommendations.
<b>6.3 Equality, Diversity and Human Rights:</b>	None arising directly from this report.
<b>6.4 Legal:</b>	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.
<b>6.5 Finance:</b>	<p>There are a number of recommendations in relation to improvement in procurement arrangements; a project team has been established to address these.</p> <p>Several recommendations in relation to the management of services users' cash and belongings are included; improvements are required to the operational guidance for staff working in Community Health and Social Care settings.</p>
<b>6.6 Assets and Property:</b>	None arising directly from this report.

<b>6.7 ICT and new technologies:</b>	Several recommendations relate to improvements in information security arrangements	
<b>6.8 Environmental:</b>	None arising directly from this report.	
<b>6.9 Risk Management:</b>	<p>Internal Audit facilitates the reduction of risks identified during the audit process.</p> <p>Each internal audit review report includes recommendations for improvement, and these are given a priority rating of high, medium, or low.</p> <p>Progress made by management to address the issues identified are monitored and reported back to Audit Committee in due course.</p>	
<b>6.10 Policy and Delegated Authority:</b>	In accordance with Section 2.6 of the Council's Scheme of Administration and Delegations, the Audit Committee remit includes consideration of audit matters and to oversee and review action taken on audit activity.	
<b>6.11 Previously considered by:</b>	None.	N/a

**Contact Details:**

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**Appendices:**

Appendix 1 – [Movement since previous report](#)

Appendix 2 – [Register of Outstanding Audit Recommendations:](#)

- [Table 1: Community Health and Social Care Services](#)
- [Table 2: Corporate Services](#)
- [Table 3: Development Services](#)
- [Table 4: Infrastructure Services](#)

**Background Documents:**

None

END

## APPENDIX 1 – Movement since previous report

Service, Audit Year and Title	Outstanding or not yet due as of 01 November 2023	Added to the Register during Period	Outstanding as of 9 February 2024	Not yet due as of 9 February 2024	Implemented in Period
<b>Children's Services and Community Health &amp; Social Care Services</b>					
21/22 Self Directed Support	1	0	0	0	1
<b>Community Health &amp; Social Care Services</b>					
21/22 Management of Cash and Belongings in Community Health and Social Care Services	3	0	3	0	0
22/23 Payroll Verification	0	1	0	0	1
<b>Corporate Services</b>					
18/19 Business Continuity	3	0	2	0	1
19/20 Procurement	7	0	7	0	0
20/21 Health and Safety Arrangements	5	0	5	0	0
20/21 Business Continuity and Lessons Learned post COVID-19	1	0	1	0	0
21/22 Information Security Management	4	0	4	0	0
21/22 Non-Domestic Rates and Council Tax	2	0	0	0	2
21/22 Change Programme	6	0	6	0	0
21/22 Use of Consultants	5	0	5	0	0
21/22 Procurement Arrangements	5	0	5	0	0
21/22 Pension Fund – Ad Hoc Payments	2	0	2	0	0
22/23 Gifts and Hospitality	3	0	3	0	0
22/23 Attendance Management	2	0	2	0	0
22/23 Compliance with the Protecting Vulnerable Groups Membership Scheme	3	0	1	0	2
22/23 Complaints Handling	3	0	1	0	2
22/23 Accounts Payable	1	0	1	0	0
22/23 Succession and Workforce Planning Arrangements	2	0	2	0	0
22/23 Pension Fund Altair Application	3	0	0	3	0
22/23 Payroll Verification	1	0	0	1	0
22/23 Grant Applications and Offers	0	2	0	0	2
23/24 Pension Fund Compliance with Cyber Security Principles	0	5	0	4	1

Service, Audit Year and Title	Outstanding or not yet due as of 01 November 2023	Added to the Register during Period	Outstanding as of 9 February 2024	Not yet due as of 9 February 2024	Implemented in Period
23/24 Council Tax Discounts and Exemptions	0	5	0	5	0
<b>Development Services</b>					
20/21 Planning Application Process	1	0	1	0	0
21/22 Housing Repairs and Compliance Checks	3	0	3	0	0
21/22 Shetland Telecom	4	0	4	0	0
22/23 Community Asset Transfers	3	0	0	3	0
22/23 Payroll Verification	1	0	0	0	1
<b>Infrastructure Services</b>					
20/21 Fleet Management	1	0	1	0	0
22/23 Inter-Island Ferry Service: Asset Management Arrangements	7	0	4	2	1
22/23 Ports and Harbours: Finance Processes	5	0	4	0	1
22/23 Waste Management Arrangements	3	0	1	2	0
<b>Total</b>	<b>90</b>	<b>13</b>	<b>68</b>	<b>20</b>	<b>15</b>

## APPENDIX 2 – Register of Outstanding Audit Recommendations as of 9 February 2024

Table 1: Community Health & Social Care Services

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
<b>Community Health &amp; Social Care Services</b>							
21/22 Management of Cash in Community Health and Social Care Services Recommendation 5	Management should ensure that all access codes are changed on a regular basis, and as a minimum every time a code holder ceases to be employed (or based) at an establishment.  This practice should be applied for all secure entry and safe codes across the Council estate.	High	30-Jun-22	Executive Manager, Community Care Resources; and Executive Manager, Adult Services	<b>June 2023 Update:</b> Work on this recommendation has progressed significantly and is expected to be completed by end July 2023. Management have advised that this has been completed at the location visited and that this is the only building with keypad entry. Documented guidance for changing door and safe codes will be created. We will continue to liaise with Internal Audit to achieve full implementation.	<b>Not provided</b> (31-Jul-23)	Partially implemented.  We have been advised that the access Codes at the non-residential unit have been changed.  No further update or evidence has been provided.  A revised implementation date has not been provided.
21/22 Management of Cash in Community Health and Social Care Services Recommendation 6	Management should ensure that service wide procedures for the robust management of service users' property under the custody of the Council are developed and issued to all relevant staff, this should include the requirement to maintain a log of all items held and a process for signing these in and out to the service user or their representatives.	Medium	31-Aug-22	Executive Manager, Community Care Resources; and Executive Manager, Adult Services.	<b>June 2023 Update:</b> Work on this recommendation has progressed significantly and is expected to be completed by end July 2023. We will continue to liaise with Internal Audit to achieve full implementation.	<b>Not provided</b> (31-Jul-23)	No further update or evidence has been provided.  A revised implementation date has not been provided.
21/22 Management of Cash in Community Health and Social Care Services Recommendation 7	Management should ensure that staff in care settings are made aware of the process to be followed upon receipt of gifts and/or hospitality, this should include guidance on the types of gifts which are acceptable, the process for recording them and what should happen to accepted gifts.	Low	31-Jul-22	Executive Manager, Community Care Resources; and Executive Manager, Adult Services	<b>June 2023 Update:</b> Work on this recommendation has progressed significantly and is expected to be completed by end July 2023.  We will continue to liaise with Internal Audit to achieve full implementation.	<b>Not provided</b> (31-Jul-23)	No further update or evidence has been provided.  A revised implementation date has not been provided.

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**Table 2: Corporate Services**

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
<b>Corporate Services</b>							
18/19 Business Continuity - Recommendation 2	<p>An up-to-date version of the Council's preferred BCP template should be issued to all Services to update/create their plans. This will ensure a consistent approach throughout the Council. Completed plans should be sent to Emergency Planning and Resilience.</p> <p>The Executive Manager – Governance &amp; Law should ensure that all services throughout the Council are covered by an up to date BCP and should report to CMT/Risk Board periodically on the compliance with the Business Continuity policy.</p> <p>BCPs should include out of hours contact details for key personnel to ensure the recovery of a service can happen in a timeous manner</p>	High	31-Oct-19	Executive Manager - Governance and Law	38 out of 45 BCP's have been updated accordingly and sent to Emergency Planning and Resilience. Work is ongoing to obtain the seven outstanding BCP's.	31-Mar-24  (30-Jun-23) (31-Jan-23) (30-Jun-22) (30-Jun-21)	We have been assured by management that this action is nearly complete and that there is an older style BCP in place for the remaining seven areas until the new version is complete.
18/19 Business Continuity - Recommendation 4	<p>Services should contact Emergency Planning and Resilience who will be able to provide guidance on testing methods for BCPs. As a minimum, a desktop exercise should be carried out with the Section Recovery Team to ensure it appears practical on paper and that different scenarios have been considered.</p> <p>Data Protection implications must be considered in relation to the storage of, and access to, all plans, and must be included in any policy, strategy or framework.</p>	Medium	31-Dec-19	Executive Manager - Governance and Law	<p>Exercise of the plans has not progressed yet as the plans are still being updated. This will be part of the Business Continuity Programme as it progresses.</p> <p>The Policy, templates and plans are/will be held on a secure SharePoint site with access for Directors, Executive Managers and Team Leaders</p>	<p><b>Not provided</b></p> <p>(30-Jun-23) (31-Jan-23) (30-Jun-22)</p>	<p>No further update or evidence has been provided.</p> <p>A revised implementation date has not been provided.</p>



Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
19/20 Procurement - Recommendation 1	<p>CPT management should ensure that:</p> <p>i. Clear guidance and arrangements for ensuring that Services notify CPT about any contracts above £10,000 are developed and officers with procurement responsibilities across the Council are made aware of these procedures which they are required to follow;</p> <p>ii. In conjunction with the regular review of Council-wide spend analysis per recommendation 4, the contract register is reviewed on a regular basis to enable areas of non-contract spend or non-compliant procurement practices to be more effectively identified and appropriate action taken; and</p> <p>iii. The contract register is updated to include details of the duration of any period, if any, for which contracts can be extended in line with the requirements of the CSOs.</p>	Medium	31-Jan-21	Executive Manager - Assets, Commissioning and Procurement AND Procurement Manager	<p>On 15 May 2023 the Director of Corporate Services presented a report (Ref: CRP-09-23 F) to the Audit Committee, providing details of the Procurement Project and Action Plan (all actions to be completed by 30/09/2023). The Procurement Project has been established to address the recommendations from the following audit reviews:</p> <ul style="list-style-type: none"> <li>2019/20 Procurement</li> <li>2021/22 Use of Consultants</li> <li>2021/22 Compliance with Procurement Arrangements</li> </ul> <p>On 18 September 2023 the revised Contract Standing Orders and Procurement Strategy (Ref: ACP-11-23-F) were presented to Policy and Resources Committee and approved; work will now progress on the remaining recommendations.</p>	<p>31-Mar-24</p> <p>(30-Sep-23) (31-May-22) (31-Oct-21)</p>	<p>Partially implemented.</p> <p>Parts (ii) and (iii) have been implemented.</p> <p>Part (i) has been covered in the revised standing orders however these are still to be communicated to the relevant parties.</p>
19/20 Procurement - Recommendation 2	<p>i. Management should ensure that the current exercise to review and update the CSOs is finalised and approved by the relevant Council body.</p> <p>ii. Once completed, these must be notified and made available to all officers with procurement responsibilities across the Council.</p> <p>iii. CPT management should also ensure that detailed operational procedures and</p>	High	31-Mar-21	Executive Manager - Assets, Commissioning and Procurement AND Procurement Manager	<p>See comment in 19/20 Procurement recommendation 1 (above).</p>	<p>30-Sep-24</p> <p>(30-Sep-23) (31-May-22) (31-Dec-21)</p>	<p>Part (i) has been completed and management have advised that part (ii) will be completed soon.</p> <p>Management has confirmed that work is ongoing to develop operational procedures now that</p>

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
	appropriate training and guidance is developed for non-procurement specialist staff within other Services to raise their awareness of and understanding of the CSOs and legislative procurement requirements.						the CSOs have been approved.
19/20 Procurement - Recommendation 3	<p>CPT management should update the Contract Request Forms to ensure that these reflect not only ERDF grant funding retention periods but any other funder requirements which may involve extended retention periods.</p> <p>Where such cases are identified, suitable arrangements should be agreed with the Service to ensure records are readily accessible for the duration required by the grant funding body.</p> <p>Management should arrange for the Document Retention and Destruction Schedule to be reviewed at appropriate intervals to ensure that it remains up-to-date, fit for purpose and reflects current requirements.</p>	Medium	31-Dec-20	Executive Manager - Assets, Commissioning and Procurement and Director - Corporate Services	See comment in 19/20 Procurement recommendation 1 (above).	31-Mar-24  (30-Sep-23) (31-May-22) (31-Oct-21) (30-Sep-21) (30-Apr-21)	Management has confirmed that work is ongoing to develop operational procedures now that the CSOs have been approved.

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
19/20 Procurement - Recommendation 5	<p>As part of the review of the CSOs, CPT management should consider whether NCA forms should be mandatory for direct awards below £50k by all Service departments.</p> <p>At a minimum, procuring officers in Service departments must be reminded to evidence the CSO condition to satisfy the appropriate Executive Manager that the requirement is not readily obtainable from more than one supplier, service provider, or contractor, and it can be demonstrated that no equivalent is available, or otherwise for technical reasons or due to time restraints. This must be clearly documented and authorised by a senior officer and regularly reviewed to ensure that these arrangements continue to remain appropriate and provide value for money.</p> <p>Through the spend analysis in recommendation 4, CPT management must identify where direct awards are regularly being made for the supply goods, works or services to the Council without quotes being obtained and review these to establish whether this is appropriate or whether alternative procurement arrangements could be implemented.</p>	High	31-Jan-21	Executive Manager - Assets, Commissioning and Procurement AND Procurement Manager	See comment in 19/20 Procurement recommendation 1 (above).	31-Mar-24 (30-Sep-23) (31-May-22) (31-Oct-21)	The CSO's have been updated to state the NCA (Non-Competitive Action) process must be for emergency measures, however, management have advised that further work to address this recommendation is underway now that the CSOs have been approved.
19/20 Procurement - Recommendation 6	Management should ensure that appropriate anti-fraud, bribery and corruption training is developed and delivered to all staff with procurement responsibilities to ensure that they remain aware of issues relating to fraud and corruption and also understand what action they are required to take if fraud or corruption is identified or suspected.	Medium	31-Dec-21	Director - Corporate Services	See comment in 19/20 Procurement recommendation 1 (above).	30-Sep-24 (30-Sep-23) (31-May-22)	Management has confirmed that work is ongoing to develop operational procedures now that the CSOs have been approved.

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
19/20 Procurement - Recommendation 7	CPT management should formalise arrangements to enable both difficulties experienced and areas which worked well with individual procurement exercises to be formally recorded and shared with relevant officers across the Council to benefit future procurement work.	Low	31-Jan-21	Executive Manager - Assets, Commissioning and Procurement AND Procurement Manager	See comment in 19/20 Procurement recommendation 1 (above).	30-Sep-24 (30-Sep-23) (31-May-22) (31-Oct-21)	Management has confirmed that work is ongoing to develop operational procedures now that the CSOs have been approved.
19/20 Procurement - Recommendation 8	Management should develop appropriate procedures to ensure compliance with the Code of Conduct in order that Employees' Interest Forms are reviewed, updated, and signed on an annual basis.  Thereafter, prior to any procurement exercise being undertaken, confirmation must be sought that employees involved in the procurement have an up-to-date Employees' Interest Form in place and that any declarations made do not pose a potential conflict.	Medium	31-Mar-21	Executive Manager - Assets, Commissioning and Procurement AND Procurement Manager	See comment in 19/20 Procurement recommendation 1 (above).	30-Sep-24 (30-Sep-23) (30-Sep-22) (31-May-22) (31-Oct-21)	Management has confirmed that work is ongoing to develop operational procedures now that the CSOs have been approved.
20/21 Business Continuity and Lessons Learned post COVID 19 - Recommendation 1	Management should ensure that agreed standard BCP templates are developed for use across the Council. Templates should incorporate all relevant aspects of good practice in Business Continuity Planning including identifying and documenting key business areas, critical functions, potential business impacts, key contacts and details of who is responsible for testing the effectiveness of plans and providing training to appropriate staff. Thereafter: <ul style="list-style-type: none"> <li>The agreed template should be distributed to all Services.</li> <li>Services should be advised to update their BCPs to reflect the requirements of the agreed template, ensuring that appropriate arrangements for a formal</li> </ul>	High	31-Dec-21	Executive Manager – Governance and Law	Completion of the templates and approval by Corporate Management Team on 27 June 2023 largely addressed the various components of this action. However, only when all services have completed their plan updates will 100% be achieved. 38 out of 45 BCP's have been updated accordingly. Work is ongoing to obtain the seven outstanding BCP's.	31-Mar-24 (31-Dec-23) (30-Nov-23) (31-Jan-23) (30-Jun-22)	We have been assured by management that this action is nearly complete and that there is an older style BCP in place for the remaining seven areas until the new version is completed.

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
	<p>testing schedule and providing training to appropriate staff are put in place.</p> <ul style="list-style-type: none"> <li>• Arrangements should be put in place to ensure that BCPs are reviewed and approved by senior officers.</li> <li>• Arrangements should be developed to ensure that all BCPs are reviewed and where necessary updated on a regular basis. Where any significant changes are made these should be reviewed and authorised by a senior officer.</li> <li>• BCPs should clearly link into DR plans.</li> </ul>						
<p>20/21 Health and Safety Arrangements - Recommendation 1</p>	<p>A new Health and Safety Strategy should be developed at the earliest opportunity once it becomes clearer what the new normal working arrangements will be for the Council.</p> <p>The Health, Safety and Welfare Policy should be reviewed to ensure content is up to date.</p>	<p>Medium</p>	<p>31-Mar-22</p>	<p>Executive Manager – Human Resources</p>	<p>The new Health and Safety Strategy will be aligned to the new Health and Safety system (Assure). Implementing and embedding the new system has been prioritised by the Health and Safety Team and the time taken to implement all modules in the system has been longer than expected.</p> <p>The new Executive Manager for HR and Health and Safety Team will meet shortly to review workload and work priorities with an aim to timetable these reviews. A revised implementation date will be provided as soon as possible.</p>	<p><b>TBC</b>  (30-Nov-23) (31-May-23) (01-Sep-22)</p>	<p>We will seek an update from the Executive Manager for HR following the workload review/priority meeting.</p>

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
20/21 Health and Safety Arrangements - Recommendation 2	<p>As part of the migration to a new Health and Safety Management System, arrangements should be put in place to ensure that all risk assessments are recorded on the system in a timely manner.</p> <p>Thereafter these should be monitored to ensure that all required information is being captured with risk assessment content reviewed as required</p>	Medium	30-Apr-22	Health & Safety Manager	In December 2023 CMT approved the use of the Assure H&S system to be used for all relevant risk assessments (RA) and required that all RAs are migrated to Assure as they are reviewed through 2024. All RAs should be transferred by the end of 2024. H&S and Risk Management staff are working with Departments to provide training and assistance to support this	<p>31-Dec-24</p> <p>(31-Aug-23) (31-Dec-22) (30-Sep-22)</p>	Management has advised that work is progressing to ensure that risk assessments are migrated to the new system.
20/21 Health and Safety Arrangements - Recommendation 3	Following the appointment of a Health and Safety (H&S) Advisor, an agreed programme of audits should be agreed and thereafter undertaken, reported, and monitored as necessary.	High	30-Jun-21	Health & Safety Manager	<p>An inspection schedule was agreed previously, and work progressed in accordance with this. However, a process to monitor completion of actions raised has still to be formalised and resourcing issues are further delaying progress.</p> <p>Fire Safety Audits are being carried out and transferred to the Assure (health and safety) system. A Working Group is currently reviewing the Premises Managers Handbook which will include self-audits carried out by premises managers and uploaded into the Assure system to allow monitoring of control measures until audits are implemented by H&amp;S.</p>	<p><b>TBC</b></p> <p>(30-Sep-23) (31-May-23) (01-Sep-22) (31-Mar-22) (31-Dec-21) (31-Aug-21)</p>	<p>Partially implemented.</p> <p>A programme of audits was agreed; however, the reporting and monitoring arrangements have not been finalised.</p>
20/21 Health and Safety Arrangements - Recommendation 4	i. The Risk Board should identify all premises which do not have an up-to-date premises inspection and instruct premises managers to undertake these as a matter of priority.	High	30-Sep-21	Executive Manager - Human Resources AND	The Health and Safety team are in the process of developing templates to enable premises inspections to be carried out and stored on the system. This is linked to	<p><b>TBC</b></p> <p>(31-Aug-23) (31-Dec-22) (30-Sep-22)</p>	<p>Partially implemented.</p> <p>Part (ii) of this recommendation has been completed.</p>

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
	<p>ii. A communication should be issued to premises managers reminding them of their responsibilities per the Premises Managers Handbook.</p> <p>iii. An ongoing monitoring regime should be introduced to identify cases where premises inspections become overdue with appropriate escalation arrangements. This could potentially be built into the requirements for the replacement health and safety system.</p>			Health & Safety Manager	the review of the Premises Managers Handbook. The team are prioritising the Incident and Risk Assessment modules and have limited resources for developing the templates but are working through these. Information was issued to Premises Managers reminding them of their responsibilities including regular inspections of their premises, but there is no central storage/collation until the system is set up to accept them.		A revised implementation date has not been provided.
20/21 Health and Safety Arrangements - Recommendation 7	<p>i. As part of the data cleansing exercise in preparation for the new system, all incidents which are sitting as "Pending Investigation" should be reviewed, and action taken to close/update.</p> <p>ii. Going forward and following the implementation of any new system, management should reintroduce periodic checks to identify incidents that have not been marked as complete with Services contacted to ensure appropriate investigation has been undertaken and the system thereafter updated.</p> <p>iii. A reminder should be issued to all Services regarding the requirement to fully investigate all incidents and complete/record details on the Health and Safety system.</p>	High	31-Mar-21	Executive Manager – Human Resources	<p>Management has advised that this recommendation is implemented.</p> <p>The data has been cleansed and migration to the new system is complete and arrangements are in place to follow up on incidents that are not marked as complete.</p>	<p><b>TBC</b></p> <p>(30-Sep-23) (31-Dec-22) (01-Sep-22) (31-Mar-22) (30-Sep-21)</p>	<p>Partially implemented.</p> <p>Part (i) has been implemented.</p> <p>Management have advised that the recommendation has been completed in full, however, we are awaiting evidence to verify this.</p>
21/22 Information Security Management - Recommendation 1	Management should develop an Information Security Policy. The policy should be appropriately approved, made available to staff, be reviewed at suitable intervals, and apply to all staff.	Medium	31-Aug-22	Director, Corporate Services	A draft Information Security Policy, which consolidates governance, ICT, and data protection policy into one	<p>31-Mar-24</p> <p>(30-Nov-23)</p>	Management has advised that work on this recommendation is nearing completion and a revised



Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
					document, has been developed and is currently being reviewed by the relevant services areas. The policy will be presented to Policy & Resources Committee on 20 March 2024.	(31-Jul-23) (30-Apr-23) (31-Dec-22)	implementation date has been provided.
21/22 Information Security Management - Recommendation 4	Management should ensure an Information Risk Register is put in place. The Register should be reported and monitored through an appropriate governance board on a regular basis.	High	31-Aug-22	Director, Corporate Services	Work is ongoing in this area, a further review of Service, Department, and Council-wide information risks is required by Legal, Senior Information Risk Owner, Data Protection Officer, and the Risk Manager.  In the meantime, information security risks are managed and monitored by the Information Governance Board and the Risk Board.	31-Mar-24  (30-Nov-23) (31-Jul-23) (30-Apr-23) (31-Dec-22)	Management has confirmed that work is ongoing in this area and a revised implementation date has been provided.
21/22 Information Security Management - Recommendation 6	Management should ensure guidance is developed and communicated to staff on good practice for the physical security of records.	Medium	31-Aug-22	Director, Corporate Services	A new Information Classification and Protective Marking Scheme (including information handling rules) has been developed and annexed as guidance to the Information Security Policy which is currently being reviewed by relevant officers and will be presented to Policy & Resources Committee on 20 March 2024.	31-Mar-24  (30-Nov-23) (31-Jul-23) (31-Dec-22)	Management has confirmed that work is ongoing in this area and a revised implementation date has been provided.
21/22 Information Security Management - Recommendation 7	Management should consider the introduction of a data classification scheme and ensure that this is applied to all documents thereafter. In doing so the Council should also consider the protections that should be applied to each data classification and ensure that these are communicated to staff.	Low	31-Aug-22	Director, Corporate Services	Same as for 21/22 Information Security Management - Recommendation 6 above.	31-Mar-24  (30-Nov-23) (31-Jul-23) (30-Apr-23)	Management has confirmed that work is ongoing in this area and a revised implementation date has been provided.



Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
21/22 Change Programme Recommendation 1	<p>Management should develop formal guidance for the Programme which provides direction on the:</p> <ul style="list-style-type: none"> <li>• Scope of projects to be included; and</li> <li>• The process to be followed for the evaluation of project proposals for inclusion in the Programme.</li> </ul> <p>Once the guidance is in place, management should agree a list of projects to be captured within the Programme for reporting to the Programme Board. A process of review and update should be established to ensure that it continues to reflect details of current Programme projects and the link to achieving the Our Ambition.</p> <p>Management should formalise the arrangements in place to link the Programme to the financial budget to ensure that identification and allocation of resource requirements is aligned to the Programme priorities and savings/benefits being realised from the Programme can be effectively tracked.</p>	High	30-Sept-22	Director, Corporate Services	<p>Work is ongoing to define the parameters of the Change Programme and a list of Change Programme projects.</p> <p>A proposal will be presented to the Council's Best Value Sounding Board in February 2024.</p>	<p>31-Mar-24</p> <p>(31-Dec-23) (30-Jun-23) (31-Mar-23)</p>	<p>Management has confirmed that work is ongoing in this area and a revised implementation date has been provided.</p> <p>An update meeting has been scheduled by the Change Programme Officers with Internal Audit for 29 February 2024.</p>
21/22 Change Programme Recommendation 2	<p>Management should develop and agree a formal plan to detail how the Programme will be embedded within the Council and ensure that clear and SMART objectives are set for delivering the Programme.</p> <p>Management should finalise and implement the formal Communication and Reporting Framework as outlined in the CPPF.</p> <p>The PMO should regularly monitor the implementation of the Programme and the Communication and Reporting Framework to ensure actions are progressing as expected, highlighting any concerns to the Programme</p>	Medium	31-Jan-23	Director, Corporate Services	<p>This is being considered as part of the Change Management proposal being presented to the Best Value Sounding Board in February 2024. Arrangements are expected to be agreed by 31st March and thereafter work will commence on embedding the agreed communication and reporting arrangements within the Council.</p>	<p>30-Jun-24</p> <p>(31-Dec-23) (30-Jun-23)</p>	<p>Management has confirmed that work is ongoing in this area and a revised implementation date has been provided.</p> <p>An update meeting has been scheduled by the Change Programme Officers with Internal Audit for 29 February 2024.</p>

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
	Board for further scrutiny and decision making as required.						
21/22 Change Programme Recommendation 3	<p>Management should ensure that work on the Project Management Toolkit is completed as soon as possible and that it provides guidance and templates which will support staff to:</p> <ul style="list-style-type: none"> <li>Identify, manage and report project risks, issues, resource requirements and constraints and dependencies of a project; and</li> <li>Assess and document how the project links to the key priorities set out in Our Ambition.</li> </ul> <p>The guidance should also include processes for:</p> <ul style="list-style-type: none"> <li>The review and scrutiny of project documentation; and</li> <li>A standardised approach for the capture, review, evaluation and sharing of lessons learned.</li> </ul> <p>Once finalised the Project Management Toolkit, and the requirement to adhere to it, should be communicated to all staff. Management should also consider if key staff should receive project management training, and if so, ensure this is delivered as soon as possible.</p>	High	30-Nov-22	Director, Corporate Services	Progress has been delayed due to resourcing challenges. However, a Programme Manager has now been appointed and is working towards the development of the toolkit and associated guidance documentation. Once agreed, this will then be shared with relevant staff and support provided as required.	31-Mar-24 (31-Dec-23) (30-Nov-22)	<p>Management has confirmed that work has restarted in this area and a revised implementation date has been provided.</p> <p>An update meeting has been scheduled by the Change Programme Officers with Internal Audit for 29 February 2024.</p>
21/22 Change Programme Recommendation 4	<p>The PMO should ensure that arrangements are in place to receive regular updates for all projects under remit of the Programme, this could be through regular highlight reports to the PMO or setting a timetable for rolling review of each project. The PMO should then determine the information that should be presented to the Programme Board on an exception reporting basis.</p> <p>The PMO should agree and formalise the arrangements and responsibilities for:</p>	High	31-Jan-23	Director, Corporate Services	This is being considered as part of the Change Management proposal being presented to the Best Value Sounding Board in February 2024 and will thereafter be taken forward within the Programme Management Network.	31-Mar-24 (31-Dec-23)	<p>Management has confirmed that work is ongoing in this area and a revised implementation date has been provided.</p> <p>An update meeting has been scheduled by the Change Programme Officers</p>

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
	<ul style="list-style-type: none"> <li>The escalation and reporting of significant risks and issues from individual projects;</li> <li>Prioritisation, allocation and review of finite resources across the projects in the Programme and communication of this to the relevant parties; and</li> <li>Reporting lessons learned to the Programme Board.</li> </ul> <p>The PMO should also introduce:</p> <ul style="list-style-type: none"> <li>A Programme Risks and Issues Log to capture and monitor those which may impact the delivery of the Programme; and</li> <li>A master lessons learned log that can be utilised by all relevant parties.</li> </ul>						with Internal Audit for 29 February 2024.
21/22 Change Programme Recommendation 5	<p>Management should develop guidance which details:</p> <ul style="list-style-type: none"> <li>Roles and Responsibilities of the Programme Board; and</li> <li>Joint working arrangements with the PMO.</li> </ul> <p>Management should ensure that documented guidance is made available to the Programme Board, senior management and Elected Members to help them understand their roles and responsibilities in relation to the Programme.</p> <p>Management should ensure that a ToR is in place for the Project Management Network, and the roles and responsibilities of those involved should be clearly documented. This should be completed as soon as practically possible.</p>	Medium	30-Sept-22	Director, Corporate Services	<p>The roles and responsibilities of the parties involved in the Change Programme will form part of the proposal being presented to the Sounding Board.</p> <p>The first meeting of the Programme Manager Network took place in December 2023. Work is due to commence on the development of a Terms of Reference for the Network and on documenting the roles and responsibilities of those involved in the group.</p>	<p>31-Mar-24</p> <p>(31-Dec-23) (30-Jun-23) (31-Mar-23)</p>	<p>Management has confirmed that work is ongoing in this area and a revised implementation date has been provided.</p> <p>An update meeting has been scheduled by the Change Programme Officers with Internal Audit for 29 February 2024.</p>
21/22 Change Programme Recommendation 6	Management should review and update the reporting arrangements in place for the Programme, ensuring it is included in the appropriate Committee Business Workplan(s)	High	30-Nov-22	Director, Corporate Services	The reporting arrangements for the Programme are being considered as part of the Change Management proposal	<p>30-Jun-24</p> <p>(30-Jun-23) (30-Nov-22)</p>	The revised due date has not yet been reached.

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
	and reported in line with these.  If management still consider Directorate level reporting on the Programme appropriate, arrangements for this should be agreed, documented and embedded within the Performance Management Framework.				being presented to the Best Value Sounding Board.		
21/22 Use of Consultants Recommendation 1	<p><b>(i) Good Practice Guidance</b> Management should adopt the Scottish Government good practice guidance on the Use of Consultants. A formal internal procedure document should be developed which includes:</p> <ul style="list-style-type: none"> <li>• The circumstances in which it would be appropriate to engage a consultant.</li> <li>• The conditions which should be met before a consultant is appointed.</li> <li>• The requirement to justify the engagement of a consultant to demonstrate value-for-money compared to in house delivery.</li> <li>• The requirement to apply the Scottish Government's "Three-Part-Test" to any consultancy engagement to determine if it in fact relates to another professional service.</li> <li>• The applicable procurement and financial processes to be followed.</li> </ul> <p>Thereafter the procedure should be made available to all staff.</p> <p><b>(ii) Procurement Strategy</b> Management should review and update the current Procurement Strategy and the associated suite of procurement documentation to include:</p> <ul style="list-style-type: none"> <li>• Clarification on the circumstances in which a formal business case is required to support the procurement process.</li> </ul>	High	31-Jan-23	Director of Corporate Services	<p>On 15 May 2023 the Director of Corporate Services presented a report (Ref: CRP-09-23 F) to the Audit Committee, providing details of the Procurement Project and Action Plan (all actions to be completed by 30/09/2023). The Procurement Project has been established to address the recommendations from the following audit reviews:</p> <ul style="list-style-type: none"> <li>• 2019/20 Procurement</li> <li>• 2021/22 Use of Consultants</li> <li>• 2021/22 Compliance with Procurement Arrangements</li> </ul> <p>On 18 September 2023 the revised Contract Standing Orders (CSO's) and Procurement Strategy (Ref: ACP-11-23-F) were presented to Policy and Resources Committee and approved; work will now progress on the remaining recommendations.</p>	30-Sep-24 (30-Sep-23)	<p>Partially implemented.</p> <p>We have confirmed that the revised CSO's have addressed part (i) of this recommendation.</p> <p>The Procurement Strategy has been updated; however, management has advised that further work in ongoing to update the supporting documentation which will address part (ii) of this recommendation.</p>

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
	<ul style="list-style-type: none"> <li>Contact details for the procurement section.</li> </ul> <p>Thereafter, management should ensure that all procurement guidance and templates/forms are made available to all staff.</p>						
21/22 Use of Consultants Recommendation 2	<p>Management should issue a reminder to all relevant officers that completion and authorisation of an NCA form is compulsory when proposing to make a non-competitive appointment. When such an appointment is made this must be recorded on the corporate register to allow for monitoring and scrutiny by the Procurement Team.</p> <p>All Service Directors should be required to submit a report to the Procurement Team outlining all NCAs in place within their service on at least a six-monthly basis. The Procurement Manager should then cross reference this report against the NCA register to ensure that all applicable cases have been appropriately recorded and documented.</p> <p>Management should also consider introducing a requirement for high-value NCAs (e.g., over £50k) to be reviewed and approved by a representative from another team, such as Legal Services or Internal Audit.</p>	High	31-Jan-23	Director of Corporate Services	See comment in 21/22 Use of Consultants Recommendation 1 (above).	31-Mar-24 (30-Sep-23)	Management has advised that further work to address this recommendation is underway now that the CSOs have been approved.
21/22 Use of Consultants Recommendation 3	<p>Management should ensure that a process is put in place which requires all contract extensions to be formally scrutinised and approved by both the relevant Director and the Procurement Team. Where proposed extensions are approved, this should be formally documented.</p> <p>Management should also ensure that a formal contract is put in place for all future consultancy engagements. These contracts should clearly outline key deliverables or outputs in a defined schedule of work.</p> <p>Management should fully investigate the</p>	High	31-Jan-23	Director of Corporate Services	See comment in 21/22 Use of Consultants Recommendation 1 (above).	30-Sep-24 (30-Sep-23)	Management has advised that further work to address this recommendation is underway now that the CSOs have been approved.

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
	cases noted in the observation to determine the reason why payments were made in excess of agreed contract rates or continued to be made without a formal contract being in place. Management should consider if any formal action is required following their investigations.						
21/22 Use of Consultants Recommendation 4	<p>Management should:</p> <ul style="list-style-type: none"> <li>i. Review, update, and reissue IR35 guidance to all staff. This should clearly highlight the need to conduct a formal CEST assessment where a proposed contract is to be delivered by an individual/sole-trader, partnership, or personal service company.</li> <li>ii. Introduce a corporate register to document each CEST assessment undertaken, the outcome, and a date for formal review. Arrangements should also be made to hold electronic copies of all CEST assessments in a central location (these requirements should be included in the documented guidance).</li> <li>iii. Review the cases identified during the sample testing to identify if any lessons can be learned, if any cases need to be reported to HMRC, and for any engagements which remain ongoing undertake a CEST assessment immediately and act upon this as required.</li> <li>iv. Determine if there are any other ongoing engagements in the Council that have not been assessed using the CEST tool and ensure that the assessments are completed as soon as possible.</li> </ul>	High	30-Sept-22	Director, Corporate Services	See comment in 21/22 Use of Consultants Recommendation 1 (above).	31-Mar-24 (30-Sep-23) (31-Mar-23)	<p>Partially implemented.</p> <p>Part (i) has been completed. Management has advised that the remainder is being addressed through the Procurement Project.</p>

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
21/22 Use of Consultants Recommendation 5	Management should put in place guidance to set out the expected format and nature of contract management activities, where these are not undertaken by the Procurement Team. This should include a requirement for a formal contract management framework for all future consultancy and professional service engagements. Staff should be required to undertake regular assessments of contractor performance against the terms set out in the framework – such as key deliverables, outputs or performance indicators. Thereafter the procedure should be circulated to all staff with responsibility for contract management.	Medium	31-Jan-23	Director of Corporate Services	See comment in 21/22 Use of Consultants Recommendation 1 (above).	30-Sep-24 (30-Sep-23)	Management has advised that further work to address this recommendation is underway now that the CSOs have been approved.
21/22 Compliance with Procurement Arrangements Recommendation 1	As a matter of urgency management should progress and implement all outstanding procurement recommendations. This should be overseen and progressed by an appropriate officer within the Council, seeking specialist advice and guidance where required.	High	30-Jun-23	Director, Corporate Services	On 15 May 2023 the Director of Corporate Services presented a report (Ref: CRP-09-23 F) to the Audit Committee, providing details of the Procurement Project and Action Plan (all actions planned to be completed by 30/09/2023). The Procurement Project has been established to address the recommendations from the following audit reviews: <ul style="list-style-type: none"> <li>• 2019/20 Procurement</li> <li>• 2021/22 Use of Consultants</li> <li>• 2021/22 Compliance with Procurement Arrangements</li> </ul> On 18 September 2023 the revised Contract Standing Orders and Procurement Strategy (Ref: ACP-11-23-F) were presented to Policy and	30-Sep-24 (30-Sep-23)	Management has advised that further work to address this recommendation is underway now that the CSOs have been approved.



Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
					Resources Committee and approved; work will now progress on the remaining recommendations.		
21/22 Compliance with Procurement Arrangements Recommendation 2	<p>The Procurement Strategy should be reviewed, updated and approved. Once approved the strategy should be shared with all relevant parties and published on the Council's website.</p> <p>Management should ensure that arrangements are in place to produce an annual procurement report; this should be presented to the relevant Committee and submitted to Scottish Government in advance of the deadline.</p>	High	30-Jun-23	Director, Corporate Services	See comment in 21/22 Compliance with Procurement Arrangements Recommendation 1 (above).	30-Sep-24 (30-Sep-23)	<p>Partially implemented.</p> <p>Management has advised that further work to address this recommendation is underway now that the CSOs have been approved.</p>
21/22 Compliance with Procurement Arrangements Recommendation 3	<p>Management should:</p> <ul style="list-style-type: none"> <li>Remind all relevant parties that the Director of Corporate Services must sign off all NCA forms.</li> <li>Ensure that the NCA forms in use are updated to include the requirement for Director of Corporate Services approval.</li> <li>Implement an approval process for NCAs required where Corporate Services are the contracting service.</li> </ul> <p>Once the form and process have been updated these should be reflected in all relevant documented procedures and shared with all staff.</p>	High	31-Dec-22	Director, Corporate Services	See comment in 21/22 Compliance with Procurement Arrangements Recommendation 1 (above).	31-Mar-24 (30-Sep-23) (31-Dec-22)	Management has advised that further work to address this recommendation is underway now that the CSOs have been approved.
21/22 Compliance with Procurement Arrangements Recommendation 4	Methodology and corresponding guidance for calculating expected contract value should be included in the operational procedures to be developed and shared with staff (2019/20 Review: Recommendation 2).	Medium	31-Dec-22	Executive Manager – Assets, Commissioning and Procurement	See comment in 21/22 Compliance with Procurement Arrangements Recommendation 3 (above).	30-Sep-24 (28-Feb-24)	Management has advised that further work to address this recommendation is underway now that the CSOs have been approved.



Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
21/22 Compliance with Procurement Arrangements Recommendation 5	<p>Management should ensure that the cases of non-compliance identified in the sample testing are reviewed to:</p> <ul style="list-style-type: none"> <li>Identify lessons learned and opportunities for improvement; and</li> <li>Determine if the issues are more widespread, and if so, take steps to address this, including ensuring a robust audit trail is maintained.</li> </ul> <p>Management should remind all staff that they must comply with procurement rules, and to seek clarification if required.</p>	High	30-Sept-22	Director, Corporate Services	See comment in 21/22 Compliance with Procurement Arrangements Recommendation 3 (above).	31-Mar-24 (30-Sep-23) (31-Mar-23)	Management has advised that further work to address this recommendation is underway now that the CSOs have been approved.
22/23 Gifts and Hospitality Recommendation 1	<p>Each Director should ensure that they maintain a gifts and hospitality register for the employees within that Directorate.</p> <p>Management should ensure that offers which are made or received and subsequently declined are also recorded on the register.</p> <p>The relevant policies should be updated to include this requirement and be communicated to all staff.</p>	High	28-Feb-23	Monitoring Officer in consultation with Section 95 Officer	<p><b>November 2023 update:</b> A draft policy has been produced and report being prepared for Policy &amp; Resources on 4 December 2023 with immediate implementation following.</p> <p>Subject to committee approval will a revised implementation date of 31 December 2023 has been set.</p>	<b>Not provided</b> (31-Dec-23)	<p>We have not received any evidence to date.</p> <p>A revised implementation date has not been provided.</p>
22/23 Gifts and Hospitality Recommendation 2	<p>Management should:</p> <ul style="list-style-type: none"> <li>Develop and introduce operational guidelines for staff in relation to gifts and hospitality, ensuring that the points noted in the observation are included.</li> <li>Create a standard template for use across the Council to record offers of gifts and hospitality including all key information related to the offer, this should be used for all offers whether accepted or declined.</li> <li>Issue periodic communications to all employees reminding them of the requirement to comply with the policy and guidelines.</li> </ul>	Medium	28-Feb-23	Monitoring Officer	See comment in 22/23 Gifts and Hospitality Recommendation 1 (above).	<b>Not provided</b> (31-Dec-23)	<p>We have not received any evidence to date.</p> <p>A revised implementation date has not been provided.</p>

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
	Management should also consider if regular reminders to staff at higher risk of offers/undue influence, such as senior officers and procurement staff, are required.						
22/23 Gifts and Hospitality Recommendation 3	<p>Management should identify an officer to collate the gifts and hospitality registers on a periodic basis and review for completeness, appropriateness, and trends. Issues identified from the review should be addressed, either through guidance for those accepting offers or by escalating to senior management.</p> <p>Following the periodic review, offers accepted or declined by senior officers should be extracted and reported to the relevant Council Committee for scrutiny.</p>	Low	28-Feb-23	Monitoring Officer	See comment in 22/23 Gifts and Hospitality Recommendation 1 (above).	<p><b>Not provided</b></p> <p>(31-Dec-23)</p>	<p>We have not received any evidence to date.</p> <p>A revised implementation date has not been provided.</p>
22/23 Compliance with the Protecting Vulnerable Groups Membership Scheme Recommendation 2	<p>Management should ensure that, as a minimum, a light touch review of the PVG Policy and Procedure is completed as soon as possible and that guidance in relation to volunteers is included.</p> <p>Once changes are introduced by Disclosure Scotland, the Policy and Procedure should be reviewed in full.</p> <p>Revised versions of the Policy and Procedure should be made available to all relevant staff in a timely manner.</p>	Low	31-Mar-23	Executive Manager – Human Resources	The Disclosure (Scotland) Act 2020 will change the disclosure system in Scotland. The HR team are engaging with Disclosure Scotland about the organisation's plans for implementing these changes by April 2025. In the meantime, the HR team will provide additional guidance, and improve visibility of the current policy and guidance through a specific page on Interact.	<p>29-Feb-24</p> <p>(31-Aug-23)</p>	<p>Partially implemented.</p> <p>This recommendation will be closed once the supplementary guidance and Interact page have been shared with all relevant staff.</p>

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
22/23 Complaints Handling Recommendation 2	<p>Corporate Services and Housing Services Management should liaise to determine if the management of complaints received by the Housing Service should be moved onto the Council's Pentana Risk system to address the issues noted in the observation.</p> <p>If moving to the Council's system is not deemed appropriate action should be taken by Housing Management to address the issues and risks noted in the observation.</p>	High	30-Jun-23	Director - Corporate Services and Executive Manager - Housing	Work has commenced on an options appraisal for the best solution for Housing complaint recording. Due to resourcing challenges this has been delayed; however, the aim is for a preferred solution to be in place within this financial year.	TBC (31-Jan-24)	Management has advised that work is ongoing to address this recommendation; we have been assured that Housing staff have been reminded of the complaints procedure and timescales which will help mitigate the risk until a permanent solution is in place.
22/23 Attendance Management Recommendation 1	<p>Management should ensure that the Maximising Attendance Policy and Procedures are reviewed, updated, and approved as soon as possible. As part of the review management should consider the inclusion of managers' guides in relation to the practicalities of the processes.</p> <p>Once approved, the updated Policy and Procedures should be made available to all staff.</p>	Medium	30-Nov-23	Executive Manager - HR	No update has been received for February Committee.	Not provided	<p>No update has been received for February Committee.</p> <p>A revised implementation date has not been provided.</p>
22/23 Attendance Management Recommendation 2	Management should determine suitable storage arrangements for absence documentation to ensure it can be easily accessed if required. These arrangements should be documented, in conjunction with recommendation one, and shared with all relevant parties. Electronic options for uploading and retaining documentation should be considered as part of this recommendation.	Medium	30-Sept-23	Executive Manager - HR	No update has been received for February Committee.	Not provided	<p>No update has been received for February Committee.</p> <p>A revised implementation date has not been provided.</p>

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
21/22 Shetland Pension Fund: Review of Ad Hoc Payments Recommendation 1	<p>Management should:</p> <ul style="list-style-type: none"> <li>i. Ensure that the procedure to be followed for 'transfers out' is documented and made available to all relevant staff.</li> <li>ii. Review and update all documented procedures to ensure they are reflective of current working practices.</li> <li>iii. Establish and adhere to a timetable for periodic review of the procedures to ensure they remain up to date.</li> </ul>	Medium	31-Oct-23	Team Leader - Expenditure and Pensions Supervisor	Staffing issues have delayed the review of procedures the situation is beginning to improve, and it is hoped that the procedures will be reviewed by the end of March 2024.	31-Mar-24	We have been advised that progress has been delayed due to resourcing challenges within the Pensions Team.
21/22 Shetland Pension Fund: Review of Ad Hoc Payments Recommendation 2	<p>An action plan should be put in place to ensure that all key supporting documentation within members' files are held electronically as soon as possible and to ensure the administration of the pension fund is carried out entirely electronically moving forward.</p> <p>In the interim, where possible, paper files should be stored in adequate fire-resistant cabinets and steps should be taken to secure the documentation within each file to minimise the risk of any being misplaced.</p>	Medium	30-Jun-23	Team Leader - Expenditure and Pensions Supervisor	<p>Options to move this recommendation forward have been researched and considered in depth. A preferred solution has been identified but cannot progress until the staffing issues are fully resolved. An action plan should be in place by end March 2024.</p> <p>Fire resistant cabinets have been considered and deemed cost prohibitive.</p>	31-Mar-24	Although we acknowledge that there are resourcing challenges within the team the recommendation calls for a plan to be made to address this risk and not for the task to be fully completed immediately; we have advised the teams of this and a revised implementation date has been provided.
22/23 Succession and Workforce Planning Arrangements Recommendation 1	<p>Management should:</p> <ul style="list-style-type: none"> <li>i. Develop and agree operational workforce plans for each of the Directorates. These should include details of the responsible officer(s) and target date(s).</li> <li>ii. Agree a timetable for updates to be provided to HR to support monitoring of the overall Workforce Plan.</li> </ul>	High	31-Jul-23	Team Leader - Workforce Development and Team Leaders in HR	<p>A guide has been developed to support managers develop and agree operational workforce plans. However, a plan to formally roll this out across the Council has still to be agreed.</p> <p>The second part of the recommendation cannot be taken forward until the initial operational workforce plans are in place.</p>	30-Jun-24 (31-Jan-24)	The new Executive Manager for HR is now in post and we have been assured that they will progress this recommendation accordingly.

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
22/23 Succession and Workforce Planning Arrangements Recommendation 2	<p>Management should:</p> <p>i. Report progress against the plan on a regular basis to PRC. As part of this process, management should review and, where relevant, update the plan to ensure that it continues to be aligned to the Council's strategic priorities.</p> <p>ii. Implement monitoring and reporting arrangements for the key progress measures identified within the plan.</p>	Medium	30-Jun-23	Executive Manager - Human Resources	A Workforce Plan update was presented to Policy and Resources Committee in June 2023. The second part of this recommendation will now be addressed as the new Executive Manager for HR is in post.	31-Mar-24	<p>Partially implemented.</p> <p>Part (i) has been implemented and management has advised that work is ongoing on part (ii).</p>
22/23 Accounts Payable Recommendation 1	<p>Management should ensure that details of manual orders and used order books are collated on a regular basis and subject to trend analysis to ensure they are being used only when appropriate.</p> <p>Management should review the requirement to have manual order books, if possible, use should be minimised or withdrawn.</p>	Medium	31-Dec-23	Accounts Payable Manager and Financial Accountant	Analysis of spend has been undertaken and training on the use of manual order books is being rolled out to the areas that use them to ensure they are used only when appropriate. Following the completion of the training we will meet with Internal Audit to discuss the arrangements going forward.	30-Jun-24	<p>Partially implemented.</p> <p>We have been advised that an initial review has been completed, and training will be provided to relevant staff over the coming weeks. Also, the team will consider options for monitoring manual order book spend on a regular basis and we will meet with them in June 2024 for an update.</p>

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**Table 3: Development Services**

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
Development Services							
20/21 Planning Application Process - Recommendation 3	Management should ensure that all relevant staff return a completed declaration of interest form on an annual basis to ensure any potential conflicts of interest are known and documented. Copies of these forms should be retained for future reference and referred to by management when allocating work.	Medium	31-Aug-21	Executive Manager – Planning	Register of Interest forms have been requested from all relevant staff, however, arrangements regarding storage of these forms and management access have not yet been finalised.	<b>Not provided</b>  (30-Jun-23) (31-Dec-22) (31-Jul-22) (31-Mar-22) (31-Dec-21)	We were previously advised that identification of a location for retention of the forms has been delayed due to resourcing issues.  A revised implementation date has not been provided.
21/22 Housing Repairs and Compliance Checks Recommendation 3	Management should ensure that a 'no access' policy and procedure is developed and approved as soon as practically possible; this should include clear arrangements for the completion of safety compliance work. Once approved the policy and procedures should be communicated to all relevant parties.  Management should consider reporting on the volume and cost of 'no access' visits and seek to identify trends and take action to reduce the number of instances.	Medium	31-Aug-22	Team Leader – Asset Management	The 'No Access' Policy has been finalised and communicated to all staff. A test case is underway, and the policy will be communicated to all tenants in due course via the tenant newsletter.  Data is not available at present to undertake trend analysis and reporting on the cost of 'no-access' cases, but it will be considered again once the process is fully embedded.	28-Feb-24  (31-Dec-23) (31-Aug-23) (31-Dec-22)	We have confirmed that this recommendation is nearly complete, and a 'no-access' policy is in place.
21/22 Housing Repairs and Compliance Checks Recommendation 4	As a matter of urgency electrical testing should be completed on properties which have not been tested in the last five years.  A policy should be formally established and approved in relation to electrical testing, ensuring compliance with Scottish Government guidance, and this should be documented in the updated Tenant's Handbook (referred to in recommendation 1).	High	31-Mar-23	Team Leader – Asset Management	Despite delays/capacity issues with the electrical contractors, which are out with the control of Housing progress continues to be made; it is expected that a backlog of 192 properties will be carried forward to 2024/25 and these will be addressed as soon as possible.	30-Sep-24  (31-Aug-23) (31-Dec-22)	Management have confirmed that completion of electrical testing remains a priority and progress is being made.  We will meet with Housing management at year end (31/03/24)



Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
	The roles and responsibilities in relation to properties where access is denied, and overall progress reporting and monitoring should be agreed and documented. Appropriate contract management should be in place to confirm compliance.				Work on the other elements of this recommendation is still ongoing and have been delayed due to other priorities.		to discuss and monitor progress.
21/22 Housing Repairs and Compliance Checks Recommendation 6	<p>Management should ensure that all remaining properties are upgraded as a matter of urgency and evidence of completion is maintained as this could be requested by Scottish Government to prove compliance with the new regulations.</p> <p>A process should be put in place to manage cases where access is denied by the tenant.</p>	High	31-Mar-23	Team Leader – Asset Management	<p>The contractor was unable to complete the installations by the end of March 2023 and work is currently ongoing to create a plan for these to be upgraded as soon as possible. These properties are currently protected by traditional (unlinked) smoke alarms.</p> <p>As at the end of January 2024 90% of the Council's housing stock is protected by interlinked alarms. The remaining 10% are being progressed; and element of those not completed are due to no-access or a property going through the void process.</p>	<p>30-Sep-24</p> <p>(31-Aug-23)</p>	<p>Progress continues to be made.</p> <p>We will meet with Housing management at year end to discuss and monitor progress.</p>
21/22 Shetland Telecom Recommendation 1	<p>Management should compete a review of Shetland Telecom to determine if it remains fit for purpose/appropriate.</p> <p>If Shetland Telecom is to continue as a brand:</p> <ul style="list-style-type: none"> <li>A formal legal review should be undertaken to ensure that the Council continues to operate within its powers under relevant legislation (i.e., Local Government Act and state aid/subsidy considerations) and determine the appropriate legal status of the venture.</li> </ul>	High	30-Jun-23	Executive Manager - Economic Development	<p>Phase two of the legal review of Shetland Telecom is due to be completed by the end of October 2023, with the full review finalised by December 2023 and a report to Development Committee due in March 2024.</p> <p>Once the review outcomes are known and a decision made, the appropriate next steps to address the recommendations from the audit will be agreed and action taken.</p>	<p>30-Jun-24</p>	<p>We were advised that the review of Shetland Telecom is underway and to date no significant issues have been identified. However, due to the involvement of third-parties, progress has been slower than anticipated.</p> <p>Management confirmed that regular Fibre Optic Asset Management Board</p>

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
	<ul style="list-style-type: none"> <li>A strategy/plan should be developed, approved and subject to regular review and monitoring.</li> <li>Suitable risk management arrangements should be put in place, including a risk register which is subject to regular review and monitoring.</li> </ul>						meetings are held, and the Shetland Telecom review is on its agenda for update and discussion which will allow for prompt action should significant legal issues be identified.
21/22 Shetland Telecom Recommendation 2	<p>i. In conjunction with recommendation one, management should ensure that the roles and responsibilities of key individuals and/or the main areas of the Council involved in Shetland Telecom are agreed, documented, and shared with all relevant parties.</p> <p>ii. Management should determine if SLAs are required between the departments involved in Shetland Telecom activity. If the SLAs are deemed appropriate these should be developed, agreed, and finalised as soon as possible and shared with all relevant parties.</p> <p>iii. Management should consider if the Management and Operational Boards are required for Shetland Telecom activity, if they are then the arrangements for these should be formalised in terms of references, and meetings should be held accordingly.</p>	High	30-Jun-23	Executive Manager - Economic Development	<p>Parts one and two of this recommendation will be addressed in line with recommendation one (above).</p> <p>Part three of the recommendation has been partially implemented. Shetland Telecom is included in the agenda for the Fibre Optic Asset Management Board which has defined terms of reference and membership. Operational Board meetings are held; however, the terms of reference is still to be documented and the meeting frequency formalised.</p>	30-Jun-24	<p>Partially implemented</p> <p>As above (recommendation one 21/22 Shetland Telecom).</p> <p>Part (iii) of this recommendation is confirmed as partially implemented.</p>
21/22 Shetland Telecom Recommendation 3	<p>In conjunction with recommendation one, management should consider if branding, website, and social media accounts for Shetland Telecom are appropriate.</p> <p>If an online presence is to continue, then management should ensure that:</p> <ul style="list-style-type: none"> <li>More than one officer is an administrator for the website and social media accounts.</li> </ul>	Medium	30-Jun-23	Executive Manager - Economic Development	This recommendation will be addressed in line with recommendation one (above).	30-Jun-24	As above (recommendation one 21/22 Shetland Telecom).



Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
	<ul style="list-style-type: none"> <li>All officers with administrator rights have received social media training.</li> <li>A plan is in place for regular website and social media updates.</li> </ul>						
21/22 Shetland Telecom Recommendation 4	The price book should be updated to include effective dates and version control. Once completed this should be made available to all relevant staff.	Low	31-Mar-23	Executive Manager - Economic Development	This has not been addressed yet due to resourcing issues and other commitments. It will be included as part of the budget setting process for 2024/25.	31-Mar-24	We were advised that Shetland Telecom has not updated its price book since the original audit meaning that the risk of incorrect charging remains.

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**Table 4: Infrastructure Services**

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
<b>Infrastructure Services</b>							
20/21 Fleet Management - Recommendation 2	<p>Management should implement a process to ensure that a regular reconciliation is undertaken between the active drivers recorded on the Telematics system and those that have a valid driving licence and SIC insurance application. Any driver without a valid licence and SIC insurance application must not be permitted to drive a Council vehicle until valid documents are completed/provided.</p> <p>Managers should also be reminded to advise the Fleet Management Unit of leavers that should be removed from the list of approved drivers.</p>	High	31-Oct-21	Executive Manager - Environmental Services	<p><b>June 2023 update:</b> Work is ongoing to address this recommendation using the information recorded in the new Health and Safety system, to provide a reconciliation process for driving licences and insurance information.</p> <p>An interim manual process has been introduced to track leavers using information provide by managers and HR.</p>	<p>31-Mar-24</p> <p>(31-Aug-23) (31-Dec-22) (01-Sep-22) (31-Mar-22)</p>	<p>This recommendation involves collaboration between service areas with resourcing and capacity issues.</p> <p>Internal Audit will meet with key staff to re-assess the control and risk to then agree a way forward.</p>
22/23 Inter-Island Ferry Service: Asset Management Arrangements Recommendation 1	Management should ensure that an Asset Management Strategy (AMS) and Asset Management Plan (AMP) is developed with input from all relevant parties. This should then be subject to approval at the appropriate level. Once approved the AMS and AMP should be communicated to all relevant parties and thereafter subject to ongoing review, monitoring and scrutiny.	High	31-Dec-23	Executive Manager – Transport Planning	Work is underway to develop an Inter-Island Transport Connectivity Network Strategy. A component of this will be a Network Asset Investment Strategy covering the entire inter-island network. The outcome of the strategic and outline business cases will include the AMS.	31-Dec-24	There has been a significant increase in timescale for implementation of this recommendation. As the development of the AMS and AMP for the Ferry Service is part of a wider project/business case it is imperative that management do not lose sight of the audit recommendation and the risk identified.

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
22/23 Inter-Island Ferry Service: Asset Management Arrangements Recommendation 2	<p>Management should ensure that as part of development of the AMS and AMP, the roles and responsibilities of all parties involved are agreed and documented.</p> <p>Management should develop appropriate joint working arrangements for the development of the strategy and the ongoing governance arrangements to be followed, to promote information sharing and effective decision making.</p>	Medium	31-Mar-23	Executive Manager – Transport Planning	A draft document has been developed and will be formally reviewed by the Project Board to ensure that roles and responsibilities of those involved are clearly understood and documented. A workshop, led by the Programme Manager (Shetland Inter-Island Transport Connectivity) for the Project Board, is expected to take place in February 2024 to facilitate this.	29-Feb-24 (31-Dec-23) (31-Jul-23)	<p>We have been assured that work is ongoing in this area.</p> <p>A revised implementation date has been provided.</p>
22/23 Inter-Island Ferry Service: Asset Management Arrangements Recommendation 4	Management should undertake a formal review of the fleet to ensure that the highest risk assets can be identified and incorporated into the AMS and AMP accordingly. Once completed, the review should be subject to ongoing monitoring and update to ensure any significant vessel risk changes are identified and captured within the AMS and AMP.	High	31-Mar-23	Executive Manager - Ferry & Airport Operations & Port Infrastructure	A consultant was appointed to undertake the fleet review and the output from this has been delayed twice. The draft report is now expected by 31 <sup>st</sup> March 2024, and this will factor into to the work being undertaken to address recommendation one of this review. Once the report is finalised and approved, we will take the required steps to ensure that the fleet information remains up to date and is aligned to repairs and maintenance arrangements.	31-Dec-24 (31-Dec-23)	We have been advised that the delay is out with the Council's full control. However, the information from the fleet review is of vital importance for the safety and reliability of current fleet and to feed into the Shetland Inter-Island Transport Connectivity project and it is important that management continue to pursue the agreed output from the consultant.

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
22/23 Inter-Island Ferry Service: Asset Management Arrangements Recommendation 5	<p>Senior Management should continue to work with SG and ZetTrans to identify a sustainable financial solution for the delivery and development of the ferry service and/or fixed links.</p> <p>Management should:</p> <ul style="list-style-type: none"> <li>Review the arrangements for calculating the funding request to SG for revenue costs to ensure it is sufficiently robust, particularly in relation to the current inflationary pressures.</li> <li>Liaise with SG to determine if contingency funding is permitted to be included in the application.</li> <li>Determine if the funding of any overspends from reserves is appropriate, or if alternatives should be considered.</li> </ul>	High	31-Dec-23	Executive Manager – Transport Planning	Awaiting update.	TBC	<p>Awaiting update.</p> <p>A revised implementation date has not yet been provided.</p>
22/23 Ports and Harbours Finance Processes Recommendation 2	<p>Management should ensure that a full review of the financial administration and stock management arrangements for Ports &amp; Harbours is conducted to ensure they remain fit-for-purpose.</p> <p>Process Guides should be updated to reflect any changes made and these should cover all required areas. Once complete, these should then be subject to approval at the appropriate and communicated to all relevant parties.</p>	High	31-Mar-23 (For initial response and investigation)	Executive Manager - Finance	<p>Initial meetings have taken place to agree the outline of process guides and a clearly defined relationship between Sella Ness based staff and staff in 8 North Ness to support month end closure processes.</p> <p>Further meetings will be held soon to agree an action plan for review of finance and stock arrangements in order of priority. Internal Audit will be involved in this process.</p> <p>The revised date is for a timetable of review to be agreed and the highest risk processes to have been reviewed.</p>	30-Sep-24	<p>Recommendations two to four of this review represent a significant amount of work. Following discussion with the responsible officer we will provide support to ensure that the areas of highest risk are addressed first and that an appropriate plan is in place.</p>

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
22/23 Ports and Harbours Finance Processes Recommendation 3	<p>Management should put in place appropriate financial monitoring and stock control arrangements and update process guides to reflect these.</p> <p>Management should put in place appropriate checks (e.g., by selecting a regular sample of cases) to ensure that processes are followed and invoices which are produced are accurate. Evidence of the checks undertaken should be retained.</p>	Medium	31-Mar-23 (For initial response and investigation)	Executive Manager – Finance	As noted above - 22/23 Ports and Harbours Finance Processes Recommendation 2.	30-Sep-24	As noted above - 22/23 Ports and Harbours Finance Processes Recommendation 2.
22/23 Ports and Harbours Finance Processes Recommendation 4	<p>On completion of the procedural review outlined at recommendation 2, management should remind all relevant officers of the importance of adhering to the invoicing procedures and their requirements, including retention of supporting documentation. Management should also address the errors identified during this audit review.</p> <p>Management should also ensure that a clear segregation of duties is in place to prevent a credit being applied to a customer account without the required approval. This should be formally recorded for audit trail purposes.</p>	High	31-Mar-23 (For initial response and investigation)	Executive Manager – Finance	As noted above - 22/23 Ports and Harbours Finance Processes Recommendation 2.	30-Sep-24	As noted above - 22/23 Ports and Harbours Finance Processes Recommendation 2.
22/23 Ports and Harbours Finance Processes Recommendation 5	Senior Management should review the current arrangements and determine whether the financial administration team based at Sella Ness, or some of their key tasks should be incorporated into the central finance team, to allow for a more consistent, efficient, and effective approach between all parties involved.	High	31-Mar-23 (For initial response and investigation)	Executive Manager – Finance	<p>Initial meetings have taken place to agree the outline of process guides and a clearly defined relationship between Sella Ness based staff and staff in 8 North Ness to support month end closure processes.</p> <p>This recommendation has been discussed and will be reconsidered following completion of recommendations two-four.</p>	31-Dec-24	Management has advised that this recommendation will be considered in full once the reviews required in recommendations two to four have been completed.

Title	Recommendation	Priority Rating	Original Due Date	Responsible Officer	Service Comments	Revised Due Date	Internal Audit Comments
22/23 Waste Management Arrangements Recommendation 4	Management should liaise with colleagues in Procurement and Legal, to ensure that the site is adequately covered by CCTV.	Medium	31-Dec-23	Team Leader - Waste Management Operations / CCTV Project Team	Work is ongoing to address this recommendation, however it is taking longer than originally anticipated. A new CCTV policy is being finalised and following completion, improvements will be made to ensure adequate coverage at the site.	30-Sep-24	<p>We have been advised by management that work is ongoing to address this recommendation.</p> <p>A revised implementation date has been provided.</p>

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# Shetland Islands Council

Agenda Item

**5**

<b>Meeting(s):</b>	<b>Audit Committee</b>	<b>28 February 2024</b>
<b>Report Title:</b>	<b>Internal Audit Summary Report</b>	
<b>Reference Number:</b>	<b>CRP-04-24-D2</b>	
<b>Author / Job Title:</b>	<b>Duncan Black Chief Internal Auditor</b>	

## **1.0 Decisions / Action required:**

- 1.1 Audit Committee is asked to
1. NOTE the content of the report,
  2. NOTE that the report format includes links to the full audit reports for further information,
  3. COMMENT on the outcome on the findings of the audit work completed, and
  4. ADVISE the Director of Corporate Services of their views and any recommendations for onward reporting to the Council.

## **2.0 High Level Summary:**

- 2.1 The attached Internal Audit Update Summary provides Members of the Audit Committee with an overview of the work undertaken by Internal Audit during the period from 1 November 2023 and 9 February 2024 as part of the agreed Internal Audit Plan.
- 2.2 The report summarises the findings of each of the audits completed during that time, highlights any recommendations made and the audit opinion in light of the findings of the audit activity.
- 2.3 The detailed audit reports are available separately together with agreed plans for addressing the recommendations.

## **3.0 Corporate Priorities and Joint Working:**

- 3.1 The Council's Corporate Plan, "Our Ambition 2021-2026", states that: "We are committed to doing our best for Shetland and are proud to deliver public services that make a real difference to our community. We have to revisit what we do, try out new ideas and find new ways of approaching problems so that we remain excellent at meeting the changing needs of our community. Excellent stops being excellent if we stop improving – we have to innovate and change in order to stay relevant".
- 3.2 Internal audit reports provide an independent assessment of the effectiveness and integrity of the Council's systems: providing assurance to the Council in this regard and with regard to Best Value.

#### 4.0 Key Issues:

- 4.1 Internal Audit is an independent appraisal function within the Council. Its work is based on an annual audit plan which is prepared after a risk assessment of all potential audit issues identified by Internal Audit and Service Directors and takes account of the work of the Council's external auditor.
- 4.2 During the period between 1 November 2023 and 9 February 2024, two reviews have been completed and summary information for each review is provided below. The full reports are provided as appendices to this report.
- 4.3 **Coastal Communities Fund**

	High	Medium	Low	Service Improvement
Number of recommendations	0	4	0	1

We have carried out a review of the administration of the Coastal Communities Fund to ensure that suitable arrangements are in place to manage and assess the applications received and any subsequent awards made.

The scope of the audit included:

- Ensuring there are suitable policies and procedures in place and that the roles and responsibilities are documented and understood.
- Confirming applications and claims are being assessed in line with the agreed criteria, that sufficient records are maintained at all stages, and that grant payments made are accurate and on time.
- Ensuring that appropriate monitoring arrangements exist, and regular reconciliations are completed.
- Ensuring that reporting is undertaken as required.
- Reviewing the arrangements for managing any conflicts of interest.
- Reviewing the arrangements for responding to potentially fraudulent applications and claims.

Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment.

The recommendations relate to (1) developing and maintaining documented procedures, (2) the operation of the assessment panel, (3) the development of a checklist for use in the assessment process, and (4) improvements to data.



#### 4.4 Threat and Vulnerability Management

	High	Medium	Low	Service Improvement
Number of recommendations	0	3	3	0

This audit was undertaken to obtain assurance that the design and operational effectiveness of the threat and vulnerability management approaches adopted by the Council are appropriate, including processes to respond and recover effectively following incidents.

The scope of the audit included an assessment of:

- The threat and vulnerability analysis and assessment processes.
- The processes in place for scoring and prioritising vulnerabilities.
- Vulnerability mitigation and remediation activities, including root cause analysis, where appropriate.
- Performance reporting relating to threat and vulnerability management activities.
- The Council's security configuration management processes.
- The arrangements in place within the Council for the management of backup and disaster/cyber incident recovery processes.

Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment.

The recommendations relate to improvements in the current arrangements, particularly with regards to monitoring and reporting on security issues and performance.

#### 4.5 The full reports for the above reviews are appended to this report

- Coastal Communities Fund – Appendix 1
- Threat and Vulnerability Management – Appendix 2

### 5.0 Exempt and/or confidential information:

- 5.1 Appendix 2 of this report contains exempt information. In terms of the Local Government (Scotland) Act 1973, Schedule 7A, paragraph 14, this exemption relates to information concerning any action taken or to be taken in connection with the prevention, investigation, or prosecution of crime.

<b>6.0 Implications:</b>	
<b>6.1 Service Users, Patients and Communities:</b>	The work of Internal Audit provides an opinion on the adequacy of the system of internal control and governance arrangements within the Council. This provides assurance to the Council regarding the efficiency, effectiveness and economy of the Council's services and Best Value.
<b>6.2 Human Resources and Organisational Development:</b>	None arising directly from this report.
<b>6.3 Equality, Diversity and Human Rights:</b>	None arising directly from this report.
<b>6.4 Legal:</b>	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.
<b>6.5 Finance:</b>	Appendix 1 includes a recommendation in relation to the monitoring of coastal communities grant funding applications.
<b>6.6 Assets and Property:</b>	None arising directly from this report.
<b>6.7 ICT and new technologies:</b>	Appendix 2 includes recommendations relating to the management of threats and vulnerabilities.
<b>6.8 Environmental:</b>	None arising directly from this report.
<b>6.9 Risk Management:</b>	<p>Internal Audit facilitates the reduction of risks identified during the audit process.</p> <p>The management responses to the recommendations made in the most recent audit reports can be seen in the appendices to this report.</p> <p>Progress made by management to address the issues identified will be monitored and reported back to Audit Committee in due course.</p>
<b>6.10 Policy and Delegated Authority:</b>	In accordance with Section 2.6 of the Council's Scheme of Administration and Delegations, the Audit Committee remit

	includes consideration of audit matters and to oversee and review action taken on audit activity.	
<b>6.11 Previously considered by:</b>	None	N/A

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**Appendices**

Appendix 1 – Coastal Communities Fund

Appendix 2 – Threat and Vulnerability Management

**Background Documents**

None



**Shetland Islands Council**  
**Coastal Communities Fund**  
Final Report  
January 2024



FS 57095

# 1 Introduction

- 1.1 As part of the agreed Internal Audit plan, we have carried out a review of the administration of the Coastal Communities Fund (the fund) within Shetland Islands Council (the Council).
- 1.2 The fund seeks to support community and economic development in Shetland by investing in infrastructure, developing community assets, and encouraging inclusive growth. Projects seeking funding must fit and support the shared vision detailed within Shetland's Partnership Plan 2018-28. The Partnership is made up of a wide range of partners (including the Council), and community bodies that work together to improve the lives of everyone in Shetland.
- 1.3 The fund is administered by the Council and financed from the Council's annual Crown Estate Scotland allocation (net revenues generated by Crown Estate Scotland assets). The fund opened in August 2020, and the Council has committed £3.561m to approved projects to date.
- 1.4 Applicants can apply for between £5k and £100k from the fund, however there are restrictions in relation to the proportion and type of eligible costs. If an application is approved the applicant has a set period in which to submit evidence of expenditure to draw down against the funding awarded.
- 1.5 Officers within Development Services assess all applications to confirm eligibility. The application details are then presented to an assessment panel for decision; this is chaired by the Executive Manager of Economic Development and includes senior officers from each Council Directorate.
- 1.6 The panel consider, and decide upon, all applications up to £50k. For applications between £50k and £100k the panel makes a recommendation to Elected Members for a final decision (originally full Council although will transfer to the Development Committee from April 2024).
- 1.7 The purpose of the audit was to ensure that suitable arrangements are in place to manage and assess the applications received and any subsequent awards made. The scope of the audit included:
- Ensuring there are suitable policies and procedures in place and that the roles and responsibilities are documented and understood.
  - Confirming applications and claims are being assessed in line with the agreed criteria, that sufficient records are maintained at all stages, and that grant payments made are accurate and on time.
  - Ensuring that appropriate monitoring arrangements exist, and regular reconciliations are completed.
  - Ensuring that reporting is undertaken as required.
  - Reviewing the arrangements for managing any conflicts of interest.
  - Reviewing the arrangements for responding to potentially fraudulent applications and claims.

## 2 Audit Opinion

- 2.1 Based on the audit work carried out a **reasonable** level of assurance can be placed upon the control environment. The audit has identified **four recommendations** and **one service improvement** which management should address.

## 3 Main Findings

- 3.1 We are pleased to report that most of the key controls are in place and generally operating effectively. The fund is publicised through local media and the Council's website. An annual budget for the fund is agreed through the Council's budget setting process and total spend levels are monitored through the Council's budget monitoring arrangements. Budget and spend levels for the fund are reported to both the panel and Elected Members.
- 3.2 We found that appropriate arrangements are in place for the declaration and management of conflicts of interests and for identifying potential fraudulent applications or claims.
- 3.3 We selected a sample of five approved applications for review and found that in all five cases the project application met the criteria for funding, that the required supporting evidence had been provided and that the expected review and approval processes had been followed.
- 3.4 However, our audit testing identified some opportunities for improvement in existing arrangements. Although officers involved in the fund's administration are aware of the processes to be followed when assessing applications and claims, and preparing information for the panel, we found that these have not been documented. Also, the roles and responsibilities of the panel, and guidance on the application scoring process and use of substitute members, have not been documented.
- 3.5 Documented guidance is available for applicants, and this includes details of eligibility criteria, funding levels, and how to submit applications and claims for assessment, however this is not subject to formal review, with only ad hoc updates so far, and we found some minor omissions.
- 3.6 We reviewed a sample of 10 claims made to drawdown on approved funding. We found that in all cases the expenditure was eligible, and that the payment made was accurate, paid to the correct account, and processed in a timely manner. However, we were unable to confirm that the claims in our samples had been fully reviewed, and any variances or anomalies followed up, from review of the documentation alone; further discussion with the relevant officers was required as a full record of all expected checks,



subsequent outcomes, and calculations is not always maintained.

- 3.7 Details of the awards approved, and claims made against these, are logged on a spreadsheet, and this is used to monitor the amount of funding remaining for each applicant; however, there are no checks on the accuracy of the log and individual project data, and we identified some minor discrepancies in the information held (these did not impact payments).
- 3.8 A log of unsuccessful applications is held, and we selected a sample of three of these cases for review. Although we found that the project had been assessed correctly, the applicants were not advised of the process that can be followed if they are not happy with the outcome.

- 3.9 An action plan is provided at section four outlining our observations, risks, and recommendations. We have made four recommendations and one service improvement. The priority of each is:

Priority	Definition	Total
<b>High</b>	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
<b>Medium</b>	Less critically important controls absent, not being operated as designed or could be improved.	4
<b>Low</b>	Lower-level controls absent, not being operated as designed or could be improved.	0
<b>Service Improvement</b>	Opportunities for business improvement and/or efficiencies have been identified.	1

- 3.10 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.11 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.12 It is recommended that the Chief Internal Auditor submits a further report to Committee on the implementation of the actions contained in the attached Action Plan.



## 4 Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
<b>Key Control:</b> Roles and responsibilities of those involved in the process are clear, documented and understood.				
1	<p>Officers within Development Services have responsibility for the review and assessment of grant applications and claims, however, there is no documented guidance available to support staff in this role. We acknowledge that officers currently involved in the process have shown awareness of the procedures to be followed.</p> <p>Guidance documentation has been made available to applicants however there is no formal review schedule to ensure it remains current and we found that it is unclear with regards to when each application for phased projects should be submitted. We also found that the online version of the application form does not include a declaration section for applicants to complete (a further declaration is required at grant offer stage).</p> <p>This increases the risk that the expected application or claims process is not understood and/or followed resulting in applicants not being awarded the correct amount of funding.</p>	<p>Management should:</p> <ul style="list-style-type: none"> <li>Develop documented procedures to set out the processes to be followed by the relevant officers in relation to both applications and claims.</li> <li>Review and update the guidance available to applicants to make the application process for phased project clearer.</li> <li>Update the online application form to include the applicant's declaration section.</li> </ul> <p>The new and revised documentation should be made available to all relevant parties and a formal schedule of review established.</p>	Medium	<p><b>Response:</b> Accepted.</p> <p>The Economic Development Service is soon to enter a review of its main grant funding scheme, which is to include a look at grant procedures (application, approval, claim) and the production of a grants 'manual' which will cover claims procedures across all schemes.</p> <p>A review schedule will be discussed with the Panel members.</p> <p>The guidance will be made clear with regards to phased projects and the online form updated to include the declaration.</p> <p><b>Officer Responsible for Implementation:</b> Executive Manager, Economic Development</p> <p><b>Timescales for Implementation:</b> 30 June 2024</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
<b>Key Control:</b> Roles and responsibilities of those involved in the process are clear, documented and understood.				
2	<p>Panel membership comprises of senior officers from each of the Council's Directorates and is considered quorate when three or more are represented. Each Directorate should nominate a substitute panel member (for use where there is a conflict of interest), however, at the time of the audit fieldwork there was one directorate that did not have an allocated substitute. Also, a Terms of Reference for the group has been drafted, but not formally approved.</p> <p>In advance of each meeting, panel members are expected to individually score each project as part of the assessment process. Although we were advised that scoring guidance has been provided to panel members as part of the panel meetings, this guidance has not been documented. We reviewed the documentation from five panel meetings and found that in four cases, although the panel was quorate, at least one of the Directorates had not returned a score on a project. We were advised this could be due to service pressures or absence; however, failure of all directorates to score an application could impact the decision.</p> <p>This increases the risk that roles and responsibilities are not understood or followed, and that scoring of project applications is not applied consistently which may lead to projects being unfairly evaluated.</p>	<p>Management should:</p> <ul style="list-style-type: none"> <li>Ensure that a suitable substitute member is appointed to fill the vacancy.</li> <li>Review and agree the Terms of Reference for the panel and ensure that this is made available to all panel members.</li> <li>Review and update the panel guidance to ensure that this reflects all aspects of the scoring process including the requirement that project scores be provided by a nominated substitute in cases where a panel member is unable to do so (due to absence or conflict of interest). Once agreed, this should be made available to panel members and appropriate support provided where required.</li> </ul>	Medium	<p><b>Response:</b> Accepted.</p> <p>A full Terms of Reference (ToR) has been developed for the Coastal Communities Fund Panel, which is intended to be discussed and adopted at the next Panel meeting in March 2024. This ToR includes procedures for conflicts of interest and specifies the number of directorates that must be present to constitute a quorum for decision making.</p> <p>Panel guidance will be reviewed and updated in line with comments and agreed by the Panel.</p> <p>All panel member and substitute posts are now filled at date of response.</p> <p><b>Officer Responsible for Implementation:</b> Executive Manager, Economic Development</p> <p><b>Timescales for Implementation:</b> 31 March 2024</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
<b>Key Control:</b> Sufficient records are maintained for all stages of the grant application and claims.				
3	<p>As part of our sample testing of 10 claims, we reviewed the documentation held and discussed the cases with the relevant officer. Through a combination of this, it was demonstrated that claim data had been reviewed by the officers within Development Services and variances followed up accordingly.</p> <p>However, the documented records alone are not sufficient to provide a complete audit trail around the review and assessment process undertaken. There is no checklist, or equivalent, to demonstrate that all the expected checks on the claim have been competed, and to detail the outcome from these. Where calculations are required, for example, to determine eligible spend, a copy of the calculation is not always retained.</p> <p>Failure to complete the required checks increases the risk that payments are made for ineligible expenditure, to an applicant that is no longer eligible, or for the incorrect amount. Failure to maintain a robust audit trail increases the risk that the Council cannot justify grant awards made should it be challenged.</p>	As part of the procedures being developed for recommendation one, management should ensure that the procedures include a list of all the checks and evidence that the relevant officers should complete and collate for claims, this should be supported by a checklist, or equivalent, that will allow completion and the outcomes of the checks to be recorded for each claim to maintain a robust audit trail.	Medium	<p><b>Response:</b> Accepted.</p> <p>Checklists currently exist for the application process. In respect of checklists required for claims, this will be addressed in the review process described at recommendation one.</p> <p><b>Officer Responsible for Implementation:</b> Executive Manager, Economic Development</p> <p><b>Timescales for Implementation:</b> 30 June 2024</p>

No.	Observation and Risk	Recommendation	Priority	Management Response
<b>Key Control:</b> Appropriate grant monitoring arrangements exist.				
4	<p>A spreadsheet log is used to capture details of the grants awarded to successful project applicants and subsequent grant claims that have been paid to each approved project. A separate log is maintained for each financial year.</p> <p>On a quarterly basis, only the total spend on the spreadsheet will be reconciled to the financial ledger. As such it is not a full reconciliation and does not verify the data held for each individual project. Checks are not undertaken to validate the accuracy of the log data meaning that unauthorised amendments or arithmetical errors may not be identified. We compared the log for 2021/22 and 2022/23 and noted four projects where the grant information on the log had not been correctly captured when being transferred to the new year log. However, these are administrative errors only and do not impact on any of the payments made.</p> <p>This increases the risk that any variances between Development Services records and the financial ledgers are not identified and investigated, and that information being reported in relation to the grant spend is incorrect and/or misleading.</p>	<p>Management should:</p> <ul style="list-style-type: none"> <li>Establish a process for the regular review of grant data held on the log to ensure that the data held is robust.</li> <li>Perform periodic reconciliations of the individual and total project data held on the grant spreadsheet log to the financial ledger and follow up any variances identified.</li> </ul>	Medium	<p><b>Response:</b> Accepted.</p> <p>The approvals spreadsheet which logs grant data is currently checked every month (for example, to ensure that any grants which are approaching expiry date are followed up). However, this process will be formalised and include checks prior to each service RMA meeting with Finance.</p> <p><b>Officer Responsible for Implementation:</b> Executive Manager, Economic Development</p> <p><b>Timescales for Implementation:</b> 31 March 2024</p>

No.	Observation and Findings	Service Improvement	Management Response
5	<p>An appeals process is not in place for project applications that have been unsuccessful. Applicants can submit a complaint via the Council's corporate complaints process if they are unhappy with the outcome of an application. However, this is not outlined in the letter that is issued to unsuccessful applicants and as such, they may be unaware of the option.</p>	<p>Management should consider updating the template letter to advise unsuccessful applicants of the options available if they disagree with the decision.</p>	<p><b>Response:</b> Accepted.</p> <p>Grant guidelines and communications to unsuccessful applicants will be updated with details of the Council's complaints procedure should applicants be dissatisfied with how their application has been handled.</p> <p><b>Officer Responsible for Implementation:</b> Executive Manager, Economic Development</p> <p><b>Timescales for Implementation:</b> 29 Feb 2024</p>