Agenda

West Dunbartonshire COUNCIL

Audit Committee

Date: Wednesday, 16 September 2020

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Time: 10:00

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Venue: By Zoom Video Conferencing

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Contact: Craig Stewart, Committee Officer
craig.stewart@west-dunbarton.gov.uk

Dear Member

The Convener has directed that the powers contained in Section 43 of the Local Government in Scotland Act 2003 will be used and so Members will attend this meeting of the **Audit Committee** remotely. The business is shown on the attached agenda.

Yours faithfully

JOYCE WHITE

Chief Executive

Distribution:

Councillor John Mooney (Chair)
Councillor Jim Brown
Councillor Karen Conaghan
Councillor Daniel Lennie
Councillor Jonathan McColl
Councillor John Millar
Councillor Martin Rooney (Vice Chair)
Councillor Brian Walker
Mr C Johnstone
Mr C Todd

All other Councillors for information

Chief Executive
Strategic Director - Transformation & Public Service Reform
Strategic Director - Regeneration, Environment & Growth
Chief Officer of West Dunbartonshire Health & Social Care Partnership

Date of issue: 3 September 2020

AUDIT COMMITTEE

WEDNESDAY, 16 SEPTEMBER 2020

<u>AGENDA</u>

1   **APOLOGIES**

2   **DECLARATIONS OF INTEREST**

Members are invited to declare if they have an interest in any of the items of business on this agenda and the reasons for such declarations.

3   **MINUTES OF PREVIOUS MEETING**   **5 - 8**

Submit for approval as a correct record, the Minutes of Meeting of the Audit Committee held on 17 June 2020.

4   **OPEN FORUM**

The Committee is asked to note that no open forum questions have been submitted by members of the public.

5   **STRATEGIC RISKS 2017-22**   **9 - 28**

Submit report by the Strategic Lead – People & Technology providing an update on the strategic risks for 2017-22.

6   **INTERNAL AUDIT PLANS 2019/20 AND 2020/21 - PROGRESS**   **29 - 57**
     TO 19 AUGUST 2020

Submit report by the Strategic Lead – Resources advising on progress at 19 August 2020 against the Audit Plans for 2019/20 and 2020/21.

7 /

Submit report by the Strategic Lead – Resources advising on the outcome of investigations into allegations and disclosures in line with public interest disclosure and business irregularities policies received by Internal Audit between 1 July 2019 to 30 June 2020.

Submit report by the Strategic Lead – Resources advising on the Audit Scotland Report "National Fraud Initiative 2018/19" published in July 2020 and providing an overview of the key messages and recommendations raised in the report and how these issues are being addressed by the Council.

AUDIT COMMITTEE

At a Meeting of the Audit Committee held by Video Conferencing on Wednesday, 17 June 2020 at 10.00 a.m.

Present:	Jonathan McColl, John Mooney, Martin Rooney and Brian Walker and Lay Member Mr Chris Johnstone.
Attending:	Joyce White, Chief Executive; Angela Wilson, Strategic Director – Transformation & Public Service Reform; Richard Cairns, Strategic Director – Regeneration, Environment & Growth; Beth Culshaw, Chief Officer, West Dunbartonshire Health & Social Care Partnership (H&SCP); Stephen West, Strategic Lead – Resources; Andi Priestman, Shared Service Manager – Audit & Fraud; and Craig Stewart, Committee Officer.
Also Attending:	Mr Richard Smith, Senior Audit Manager and Ms Zahrah Mahmood, Senior Auditor, Audit Scotland.
Apologies:	Apologies for absence were intimated on behalf of Councillors Jim Brown, Karen Conaghan and John Millar.

Councillor John Mooney in the Chair

CHAIR'S REMARKS

Councillor Mooney, Convener, welcomed everyone to the June meeting of the Audit Committee which was being held remotely, in terms of Section 43 of the Local Government in Scotland Act 2003.

Accordingly, the Convener advised that a process/procedure had been developed for the meeting (a copy of which had previously been circulated to Members). Thereafter, the Committee agreed to note the procedure in place for the conduct of the meeting and the meeting then commenced by video conferencing.

DECLARATIONS OF INTEREST

It was noted that there were no declarations of interest in any of the items of business on the agenda.

MINUTES OF PREVIOUS MEETING

The Minutes of Meeting of the Audit Committee held on 20 November 2019 were submitted and approved as a correct record.

OPEN FORUM

The Committee noted that no open forum questions had been submitted by members of the public.

PRUDENTIAL INDICATORS 2019/20 TO 2029/30 AND TREASURY MANAGEMENT STRATEGY 2020/21 TO 2029/30

A report was submitted by the Strategic Lead – Resources providing Members with the opportunity to further scrutinise the Prudential Indicators for 2019/20 to 2022/23 and Treasury Management Strategy (including the Investment Strategy) for 2020/21 to 2022/23, and the indicative indicators for the period from 2023/24 to 2029/30.

After discussion and having heard the Strategic Lead, Chief Executive and the Strategic Director, Regeneration, Environment & Growth in further explanation and in answer to Members' questions, the Committee agreed:-

(1)   the following Prudential Indicators and Limits discussed in Appendix 1 to the report and set out within Appendix 6 to the report for the period 2020/21 to 2022/23:

- Capital Expenditure and Capital Financing Requirements (Tables A and B);
- Forecast and estimates of the ratio of financing costs to Net Revenue Stream (Table D);

(2)   to approve the policy for loans fund advances discussed in Appendix 1 in section 3 to the report;

(3)   to approve the Treasury Management Strategy for 2020/21 to 2022/23 (including the Investment Strategy) contained within Appendices 2 to 6 to the report;

(4)   the following Treasury Prudential Indicators and Limits discussed in Appendix 2 to the report and set out within Appendix 6 to the report for the period 2020/21 to 2022/23:

- Operational Boundaries (Table F);
- Authorised Limits (Table G);
- Counterparty Limits (Table J); and
- Treasury Management Limits on Activity (Table L);

(5)   to note the draft Prudential and Treasury Management Indicators for the period 2023/24 to 2029/30 discussed in Appendices 1 and 2 to the report and set out within Appendix 6 to the report;

(6)   to approve the statement by the Section 95 Officer regarding the gross debt level in comparison to the Capital Financing Requirement (Appendix 2 to the report – Point 2.3); and

(7)   otherwise to note the comments within the report which highlighted changes that have happened since the original report was issued to Council around the impact of Covid-19 and that a Members' Briefing had been provided to all Members on the specific change in relation to the accounting treatment of leasing costs.

INTERNAL AUDIT PLAN 2019/20 – PROGRESS TO 20 MAY 2020

A report was submitted by the Strategic Lead - Resources informing Members of progress at 20 May 2020 against the Audit Plan 2019/20 and, in particular, advising of:-

(a)   recently issued Internal Audit action plans; and

(b)   progress made against action plans previously issued contained within Internal Audit and External Audit reports.

After discussion and having heard the Shared Service Manager – Audit & Fraud, the Chief Officer, West Dunbartonshire H&SCP and the Chief Executive in further explanation of the report and in answer to Members' questions, the Committee agreed to note the contents of the report.

INTERNAL AUDIT PLAN 2020/21

A report was submitted by the Strategic Lead - Resources advising of the planned programme of work for the Internal Audit Section for the year 2020/21.

After discussion and having heard the Shared Service Manager – Audit & Fraud in further explanation of the report and in answer to Members' questions, the Committee agreed to approve the Audit Plan for 2020/21.

AUDIT SCOTLAND ANNUAL AUDIT PLAN 2019/20

A report was submitted by the Strategic Lead - Resources presenting Audit Scotland's Annual Audit Plan for the audit of financial year 2019/20 to Committee for information.

After discussion and having heard Mr Smith, Senior Audit Manager, Audit Scotland in further explanation of the report, the Committee agreed to note Audit Scotland's audit plan for their audit of West Dunbartonshire Council for financial year 2019/20.

INTERNAL AUDIT ANNUAL REPORT TO 31 MARCH 2020

A report was submitted by the Strategic Lead - Resources advising of the work undertaken by Internal Audit in respect of the Annual Audit Plan 2019/20 and advising of the contents of the Assurance Statement given to Members of West Dunbartonshire Council, the Chief Executive and the Section 95 Officer (Strategic Lead – Resources) in support of the Annual Governance Statement.

After discussion and having heard the Shared Service Manager – Audit & Fraud and the Chief Executive in further explanation and in answer to Members' questions, the Committee agreed:-

(1)   that a Members' Briefing note be issued that would provide more detailed information on two of the Investigations listed in Appendix A to the report, namely 'Titan Crane' and 'Edmundson Electrical Ltd. (Cable Overcharge); and

(2)   otherwise to note the contents of the report.

CODE OF GOOD GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT 2019/20

A report was submitted by the Strategic Lead - Resources advising on the outcome of the annual self-evaluation undertaken of the Council's compliance with its Code of Good Governance and inviting Committee to consider the Annual Governance Statement that will be published in the Council's Abstract of Accounts.

After discussion and having heard the Shared Services Manager – Audit & Fraud, the Chief Executive and relevant officers in further explanation of the report and in answer to Members' questions, the Committee agreed:-

(1)   to note the outcome of the recent self-evaluation process in considering how the Council currently meets the agreed Code of Good Governance, together with the issues identified and improvement actions; and

(2)   to note the detail of the Annual Governance Statement and approved the actions identified by management to improve the internal control environment.

The meeting closed at 11.48 a.m.

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead – People & Technology

Audit Committee: 16 September 2020

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Subject: Strategic Risks 2017-22

1.   Purpose

1.1   To provide an update on the strategic risks for 2017-22.

2.   Recommendations

2.1   It is recommended that the Committee note:

- The strategic risks as detailed at Appendix 1;
- The addition of a COVID-19 risk with associated operational risks and mitigation; and
- Supplementary EU Assurance Plan detailing operational risks as previously reported.

3.   Background

3.1   As part of the agreed improvements arising from the report to the 12 December 2019 Audit Committee on "Audit Committee Self-Assessment and reporting on audit assignments" Committee agreed that it should receive reports on risk management.

3.2   The Council's strategic risk arrangements are now well-embedded.   The appended risks were fully reviewed and added to in 2017 with re-assessment undertaken bi-annually before being reported to this committee. This report has been submitted as agreed to the Corporate Services Committee on a bi-annual basis and that Committee will consider its terms on 17 September.

4.   Main Issues

Strategic Risk

4.1   In line with the Council's Risk Management Framework, a re-assessment of the strategic risks has taken place as detailed within Appendix 1. Each risk is managed through internal controls, linked actions and associated milestones with the objective being to reduce or stabilise the level of risk through completion of linked actions over a period of time and / or ensure mitigation factors are adequate should the risks actually materialise.

4.2 Table 1 represents a risk dashboard that includes information on the original, current and target ratings for each strategic risk, as well as an assessment of the current risk status. Each strategic risk is identified and supported by more detailed information available on a "drill-down" basis in Appendix 1. Nine Strategic Risks, associated actions and milestones are progressing as expected and likely to reach their assigned targets. SR001 is significantly off target and is not likely to reach its intended risk outcome of low. The risk owner and this committee are aware of the current financial situation.

Table 1 Key Strategic Risk Information

Strategic Risk	Original Risk 2017	Current Risk 2020	Target Risk 2022	Risk Status Rationale
SR 001 Financial Funding.				
SR 002 School improvements.				
SR 003 Council Assets.				
SR 004 Information Technology.				
SR 005 Partnerships.				
SR 006 Citizens and Communities.				
SR 007 Health and Safety of Employees and Others				

SR 008 Cyber Attack.				
SR 009 Early Years Agenda.				
SR 010 Resourced Workforce.				
SR 011 EU Exit – no deal				
SR 012 COVID – 19				

Risk Methodology and Reporting

4.3 Each strategic risk is populated in Pentana in terms of the following template:
- Risk title and code;
- Description;
- Ownership;
- Potential effect;
- Measures of impact;
- Risk factors;
- Internal controls;
- Risk opportunity; and
- Linked actions.

4.4 Each risk has been scored using a "4 x 4" matrix for likelihood and impact in relation to:

- Current risk (with review dates set at pre-determined intervals); and
- Target risk (i.e. 31 March 2022 - the duration of the Strategic Plan).

The risk descriptors used in the "4 x 4" matrix are as follows:

Likelihood

Score	Descriptor

1	Unlikely
2	Likely
3	Very likely
4	Certain

Impact

Score	Descriptor
1	Minor
2	Moderate
3	Significant
4	Critical

4.5 For ownership, each strategic risk is "Managed By" a Strategic Lead and "Assigned To" a Service Manager. Strategic risks are reported on a bi-annual basis to the Performance & Monitoring Review Group and Corporate Services Committee.

Service Risk

4.6 Following the methodology in 4.3 to 4.4 above, each service has service owned operational risk registers in Pentana; these will be updated through the 2020/2021 service planning process.

4.7 COVID-19

The impact of COVID has resulted in the development of a significant number of procedures, assessments and mitigation to support the various Government initiatives and reduce the risk of spreading the virus among the workforce and local community as advised by Scottish Government, Health Protection Scotland and the Health and Safety Executive.

4.8 As a result, the Council has experienced significant COVID related budget spend across all service areas, in the region of £17m (note that this is detailed in the August Council report on COVID).

4.9 In respect of the strategic risk and consequent operational risks, four key areas have been identified and are listed below. Given the fluid nature of the response and recovery landscape, the operational risks remain in draft.
- Business Continuity - 3 risks (1 Amber and 2 Green);
- Communication - 2 risks (1 Amber and 1 Green);
- Finance – 2 risks (Red)
- Protection & Perception - 5 risks (5 Green); and
- Other impacts - 14 risks (7 Amber and 7 Green).

4.10 EU Exit

SR011 EU no deal Exit has been assessed as high risk. This risk should stabilise over time once local impacts become clearer. There are 11 actions

associated with SR011, with multiple owners, the complexity of which does not sit well within the Council's monitoring system (Pentana). To avoid duplication, the established reporting to government agencies in the form of the previously reported EU Exit plan will be utilised for reporting changes to this committee as required. SR011 is monitored by the Strategic EU Exit Group, a sub group of the Resilience Group.

4.11 The Scottish Government planning assumptions are derived from the UK planning assumption but have been further developed to identify the Scotland level of impacts of a no deal UK Exit. The key risks to the Council have been identified as disruption of services, workforce, and congestion at sea and air ports, concerns around the supply of medicines, all potentially impacting locally. Finally there is concern around the supply of and consequently, a rise in the cost of food. While there are other risks identified in the EU Exit Assurance action plans. The aforementioned risks are deemed high.

4.12 The Council's Resilience Group continues to work with the Civil Contingencies Service (CCS) in examining risks and potential impact on services associated with Britain's exit from the EU and seeking appropriate mitigation where available. To compliment this, there is frequent liaison with multi-agency partners to ensure a shared understanding of the risks arising locally, regionally and nationally. The Council's EU Exit Assurance Action Plan is based on the National Planning Assumptions of reasonable worst-case scenarios and is a live document with updates made as required. This plan is available on the Council website.

5.   **People Implications**

5.1   There are no people implications associated with this report.

6.   **Financial and Procurement Implications**

6.1   There are no financial and/or procurement implications.

7.   **Risk Analysis**

7.1   Failure to progress on risk management is likely to result in the Council being criticised by External Audit for not having an integrated approach to embedding risk management within the authority with the result that a "no scrutiny required" status will not be achieved.

7.2   Progressing with risk management will demonstrate that the Council is taking ownership of risk management so that effective measures will be put in place for the management of risk. The ability to demonstrate risk ownership should benefit the Council in terms of:

- Understanding risk and its potential impact on the Council's priorities and objectives;
- Reducing insurance premiums going forward by recognising that a mature approach to risk management will contribute to a reduction in the number and value of claims across a range of insurance classifications;
- Contributing towards incident prevention based upon post-incident investigation;
- Meeting statutory/regulatory requirements; and
- Ensuring better partnership working with external and internal partners.

8. Equalities Impact Assessment (EIA)

8.1 An equalities screening was undertaken that identified no impact on a particular protected group.

9. Consultation

9.1 The strategic risks have been discussed with the Strategic Leads and Directors.

10. Strategic Assessment

10.1 At its meeting on 25 October 2017, the Council agreed that its five main strategic priorities for 2017 - 2022 are as follows:

- A Strong local economy and improved employment opportunities;
- Supported individuals, families and carers living independently and with dignity;
- Meaningful community engagement with active empowered and informed citizens who feel safe and engaged;
- Open, accountable and accessible local government; and
- Efficient and effective frontline services that improve the everyday lives of resident

10.2 The strategic risks have been identified to complement the main strategic priorities.

Name: Victoria Rogers
Designation: Strategic Lead People & Technology
Date: 21 August 2020

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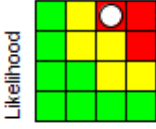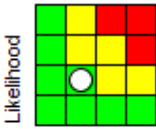**Appendices:** Appendix 1: Detailed Strategic Risk List

Background Papers: Report to Council on 25 October 2017 - West Dunbartonshire Council Strategic Plan 2017-22 Risk Management Framework

Strategic Risk Report

Generated on: 24 August 2020

SR 001

	SR 001 Significant financial funding reductions from Scottish Government	Current Risk Matrix	Current Rating	Last Review Date
Description	The Council is faced with significant ongoing funding reductions from the Scottish Government. Austerity is expected to continue for a number of years into the future and likely to result in funding reductions. This coincides with a period where costs are expected to rise in relation to Social Care due to aging population and capped powers to raise funds through Council Tax.	[matrix]	**12**	15-Jul-2020
		Target Risk Matrix	Target Rating	Target Date
Potential Effect	Shortfall in finances and therefore the Council is unable to provide all services as intended.	[matrix]	**4**	31-Mar-2022
Measures of Impact	- Reduction in government grant - Demographic change (population decline/growth, aging population) - Savings required including cutting level and/or quality of service provision - Increased Debt (collection of Council Tax, HRA rents, etc)	**Latest Note**	Given the impact of covid-19 on the UK economy, together with continuing reducing share of Scottish population living in West Dunbartonshire, it is now expected that it is certain that there will be reduced funding availability from the Scottish Government in 2021/22	
Risk Factors	- Level of government grant - Lack of time to plan for changes in the level of grant funding - Welfare reform - General inflationary factors - Significant additional burdens - Capital receipts			
Internal Controls	- 10 year Financial Strategy subject to regular review - Monitor and maintain General Services and Housing Revenue Account prudential targets - Reporting and monitoring of Treasury Management Strategy - Budgetary control process - Regular budgetary control and savings monitoring reports provided to CMT and Council / committees - Rigorous debt collection processes - Annual Internal Audit Plan - Work of External Auditors (external control) - Annual Governance Statement - Procurement Improvement Plan	**Managed By**	Stephen West	
		Assigned To	Gillian McNeilly	
Progress of Linked Actions				
Risk Opportunity	- Annual exercise to identify efficiencies - Projects to implement new ways of working (e.g. commercialisation, asset management) - Enhance the reputation of the Council as an organisation which manages its finances soundly			

SR 002

	SR 002 Failure to implement broad-ranging school improvement to raise attainment and achievement	Current Risk Matrix	Current Rating	Last Review Date

Description	This risk concerns the delivery of excellence and equity for our young people to support them to attain and achieve at the highest level. In particular, it is aimed at bridging the attainment gap and breaking the cycle of disadvantage. This also includes the focus on intervention at early years to improve life chances at all points on the learning journey. A key driver is the Council's participation in the Scottish Attainment Challenge which will be delivered over 4-years from 2015. Year 3 commenced in April 2017 and will bring together the workstreams to deliver a self improving school system programme.		**9**	31-Jul-2020
		Target Risk Matrix	**Target Rating**	**Target Date**
Potential Effect	The national expectation for education would not be delivered. Improved outcomes for young people would not be attained and achieved. The Council would fail to meet the needs of individual learners. The Service would fail to bridge the attainment gap and break the cycle of disadvantage. The Council would fail in its legal duty for the education of young people within West Dunbartonshire. There would be reputational damage to the service and the wider Council. There would be a lack of income generation from external funding sources.		**1**	31-Mar-2022

Measures of Impact	Examination results - HMIE inspection reports - validation reports - stakeholder feedback - local learning community attainment data - control group model - small test of change model - risk matrix model - bespoke model of intervention for young people and families at early stages to improve on attendance/lateness; social and emotional health; supports for mental health issues; parenting/behaviour management skills and early linguistic & cognitive development - pre/post intervention assessment - increased expectation of raising attainment being the responsibility of all - school to school collaboration with locally initiated bottom-up enquiry - higher level of STEM subject uptake in secondary schools - increased numbers of learners entering STEM related career pathways - standardised literacy and numeracy tests	**Latest Note**	National data collection cancelled for session 2019/20 due to COVID. Project implementation delayed due to COVID. A revised equity plan under development as part of the Education Recovery Plan.
Risk Factors	Staff resources - adequate funding for projects - workforce development - effective leadership - accurate and timely data collection - accurate and timely reporting - effective communication with partners and external agencies - disrupted learning - staff absence - pupil absence - adapted model of delivery to ensure safety - limiting curriculum flexibility - learning style flexibility - impact of COVID on social and emotional wellbeing - risk to funding streams		

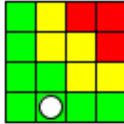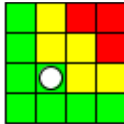| Internal Controls	Raising Attainment Strategy Project management by Service Manager Raising Attainment Project Board (led by Chief Education Officer) Termly progress reports submitted as part of Educational Service committee reports Relevant CPD programme to support education staff Meetings between WDC and Education Scotland/HMIE BGE Attainment and Performance Data School Improvement Literacy, Numeracy and HWB Steering Group National Improvement Framework (NIF) Education Recovery Plan	**Managed By**	Laura Mason	
		Assigned To	Julie McGrogan	
Progress of Linked Actions	E/1920DP/02DEI Develop and Deliver Educational Improvement Across West Dunbartonshire	✅	100%	Andrew Brown; Julie McGrogan
Risk Opportunity	Improved attainment - improved attendance - reduced exclusions - reduced violent incidents - reduction requirement for targeted support over time - reduction requirement for specialist placements over time - improved learning & community engagement - children/pupils at risk identified earlier and more effectively - more empowered community providing			

	self-sustaining peer support - increase in the percentage and range of positive destinations over time - increased access to digital learning resources

SR 003

	SR 003 Councils Assets	Current Risk Matrix	Current Rating	Last Review Date
Description	Risk: That the Council's assets and facilities are not fully fit for purpose with consequent adverse impact on our ability to deliver efficient and effective services. Assets included in this assessment are; the Council's property portfolio, housing stock, roads and lighting, fleet and open space		**4**	24-Jul-2020
		Target Risk Matrix	**Target Rating**	**Target Date**
Potential Effect	- Assets are not utilised in the most effective and efficient manner - Service cannot be properly delivered to the satisfaction of service users - Service users seek alternative service provision -Increase in reactive maintenance costs -Roads assets in poor conditions -Assets fail to meet relevant standards		**4**	31-Mar-2022
Measures of Impact	- Condition surveys - Suitability surveys - Road Condition SPI - Customer perceptions of service delivery - Investment levels in upkeep and improvement of asset base and facilities -Staff satisfaction -Operating costs and savings	**Latest Note**	The managers responsible for Council Assets have reviewed this risk in relation to current asset condition and the score at present should remain unchanged. Ongoing investment and control measures remain in place with appropriate asset management plans. Cautionary note that this risk may increase should there be a lack of maintenance and investment funds as this will have an impact on asset conditions and their suitability to meet the standards expected. July Update, although budgets and asset management plans remain in place for management of Council Assets, it should be noted that COVID has impacted early year progress on programmes but not to the extent that would adversely affect the risk.	
Risk Factors	Adequacy of funding available to improve asset base - Adequacy of staff resources allocated to the area of asset management - Council buildings deemed to be unfit for existing purpose - Economic conditions may reduce level of potential capital receipts from surplus property sales -Over one third of the road network is in need of repair and the current long term capital funding only sustains a steady state condition of the road network - Increased public liability claims due to poor condition of roads network			
Internal Controls	- Corporate Asset Management Strategy - Schools Estate Strategy - Capital Investment Team - Existence of Asset Management Group with meetings held on a regular basis - Property Asset Management Plan - HRA Capital Investment Programme - Capital plan - Roads and Lighting Asset Implementation Plan - Fleet Asset Implementation - Open Space Asset Implementation Plan - Detailed asset database that shows relevant information on a property by property basis - Sustainability Policy - Housing Improvement Board - Housing Improvement Plan -	**Managed By**	Richard Cairns	
		Assigned To	Craig Jardine; Michelle Lynn; Gail Macfarlane; Jim McAloon; Alan Young	

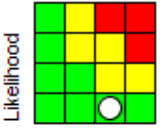|	Housing Asset Management Strategy			
Progress of Linked Actions				
Risk Opportunity	-Enhance reputation of Council by being able to improve Council -Estate, assets and service delivery (e.g. new school buildings, operational building upgrades, office and depot rationalisation projects, housing investment programme to meet SHQS/EESSH, roads upgrade programme, vehicle replacement programme, greenspace upgrade projects) - Enhance employee "feel good" factor by providing modern office accommodation equipped with up to date IT facilities - Secure external funding for development of assets (e.g. EC, lottery, Historic and Environment Scotland) - Prioritised Building Upgrade Plan - The continued implementation of the energy efficient street lighting project will both improve the asset and reduce costs significantly through reduced maintenance, energy consumption and carbon output. - The effect of these energy efficiencies has demonstrated that significant savings and environmental benefit can be achieved through the utilisation of developing technology.			
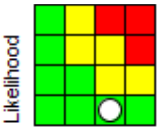
SR 004

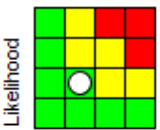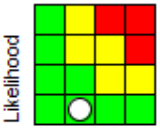|	**SR 004 Information Technology**	**Current Risk Matrix**	**Current Rating**	**Last Review Date**
Description	Failure to keep pace with changing technology environment during periods of austerity and supplier rather than business led change		**2**	08-Jul-2020
		Target Risk Matrix	**Target Rating**	**Target Date**
Potential Effect	A lack of consistent, sufficiently robust planning in respect of ICT arrangements is likely to result in the Council being ill prepared to meet future demands in key service areas and lacking the capacity to respond effectively to changing need.		**4**	31-Mar-2022
Measures of Impact	- Degree of compliance with security controls to prevent data loss through poor o/s patching, cyber attack, firewall configurations etc - Extent of wireless connections in the Council network – all schools and refurbished Office accommodation complete - Number of ICT Help Desk calls resolved within half day - exceeding target of 35%. Target was increased. - Extent of functionality development in key Council systems (i.e. lack of development beyond base system leading to ineffective management information) – several channel shift projects delivered and more are in progress Workforce mgnt self service, increased volume of web and intranet traffic, streamlined financial and purchasing processes, document management. - Fit for purpose Council website, delivering information and services to a significant percentage of the Council's customers. - Provide efficient desktop services to meet changing workforce flexibility and property rationalisation requirements. Thin client deployment complete in corporate estate and started in Education. 5-year Device replacement programme in place. - Implementation of mobile and flexible working, enabling a downsizing of required office accommodation through enabling people to work more efficiently and to adopt a more flexible policy towards office accommodation and desk provision. Bridge St, Aurora, CTCO, Municipal, Church St complete. - Broadband speed in the Council area - WDC has 2nd highest	**Latest Note**	WDC is continuing to invest in and embrace new technologies.	

Risk Factors	Insufficient resourcing of ICT developments so that benefits and opportunities identified are not realised - poor network security controls implemented. lack of intrusion detections alerts, failure to respond to audit / PSN test findings and recommendations, insufficient resources allocated to security tasks. Service redesigned and resources aligned to security tasks and improved monitoring processes and tools implemented. - Poor project and programme change management arrangements. - Poor quality of mobile communication provision. - Poor uptake on channel shift			

broadband speeds in Scotland. Investigating funding options for fibre network.

Internal Controls	- Capital programme established for technology refresh projects - Information & Communication Technology (ICT) Policy - Governance structures such as ICT Steering Board, Education ICT Steering Board, Digital Transformation Board in place to support integrated planning and decision making in relation to ICT - Use of both internal IT resources from across the Council and skilled specialist advisers in key areas - Fit for purpose data centre (with remote back up site). New shared data centre went live in Dec 2014 and new WDC data centre live January 2018. WDC and EDC are taking a lead role on data centre sharing across Scotland	**Managed By**	Victoria Rogers	
		Assigned To	James Gallacher; Patricia Kerr; Brian Miller	

Progress of Linked Actions	P&T/2021/ICT/01 Deliver a secure and resilient IT Infrastructure	▶	16%	Patricia Kerr; Victoria Rogers
	P&T/2021/ICT/01 surplus action keep for milestones at present Transformation & Channel Shift	▶	0%	Patricia Kerr
	P&T/2021/ICT/02- surplus action keepfor milestones at present Implement ICT Service Improvements	▶	0%	Patricia Kerr
	P&T/2021/ICT/02 Technologies to Support ICT Service Delivery Improvements	▶	0%	Patricia Kerr; Victoria Rogers
	P&T/2021/ICT/03 Process Changes to Support ICT Service Delivery Improvements	▶	25%	Patricia Kerr; Victoria Rogers

Risk Opportunity	-COVID-19 has increased the number of users and services working remotely. several manual processes amended and driving process reviews across the Council. - rapid deployment of conferencing technologies has helped drive demand and give visibility to importance and suitability of digital technologies and processes - annual network penetration tests - Annual PSN compliance audit - Annual External Audit on ICT Controls - Continued investment and Modernisation of ICT infrastructure and its focus on network security and resilience. - Provide 21st century state of the art technology for employees and service users - Rationalise IT systems - Use of innovative IT linked service delivery models to effect change - Provide Council employees with secure access to email and supporting systems at times and locations of choice Increased use of mobile devices eg tablet devices and mobile phones. - Provide self service style systems to employees and the local community			

SR 005			

✅	**SR 005 Partnerships**	**Current Risk Matrix**	**Current Rating**	**Last Review Date**
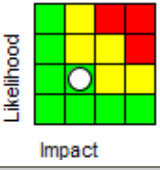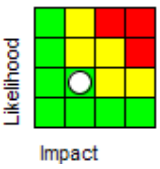
Description	The Council fails to engage adequately with partnership bodies		**3**	01-Jul-2020
		Target Risk Matrix	**Target Rating**	**Target Date**
Potential Effect	failure of partnership impacts on Councils obligations under Community Empowerment Act		**3**	31-Mar-2022
Measures of Impact	partnership response to COVID19 Successful delivery of LOIP and supporting plans positive partnership inspections	**Latest Note**	As per previous assessment, this risk is unlikely as a result of the significant range of partnership arrangements in place	
Risk Factors	-COVID19 response is agency specific and leads to gaps and missed opportunities - inability to deliver improved outcomes which require strong partnership activity - Council's reputation is adversely affected through a failed partnership arrangement			
Internal Controls	- Robust partnership arrangements through community planning partnership - Align the Council's strategic plan with the Local Outcome Improvement Plan (LOIP) - Ensure that partners have signed up to deliver on the outcomes and targets set in the LOIP - Develop data sharing protocols with partner agencies - Participate in reform agenda as it impacts on Council area	**Managed By**	Amanda Coulthard	
		Assigned To	Amanda Coulthard	
Progress of Linked Actions				
Risk Opportunity	- Position West Dunbartonshire as a modernising Council			

SR 006

	SR 006 citizens and communities	**Current Risk Matrix**	**Current Rating**	**Last Review Date**
Description	The risk is that the Council does not establish or maintain positive communications with local residents and the communities it represents		**4**	21-Jul-2020
		Target Risk Matrix	**Target Rating**	**Target Date**
Potential Effect	- Tensions develop with citizens and local community groups -reputational damage to council services -lack of trust in service provision		**2**	31-Mar-2022
Measures of Impact	- informed and engaged citizens participating in consultation activity - telephone survey monthly, quarterly and annual measures -increased social media engagement and reach	**Latest Note**	risk assessed with an increase in likelihood to reflect the current changing landscape for service delivery. the scale and pace of change makes it more	
Risk Factors	pace of change in response to COVID19 means services may not			

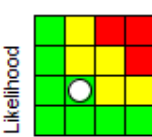|			
	be communicating fully and effectively citizens may be suffering from information overwhelm and not engage in the high volume of updates being shared by services Services are having to change and update plans in response to new information - meaning it can be difficult to keep up with current position and ensure the message is shared Lack of appropriate staff development / skills may be lacking to support new model of service delivery inequity of engagement across the partnership on key local issues council seen as unresponsive to community if feedback from engagement not acted upon apathy within communities leads to little or no engagement some community groups feel their voices are not being heard		likely that not all change will be fully communicated in a timely manner. this risk will be reassessed in 6 months and will likely reduce in score at that point.
Internal Controls	- Ensure robust mechanisms for public feedback (Embedding the Strategic Engagement Framework) - Annual budget consultation events - Citizens Panel - Open Forum questions at Council meetings - continue to deliver 4 issues of housing news each year - delivery of effective communications and public information through social media - use of telephone survey	**Managed By**	Malcolm Bennie
		Assigned To	Amanda Coulthard; Amanda Graham
Progress of Linked Actions			
Risk Opportunity	citizens are more comfortable with the digital platform as a result of the enforced cessation of face to face services - this presents an opportunity to modernise communication Community Empowerment Act participation requests asset transfer		

SR 007

✅	**SR 007 Health and Safety of Employees and Others**	**Current Risk Matrix**	**Current Rating**	**Last Review Date**
Description	Failure to meet the Council's duty to protect the health, safety and welfare of its employees and other people who might be affected by its business, either in the provision of an effective health and safety management system or in ensuring adherence to that system as part of an embedded health and safety culture.		**4**	06-Aug-2020
		Target Risk Matrix	**Target Rating**	**Target Date**
Potential Effect	Risk of an employee, service user, pupil (young person)or member of the public being seriously / fatally injured by fault of the Council. There are various risks associated with the outcome: reputational risk regarding negative publicity; financial risk in terms of claims management compensation to the injured party; risk of prosecution by the HSE resulting in a fine or, , Strategic Leads/Directors / Chief Executive being subject to criminal charges.		**4**	31-Mar-2022
Measures of Impact	Time and cost associated with in-house/HSE investigation. Service delivery impact in terms of injury-related absence and potentially enforced cessation of work activities. Impact of legal proceedings, in terms of costs, potential reputational damage and, worst case, risk of criminal charges.	**Latest Note**	No change to this risk, preparations ongoing to support workforce in returning to work through a planned process due to Covid. A number of supports developed for this such as generic risk assessments, checklists and a supporting webpage	
Risk Factors	Resources, robust policies and practices, adequate H&S strategy.			
Internal Controls	• Council has in place a robust H&S policy and strategy (and	**Managed By**	Victoria Rogers	

	separate Fire Risk Management Strategy) that includes service specific health and safety plans, duties and responsibilities for Strategic Directors, Strategic Leads, managers and employees.	**Assigned To**	John Duffy; Alison McBride
	• Adequate H&S resources in place to fulfil statutory obligations in terms of the Health and Safety at Work etc. Act and the Management of Health and Safety at Work Regulations.		
	• Embedded H&S culture that discusses H&S issues at a top level and cascades throughout the organisation through the health and safety committee system.		
	• Monthly reports to PaMG on organisational safety performance.		
	• Each link H&S Officer attends Service Strategic Lead meeting to report on service safety performance		
	• Services have H&S committees at Service and Directorate level.		
	• Workplace inspection and audit programme.		
	• Service risk profiling.		
	• H&S training needs analysis for every employee group.		
	• Toolbox talks take place at directorate level.		
	• The Council has in place a Trade Union Health and Safety Partnership Agreement.		
	• Council promotes health and safety training for TUs to diploma level.		

Progress of Linked Actions	P&T/2021/H&S/01 Embed an organisational health and safety culture though extending organisational use of Figtree and understanding of health & safety	▶	0%	Alison McBride

Risk Opportunity	Demonstrate to committees, elected members, Trade Unions, employees, the community and other external partners of robust H&S culture.		

SR 008

⚠	**SR 008 Threat of Cyber-attack**	**Current Risk Matrix**	**Current Rating**	**Last Review Date**
Description	Data, systems and/or infrastructure are impacted as result of security attacks which are increasing in number at a time when this threat is already placing demands on resources to deliver increased levels of security controls.		**6**	08-Jul-2020
		Target Risk Matrix	**Target Rating**	**Target Date**
Potential Effect	• Disruption of Services impacting service delivery to citizens • Loss of Data • Staff and Citizen data loss with the potential for misuse such as identity fraud		**4**	31-Mar-2022

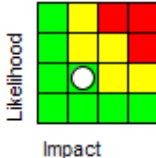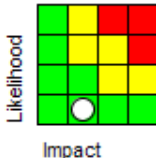|				
	• Mis-information being delivered to the public via WDC communication channels • Potential for significant fines currently under the Data Protection Act and from May 2018 under the provisions of the General Data Protection Regulations • Reputational damage • Redirection of resources to deal with the effects of an attack and away from BAU work			
Measures of Impact	• Recorded attempts from external sources to breach council cyber defences • Recorded cyber related incidents in the Cyber incident log • Quantity of breaches/incidents reported to the Information Commissioners Office • Fines levied for breaches	Latest Note	Achieved annual PSN compliance certification in Feb 20. Review of Cyber Action plan in progress and updates and action plan reported to ICT Steering board. Audit of Cyber controls in progress q1 2020-21. Cyber threats continue and responding promptly continues to be a critical focus for ICT team.	
Risk Factors	• Inappropriate Cyber defences at the perimeter of the council networks • Inappropriate delivery of security patches to desktop and server estates • Compliance with security standards such as PSN, PCI, Public Sector Action Plan on Cyber resilience for Scotland • Continually changing threat landscape • Maintaining relevant skill sets among staff group/cost of securing expert resources			
Internal Controls	• Implementation of internal Policies on Patching and hardware/software hardening and expanded during COVID to patch thin build devices remotely. • Annual PSN compliance audit including a comprehensive IT Health Check • Governance structure in place, ICT Steering Board consisting of senior management and relevant stakeholders meeting bi-monthly or as required in response to incidents/events • Programme of Internal and External ICT audits • PCI working group • Information Security/Data Protection forum • Multiple layers of Cyber defences Network Segration • Rolling programme of security awareness sessions	Managed By	James Gallacher; Patricia Kerr; Brian Miller	
		Assigned To	Iain Kerr	

Progress of Linked Actions	CS/IAAP/519 1. Underlying Technical Controls required to facilitate automatic failover to DR site still to be configured/tested	✅	100%	Patricia Kerr
	CS/IAAP/520 2. DR Plans for the main telephony delivery systems have yet to be implemented/tested	✅	100%	Patricia Kerr
	CS/IAAP/521 3. Systems without parallel DR arrangements are not fully tested	✅	100%	Patricia Kerr
	CS/IAAP/525 7. Lack of formal DR testing schedule at primary DR site	✅	100%	Patricia Kerr
	P&T/2021/ICT/01 Deliver a secure and resilient IT Infrastructure	▶	16%	Patricia Kerr; Victoria Rogers
	P&T/2021/ICT/01 surplus action keep for milestones at present Transformation & Channel Shift	▶	0%	Patricia Kerr
	P&T/2021/ICT/02- surplus action keepfor milestones at present Implement ICT Service Improvements	▶	0%	Patricia Kerr
	P&T/2021/ICT/02 Technologies to Support ICT Service Delivery Improvements	▶	0%	Patricia Kerr; Victoria Rogers
	P&T/2021/ICT/03 Process Changes to Support ICT Service Delivery Improvements	▶	25%	Patricia Kerr; Victoria Rogers

Risk Opportunity	• Increase Cyber resilience and awareness for staff, members and citizens • Contribute to Scottish Government Public Sector Action Plan on Cyber resilience for Scotland • Upskill staff to address current and emerging threats • Increased staff awareness across Council

SR 009

	SR 009 Failure to deliver the Early Years Agenda	Current Risk Matrix	Current Rating	Last Review Date
Description	This risk concerns an increase in entitled hours which the Scottish Government is planning to provide for early years children, from 600 to 1140 hours by 2020. In project management terms this is a complex piece of work of products, demanding timescales and dependencies across its duration. The timescales for delivery will be revised by the Scottish Government due to the closure of ELC's and impact of COVID-19.	[Risk matrix with white dot]	6	05-Aug-2020
		Target Risk Matrix	Target Rating	Target Date
Potential Effect	Reputational damage Failure to meet the Scottish Governments delivery plan to increase free ELC hours Children would not receive the best start in life Failure to meet our statutory duties Partner providers may be adversely affected	[Risk matrix with white dot]	3	31-Mar-2022
Measures of Impact	Care Inspectorate standards Key project milestones Scottish Government requirements Parental expectations Key personnel positions	Latest Note		The decision on the delivery of the statutory entitlement of 1140 hours will be revised by the SG by December 2020. Council will be given a

Risk Factors	Maintaining level of Scottish Government investment Availability of contractors within project timescales Recruitment of suitable staffing for centres Creation of flexible delivery model Staff engagement with the Early Years Strategy Quality of communication with parents and staff Successful transition to new delivery model Impact of closure due to COVID-19 will delay some projects Funding flexibility will delay some project until April 2021		six month lead in time for statutory delivery of the increased hours.

Internal Controls	Reports to Education Services Committee Early Learning and Childcare Strategy 2016 - 20 Care Inspectorate Children and Young Peoples Act (S) 2014 Education Governance Board Revised implementation plan for recovery Revised DLO building programme of works for outstanding projects Early Years Implementation Board Financial reports - budget monitoring and review Inter departmental working Partnership SLA's Workforce Development Change Board updates	**Managed By** Laura Mason **Assigned To** Kathy Morrison	

Progress of Linked Actions	E/1920DP/11EYS Deliver the Early Years Strategy	✅	100%	Kathy Morrison

Risk Opportunity	Parents and children will receive a more flexible childcare service Greater opportunities to tackle the impacts of inequalities on the very young and vulnerable children Improvement in quality assessment and moderation and interactive play-based methodologies across the Early Level Accessible provision will play a vital role in reducing the poverty related attainment gap through high quality early learning and childcare Opportunities for professional learning to meet the standard required

SR 010

✅	**SR 010 Ensure an appropriately resourced workforce.**	**Current Risk Matrix**	**Current Rating**	**Last Review Date**
Description	Failure to ensure that there is an appropriately resourced workforce in place to meet future organisational needs, either in effectively executing the Council's 2017-22 Workforce Plan, or in ensuring that the Plan is adapted over time if and when earlier assumed circumstances change.		**4**	06-Aug-2020
		Target Risk Matrix	**Target Rating**	**Target Date**
Potential Effect	- Low staff morale - Inability to deliver services effectively - Reduced level of service - Lack of improvement or increase in staff absences - Council underachieves as an organisation - Employee conflict		**2**	31-Mar-2022
Measures of Impact	- Access to and participation of employees in learning and development activities - Absence rate and trends - Employee turnover - Grievance, discipline and other monitoring information - Employee survey results and associated actions - Reports from external scrutiny bodies and award bodies - Benchmarking with appropriate comparators	**Latest Note**	Workforce planning has developed well alongside service delivery planning. This has been supported by better use of data in this area to inform decision making via the use of the console and the wellbeing dashboards.	

Risk Factors	- Lack of appropriate development / shortage of skills may pose a risk to new models of service delivery - Lack of capability to deliver - Workforce unable to adapt to change		The workforce were surveyed around home working to ensure we are supporting and ensuring the resources required are in place to support service delivery. This has ensured wellbeing resources have maintained a holistic approach in supporting the workforce. In addition a number of workforce planning activities around work style and isolation monitoring during Covid has allowed us to operate a volunteer supply list to priority areas requiring additional support.
Internal Controls	- HR processes designed to meet service delivery needs - Develop new structures to reflect strategic priorities and aligned to Future Operation Model (FOM) - Align workforce plan to the Council's strategic planning processes (i.e. have the right people available at the right time with the right skills to fulfil properly all of the Council's strategic priorities) - Periodic review of pay arrangements in accordance with EHRC guidance (currently every 3 years) - Incorporation of succession planning into workforce planning framework - Identify training programmes to reskill staff as identified by training needs analysis - Effective use of SWITCH to support alternative careers - Flexible HR policies, in particular recruitment & selection, learning & development (including elearning), continuous improvement / development flexible working, attendance management, employee wellbeing related polices - Effective use of Occupational Health Service - Robust Be the Best Conversations process - Effective leadership and management behaviours and practice	**Managed By** Victoria Rogers **Assigned To** Alison McBride	
Progress of Linked Actions	P&T/1920/SHR/02 Review and relaunch the Council's Employee Wellbeing Strategy.	✅	100% Alison McBride
	P&T/1920/SHR/04 Continue to embed the Council's Strategic Workforce Planning Framework with a particular focus on the impact of digital skills	✅	100% Alison McBride
Risk Opportunity	- Identity previously unknown skills and talents in the workforce - Realise the potential of staff		

Risk Status	
🔴	Alert
🔺	High Risk
⚠️	Warning
✅	OK
❓	Unknown

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead – Resources

Audit Committee: 16 September 2020

Subject: Internal Audit Plans 2019/20 and 2020/21 – Progress to 19 August 2020

1.   Purpose

1.1   The purpose of this report is to advise Members of progress at 19 August 2020 against the Audit Plans for 2019/20 and 2020/21.

1.2   The report also advises Members of:

•   Recently issued Internal Audit action plans; and
•   Progress made against action plans previously issued contained within Internal Audit and External Audit reports.

2.   Recommendations

2.1   It is recommended that Members note the contents of this report.

3.   Background

3.1   The annual audit plans for 2019/20 and 2020/21 were approved by the Audit Committee on 20 March 2019 and 17 June 2020 respectively. This report provides information on the progress in implementing the plans.

3.2   When audit reports are issued by Internal Audit and External Audit, an action plan is agreed with management in relation to issues highlighted by the audit report. Progress on implementing the actions is monitored by Internal Audit on a monthly basis and regularly reported to the Audit Committee.

4.   Main Issues

Audit Plan 2019/20
4.1.   The annual audit plan sets out the audit coverage for the year utilising available staff resources to enable the Audit Manager to provide the annual internal audit opinion regarding the adequacy and effectiveness of internal control within the Council.

4.2   Since the Audit Committee meeting in June 2020, 2 audits have been finalised as follows:

•   Social Work – Attendance Management
•   Social Work – Case Management

These reports identified a total of 12 issues categorised as below:

High	Medium	Low
2	6	4

A summary of the High and Medium Risk findings relating to the reviews are as follows:

Social Work - Attendance Management – (June 2020)

4.3 The review covered:

- General absence recording, including the reasons and descriptions given for absences, recording of medical certificates and return to work interviews;
- Stress and Occupational Health referrals;
- The application of trigger responses and recording of actions;
- A review of trends across the different service areas:
  - Children's Health, Care and Criminal Justice;
  - Mental Health, Learning Disabilities & Addictions;
  - Community Health & Care Services;
  - Strategy, Planning and Health Improvement.

4.4 Overall the systems in place are generally satisfactory however the review highlighted that opportunities exist to strengthen the application of some aspects of the attendance management policy as follows:

- Compliance with Attendance Management Policy (High Risk)

  Audit testing identified a number of areas where compliance with policy requirements requires to be improved as follows:

  - The application of the attendance management policy in regards to triggers is not being applied consistently or correctly.
  - A high number of employees are not being referred to Occupational Health when they should be. In addition when an employee states stress as a reason for an absence an individual stress risk assessment form should be completed. Very few of these forms are being completed and detailed on the system.
  - Return to work interviews are not being held regularly or are being held long after the employee returned to work.
  - There are multiple instances where Statement of Fitness to work are not being recorded (or potentially obtained). In addition there are instances where the dates provided on the statements are before the employee returns to work.

- Monitoring Exempt Absences (Medium Risk)

  There is a national provision in place that allows that if an individual deals directly with vulnerable clients and they have suffered with sickness and/or diarrhoea (D&V) then they can exclude this illness (and 48 hours after the last episode) from being counted towards a trigger.

The audit testing allowed for a very broad definition of sickness and/or diarrhoea whilst performing the testing, and also assumed the majority of individuals worked with vulnerable clients and therefore the absence should be discounted. However during the testing although some of these absences had not counted towards a trigger, as expected, there were clearly still some patterns of absence e.g. instances occurred on a weekend or a Monday or in other cases we identified some individuals who had started to reach a trigger stage but all subsequent illnesses were D&V.

4.6 The audit also identified one low risk finding in relation to the completeness and accuracy of absence recording.

4.7 We have made a number of recommendations and an action plan is in place to address all issues by 31 December 2020.

Social Work - Case Management (August 2020)

4.8 The review covered the following areas for Children and Families and Community Health and Care Teams:

- Policies and procedures;
- Case review;
- Workloads issues;
- Use of performance management information; and
- Triggers to close cases.

4.9 The review highlighted a number of areas where internal controls require to be strengthened as follows:

Ongoing Review of Workloads – Children and Families (High Risk)

- During the year to 30 November 2019 there were in total 2,124 open cases as compared to 2,233, 2,096 and 1,954 in the years to 30 November 2018, 2017 and 2016 respectively. However, despite the decrease in open cases since 2018, Team Leaders and Senior Social Workers have voiced concerns about the workload which they believe has increased due to an increasing complexity in cases being dealt with. The increase in the complexity of the cases is difficult to measure but is believed to be due to increasing poverty and welfare reform; reduced early intervention by the social work teams due to the need to focus on higher risk cases; and other services which provided support such as ATC (Alternative to Care) have had increased demands across the wider service;
- Team Leaders and Senior Social Workers (SSWs) have advised that there is insufficient capacity within their teams for all new case referrals to be allocated immediately to a social worker;
- Senior Social Workers have supervision meetings with their social workers every 6-8 weeks. However, due to the volume of cases allocated to each social worker only the highest priority or most complex cases are discussed at the supervision meetings therefore not all cases are subject to management review;

- The Supervision Policy requires supervision meetings to be recorded, detailing cases discussed, key decisions, allocated tasks and professional development and learning needs. No record of the supervision meetings are held beyond the SSW observations on CareFirst for the high priority cases; and
- Internal audit selected a sample of 15 cases on CareFirst for review, the following issues were identified:
  - there were no manager supervision comments on CareFirst for four cases;
  - for two open cases there were no new observations in the last 12 months; and
  - two open cases selected for review should have been closed during 2018 on CareFirst.

At the time of the review, management were actively recruiting additional social workers for the teams.

Peer Review of Case Files – Children and Families (Medium Risk)

The procedures document 'Standards and Guidance for Case recording - Child Care' outlines the requirement for an annual programme of case file audits to be undertaken to monitor and evaluate the case recording practice and standards. However, this peer review of case file audits has not been undertaken in recent years due to competing demands on the time of the Social Workers and Senior Social Workers who have had to prioritise their day to day case work above the peer review process.

Supervision Meetings – Community Health and Care (Medium Risk)

Senior Social Workers have supervision meetings with their social workers every 6-8 weeks. Currently, SSWs do not follow a consistent approach. Specifically:

- Although all Senior Social Workers have advised they discuss each open case with the Social Workers at supervision, not all SSWs record this supervision on CareFirst due to time constraints; and
- Notes of the supervision are not sent to all social workers in the same way – some receive the only written copy of the notes, some receive a handwritten copy, some are emailed meeting notes.

Completeness of Information on CareFirst – Community Health and Care (Medium Risk)

Records in relation to social work clients are sometimes incomplete where other WDC services such as Homecare add their notes to CM2000 but don't transfer the records to CareFirst. In addition the majority of the Social Workers do not have access to EMIS which contains health records which are not always transferred to CareFirst.

There is an ongoing piece of work to look at the link between EMIS and CareFirst and whether a 'Clinical Portal' can be used to ensure all staff can access the information relevant to them.

<u>Unallocated Cases – Community Health and Care (Medium Risk)</u>

Senior Social Workers are not able to allocate all new referrals to Social Workers immediately and regularly review the list of unallocated cases to determine which cases should be allocated to Social Workers. This decision is based on the urgency of the case and what capacity is available to complete the work within the team of Social Workers.

The Waiting Times report rates each client waiting for a social worker to be allocated as either Urgent, High or Routine priority however these ratings are entered by the duty officer when the case is initially referred.

<u>Care Home Placement Reviews – Community Health and Care (Medium Risk)</u>

There are approximately 400 placements from WDC into private care homes. As the placing authority WDC have overall responsibility for monitoring these placements.

The Care Home Review Officer monitors the six monthly private provider reviews which the care homes are required to provide and based on these reviews the officer selects a sample of higher risk clients to visit. These clients generally have no family or there may be issues with the reviews received.

Due to resource constraints only approximately 150 placement reviews can be carried out each year.

4.10 The audit also identified some low risk findings in relation to updating procedures and policies, enhancements to performance management arrangements and peer review arrangements.

4.11 We have made a number of recommendations and an action plan is in place to address all issues by 31 March 2021.

4.12 The current status of the 2019/20 Annual Audit Plan is as follows:

Stage	Number of Audits
Final Report	11
Draft Report	3
Fieldwork Complete	1
Fieldwork	0
Planning	0
Not Started	0
Deferred to 2020/21	1
Total	**16**

4.13 The 2020/21 Annual Audit Plan is being progressed and the current status is as follows:

Stage	Number of Audits
Final Report	0
Draft Report	0
Fieldwork Complete	0
Fieldwork	1
Planning	2
Not Started	9
Total	**11**

4.14 The detailed Annual Audit Plan progress to 19 August 2020 for the 2019/20 and 2020/21 annual audit plans is set out at Appendices 1 and 2 respectively.

4.15 <u>Internal and External Audit Action Plans</u>
In relation to audit action plans, these are monitored by Internal Audit on a monthly basis and good progress continues to be made by officers in implementing agreed actions.

The current status is set out at Appendix 3 which includes the following:

1. Recently Issued Internal Audit Action Plans;
2. Incomplete Internal Audit Action Plans;
3. Incomplete Other Internal Audit Action Plans; and
4. Incomplete External Audit Action Plans.

4.16 The Council's Internal Audit function follows the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) effective April 2013 (updated April 2017) which includes:

- Definition of Internal Auditing;
- Code of Ethics;
- Attribute Standards (responsibility, independence, proficiency, quality); and
- Professional Standards (managing activity, nature of work, engagement planning, performing the engagement, communicating results, monitoring progress, risk management).

<u>Ongoing Corporate Fraud Team Work</u>
4.17 From 1 April to 31 July 2020, the Corporate Fraud team's day to day work has resulted in actual recoveries, charges and re-billings as detailed below, against an annual target of £229,000.

Description	Amount (£)
Council Tax Reduction	13,594
Council Tax Single Person's Discount	10,753
National Fraud Initiative	11,093
J/W Housing Benefit / Council Tax Benefit	13,702
Non DWP HB	69,327
Non DWP CTB	1,538
Total	**£120,007**

4.18 The Internal Audit Team and the Corporate Fraud Team continue to work together as appropriate in order to ensure a joined-up approach to fraud investigation and detection.

National Fraud Initiative

4.19 The National Fraud Initiative (NFI) is a series of bi-annual exercises run by the Cabinet Office and Audit Scotland to identify or prevent fraud and error by matching electronic data held by public bodies. Participating bodies are required to investigate data discrepancies within a timescale and report back on any savings.

4.20 The most recent bi-annual exercise released data to Councils in January 2019, providing matched datasets for organisations to investigate. WDC was provided with a total of 5,955 matched datasets of which 1,242 were described as "high risk" matches and 4,713 additional matches. There is an expectation that organisations would examine all "High Risk" matches and a proportion of the other matches too.

4.21 A total of 89% cases have been processed, which included all high risk matches, and for which fraud (35 cases) and error (146 cases) amounting to £70,598 has been identified.

4.22 Services within the Council are currently preparing and quality assuring the datasets required for the 2020/21 exercise. The matches for this exercise will be released in January 2021 and an update report will be presented to Audit Committee in March 2021.

Benchmarking

4.23 In accordance with the Council's Strategic Improvement Framework, services should undertake benchmarking activity with the equivalent function in other Councils. Therefore, WDC Internal Audit has entered into a benchmarking group which involves six other Councils, these being:

- Argyll and Bute;
- Clackmannanshire;
- East Dunbartonshire;
- Falkirk;
- West Lothian;
- Inverclyde.

4.24 The Chief Internal Auditors of these Councils met on a regular basis during 2019 in order to discuss their respective ways of working, consider topical issues with the objective being to identify and share best practice, and a set of performance indicators was developed. Regular meetings will continue to take place during 2020 to review performance against agreed performance indicators and relevant action will then be taken where improvements are identified. The outcome of this review will be reported to Committee when completed.

5. People Implications

5.1 There are no people implications.

6.   Financial and Procurement Implications

6.1   As a result of Corporate Fraud Team activity, actual recoveries, charges and re-billings of £120,007 from 1 April to 31 July 2021 have been identified, against an annual target of £229,000. The comparative figure for the prior year to 31 July 2020 was £125,231.

6.2   There are no procurement implications arising from this report.

7.   Risk Analysis

7.1   There is a risk that failure to deliver the Internal Audit Plan would result in an inability to provide assurances over the Council's system of internal financial control to those charged with governance. The main basis for providing assurance is coverage of the planned risk based systems audits. Every endeavour is made to ensure that no material slippage occurs in risk based systems audits by concentrating resources on these audits.

8.   Equalities Impact Assessment (EIA)

8.1   There are no issues.

9.   Consultation

9.1   This report has been subject to consultation with appropriate Strategic Leads.

10.   Strategic Assessment

10.1   This report relates to strong corporate governance.

....
Stephen West
Strategic Lead - Resources
Date: 16 September 2020

Person to Contact: Andi Priestman, Shared Service Manager – Audit & Fraud
E-mail: andi.priestman@west-dunbarton.gov.uk

Appendices   2019-20 Annual Audit Plan – Progress to 19 August 2020 (Appendix 1)
2021-21 Annual Audit Plan – Progress to 19 August 2020 (Appendix 2)
Status of Internal and External Audit Action Plans to 19 August 2020 (Appendix 3)

Background Papers: Audit Committee – 17 June 2020: Internal Audit Plan
                           2020/21
                           Audit Committee – 20 March 2019: Internal Audit Plan
                           2019/20
                           Audit Committee – 21 March 2018: Counter Fraud and
                           Corruption Strategy
                           Internal Audit Reports - Copies available on request

Wards Affected: All wards

Audit/Status	Not Started	Planning/ TOR	Fieldwork	Fieldwork Complete	Draft Report	Final Report	Reported to Audit Committee
Cash and Banking		✓	✓	✓	✓	✓	June 2020
Taxi Licensing		✓	✓	✓	✓		November 2020
Housing Rents – Calculation and Collection		✓	✓	✓	✓	✓	June 2020
Pupil Equity Fund	✓	Carried forward to 2020-21 Annual Audit Plan					
Third Party Providers		✓	✓	✓	✓		November 2020
Procurement Follow Up		✓	✓	✓	✓	✓	September 2019
CM2000 Functionality		✓	✓	✓	✓	✓	June 2020
Members Expenses		✓	✓	✓	✓	✓	June 2020
Debt Recovery		✓	✓	✓	✓	✓	November 2019
Housing Voids		✓	✓	✓			November 2020
Social Care – Attendance Management		✓	✓	✓	✓	✓	September 2020
Social Care – Case Management		✓	✓	✓	✓	✓	September 2020
Cyber Security		✓	✓	✓	✓		November 2020
Logical Access Controls		✓	✓	✓	✓	✓	June 2020
Valuation Joint Board – Review of Risk Management Arrangements		✓	✓	✓	✓	✓	Reported to VJB Audit Committee - June 2020
Leisure Trust – Review of Risk Management Arrangements		✓	✓	✓	✓	✓	Reported to LT Audit Committee February 2020
National Park Authority Annual Audit Plan	5 out of 5 audits are now complete.						
WD IJB	Audit plan is now complete.						
National Fraud Initiative	All high risk matches from the 2018 Exercise have been completed. A significant number of other matches have also been investigated. To date 89% of all matches received have been investigated resulting in 35 frauds and 146 errors being identified totalling £70,598.						

Audit/Status	Not Started	Planning/ TOR	Fieldwork	Fieldwork Complete	Draft Report	Final Report	Reported to Audit Committee
Risk –Based Reviews							
LD Services – Financial Monitoring of Contracts	✓						March 2021
IHMS – Inventory Management	✓						June 2021
Homelessness	✓						June 2021
Management of Rent Arrears	✓						March 2021
OT Waiting Times	✓						March 2021
Client Account Administration Process	✓						March 2021
Financial Assessment Process	✓						June 2021
Corporate Procurement – up to £50k	✓						June 2021
Roads Costing System Process		✓					November 2020
Pupil Equity Funding		✓					November 2020
Limited Scope Financial System Reviews							
Council Tax – Discounts and Exemptions		✓	✓				November 2020
Other Work							
Integration Joint Board – Internal Audit Service	The annual audit plan for 2020/21 was approved in April 2020. One audit is complete and will be reported to the September 2020 meeting of the IJB Audit Committee.						
Valuation Joint Board – Internal Audit Service	Planning meetings are underway to agree reviews and scope of work to be undertaken during Q3 and Q4 of the financial year.						
Leisure Trust – Internal Audit Service	Planning meetings are underway to agree reviews and scope of work to be undertaken during Q3 and Q4 of the financial year.						
Covid-19 Post Assurance Review	Not started. New matches from the National Fraud Initiative are expected to be received by January 2021.						
National Fraud Initiative	All high risk matches from the 2018 Exercise have been completed. A significant number of other matches have also been investigated. 89% of all matches received, including all high risk matches, have been investigated resulting in 35 frauds, 146 errors being identified totalling £70,598.						

Internal Audit Report 2019-20 - Recently Issued

West
Dunbartonshire
C O U N C I L

Generated on: 19 August 2020

Th	**1. Recently Issued Internal Audit Action Plans**

P	**170. HSCP Attendance Management (Report Issued June 2020)**

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
IAAP/041	<u>1. Training</u> All line managers must undertake training to familiarise themselves with the Supporting Employee Wellbeing Policy (formerly The Attendance Management Policy). The training must include: - Actions to take when an employee's attendance is not meeting expected standards including the use of wellbeing prompts. - When referrals to Occupational Health may be appropriate and the process for doing this. - The use of Individual Stress Risk Assessments. - Requirements in regards to Statements of Fitness to Work and the recording of these. (High Risk)	New Supporting Employee Wellbeing policy was launched and New I-learn course and programme of master classes had commenced however they were paused to allow managers to respond to COVID 19. This will be re started as we move into a more stable recovery phase. The role of Occupational Health and how to make referrals is included in the new Employee Wellbeing Policy and is included in the Masterclass sessions associated with this. This also applies to Return to Work interviews, statements of fitness and risk assessments.	▶	31-Dec-2020	31-Dec-2020		Margaret-Jane Cardno; Sylvia Chatfield; Jo Gibson; Jonathan Hinds	Margaret-Jane Cardno; Sylvia Chatfield; Jo Gibson; Jonathan Hinds
IAAP/042	<u>2. Line Managers Performance</u> It is part of the remit of a line manager's role to correctly manage attendance of their employees and therefore consideration should be given to identifying areas where this is not happening and provide support to those managers to achieve this. (High Risk)	The importance of Return to Work interviews and the recording of them is included in the new Employee Wellbeing Policy. Line Managers are responsible for ensuring return to work interviews are conducted in a timely manner. Heads of Service should seek assurances from managers that this	▶	31-Dec-2020	31-Dec-2020		Margaret-Jane Cardno; Sylvia Chatfield; Jo Gibson; Jonathan	Margaret-Jane Cardno; Sylvia Chatfield; Jo Gibson; Jonathan

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
		is happening as per the new policy and should identify any managers who may require additional support and or training to ensure this is the case. Managers must ensure that Statement of Fitness dates correctly cover the period of absence. If there are any discrepancies managers should request that either an updated statement is supplied or agree the reason for absence for any dates not covered by the statement and record this appropriately. In addition to the Supporting Employee Wellbeing Policy there is a Stress Management policy which highlights Managers responsibilities in relation to this and provides information on individual stress risk assessments.					Hinds	Hinds
IAAP/043	3. Compliance checks Checks should be regularly carried out to ensure the policy is being followed correctly. (High Risk)	A random sample of absence cases will be extracted from HR21 on a 6 monthly basis to ensure the policy is being applied consistently in all areas.	▶	31-Dec-2020	31-Dec-2020		Margaret -Jane Cardno; Sylvia Chatfield; Jo Gibson; Jonathan Hinds	Margaret -Jane Cardno; Sylvia Chatfield ; Jo Gibson; Jonathan Hinds
IAAP/044	4. Exempt absences for trigger application Managers need to monitor such instances and if they notice an employee appears to be off excessively due to D&V then advice should be sought from HR. (Medium Risk)	Managers should record the reason for absence accurately. If there appears to be a pattern of absence then advice should be sought from HR or if there are repeated absences for the same reason Occupational Health should be consulted to assess if there is an underlying health condition. In cases where there are circumstances for discretion to be considered, as outlined in the policy (section 8.1) and where it may not be appropriate to have a wellbeing prompt meeting the line manager should discuss this with HR and	▶	31-Dec-2020	31-Dec-2020		Margaret -Jane Cardno; Sylvia Chatfield; Jo Gibson; Jonathan Hinds	Margaret -Jane Cardno; Sylvia Chatfield ; Jo Gibson; Jonathan Hinds

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
		submit a discretion form to the service manager for authorisation and the employee informed of this in writing.						
IAAP/045	5. Categorisation and Description of illnesses Better guidance concerning absence categories should be developed and training made available for line managers. (Low Risk)	Guidance is available for managers on the use of illness categories on WDC intranet These will be re circulated and managers reminded of the importance of accuracy when recording illnesses. As the absence reason can change throughout the duration of the absence managers should be vigilant to this and re categorise the absence reason as appropriate.	▶	31-Aug-2020	31-Aug-2020		Margaret-Jane Cardno; Sylvia Chatfield; Jo Gibson; Jonathan Hinds	Margaret-Jane Cardno; Sylvia Chatfield; Jo Gibson; Jonathan Hinds

Ⓟ 171. Social Work - Case Management (Report Issued August 2020)

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
IAAP/046	1. Children's Services - Workload of staff a) Management should consider how the complexity of cases can be assessed in order to understand the impact on the workload of Social Workers. b) As noted in recommendation 8 a data cleanse process should be carried out to identify any open cases which should be closed. c) Management should continue with efforts to recruit additional staff. (High Risk)	a) Managers endeavour to allocate based on risk and complexity of need; work to identify any appropriate, reliable tools will be undertaken as part of wider service redesign. Recruitment to vacant and additional posts will also support progress here. b) Data cleanse to ensure accurate caseloads is being forward by a sub group of the wider team with Information Team colleagues. c) Recruitment continues: 6 Social Worker vacancies recruited to. 6 additional Social Worker posts (in addition to establishment) also being recruited to. 4 of 6 additional Support Workers (2 year contracts) recruited to-date. Funding previously allocated to some third sector organisations is now being reinvested to support this over-recruitment.	▶	31-Aug-2020	31-Aug-2020		Annie Ritchie	Jonathan Hinds

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
IAAP/047	2. Children's services - Unallocated cases The weekly meetings between the SSWs should be formally minuted, explaining why each unallocated case has not been treated as a priority and why they believe there is a limited risk in delaying the allocation of that case. (Medium Risk)	Weekly allocation meetings can include brief action note of decisions around allocation/non-allocation, process of review etc. or note on Care First for each case noting outcome of allocation meeting.	▶	31-Aug-2020	31-Aug-2020		Annie Ritchie	Jonathan Hinds
IAAP/048	3. Children's services – Supervision of casework Senior Social Workers (SSWs) should be required to discuss all cases allocated to Social Workers on a regular basis to ensure that appropriate review is taken of lower priority cases and that no cases remain open which should be closed. Performance management information showing cases which have not been updated within a specified period should be obtained to enable SSWs to gain assurance that there are no open cases which are not being actively dealt with. (Medium Risk)	Supervision with staff covers a range of issues in addition to discussion about cases. Supervision process requires review and update – can reflect frequency of discussions around cases; consider discussion of a certain number of cases in each supervision session. Explore an improved 'Team around the Child' reviewing model. Monthly report to managers, Head of Service, HSCP Chief Officer and Council Chief Executive includes breakdown of unallocated cases. Develop management exception report re: cases with no activity recorded for periods of time to provide further scrutiny and assurance.	▶	31-Mar-2021	31-Mar-2021		Annie Ritchie	Jonathan Hinds
IAAP/049	4. Children's Services – Recording of supervision meetings Supervision meetings should be recorded in line with the supervision policy and all Social Workers should be provided with a summary of the non case related discussion element of the meeting. (Low Risk)	Managers can revisit supervision guidance to support consistent feedback and to improve supervision records and agreed tasks. Supervision notes to be held securely to provide record of decisions and actions. Managers to review supervision arrangements and frequency with direct reports and their teams to ensure they meet requirements of service and policy.	▶	31-Aug-2020	31-Aug-2020		Annie Ritchie	Jonathan Hinds
IAAP/050	5. Children's Services - Peer review of case files Management should consider what	Management Team are reviewing peer review processes as part of case file audit and monitoring and how this can	▶	31-Oct-2020	31-Oct-2020		Annie Ritchie	Jonathan Hinds

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
	level of peer review is required to ensure that the cases are being recorded adequately and assess how the process can be re established given the current team workloads. (Medium Risk)	inform service redesign. Work has commenced as part of the PACE workstream in respect of children looked after at home. Intention to scale up when capacity is increased.						
IAAP/051	a) SSWs should be reminded that all cases allocated to social workers should be reviewed as part of the Supervision process and manager supervision notes should be added to CareFirst as evidence of manager review. b) Management should consider obtaining regular management information from CareFirst highlighting, for example, cases where no observations or manager comments have been added within a certain time period. (Medium Risk)	a) See response to 3, above. b) Develop management exception report re: cases with no activity recorded for periods of time to provide further scrutiny and assurance.	▶	31-Mar-2021	31-Mar-2021		Annie Ritchie	Jonathan Hinds
IAAP/052	7. Children's Services - Policies and Procedures Management should review and update the procedures and guidance documents to ensure they provide accurate guidance as to what is required of the social workers. Management should reiterate the importance of all procedures being followed. (Low Risk)	Policies to be reviewed and updated in terms of quality assurance, good practice and service redesign.	▶	31-Mar-2021	31-Mar-2021		Annie Ritchie	Jonathan Hinds
IAAP/053	8. Children's Services - Performance management information Team Leaders and Senior Social Workers should review the information within the reports and validate the figures being provided. Where necessary a data cleanse process should be carried out to	Team Leads and Senior Social Workers to review management information reports and check recording processes to ensure accuracy. As 1b, above Fieldwork managers to review how management reports can support allocation processes and case	▶	31-Aug-2020	31-Aug-2020		Annie Ritchie	Jonathan Hinds

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
	identify open cases which should be closed. The Team Leaders should consider whether the information provided is useful and how they can use it going forward to assist in the planning and review of the work being undertaken within their teams. (Low Risk)	management planning across teams.						
IAAP/054	9. Children's Services - Enhancement to Performance Management Information Management should consider whether oversight could be improved through reviewing the reporting functionality on CareFirst and developing reports such as: • a report which would show any open cases on Care First where the last observation was over six months or one year ago - where SSWs are unable to review all cases at Supervision meetings this would help identify cases which have not been followed up on a timely basis and cases which could potentially be closed. • a report which would show cases where there had been no manager supervision comments for a defined period of time e.g. six months. This would highlight cases where there is no evidence of manager supervision and highlight either that managers have not had time to document their supervision or that supervision has not taken place in line with the procedures requirements. (Low Risk)	As part of improving management reports this can be included for further discussion around Care First functionality and managing workloads.	▶	31-Aug-2020	31-Aug-2020		Annie Ritchie	Jonathan Hinds
IAAP/055	10. Community Health and Care Services - Policies and Procedures a) Policies and procedures should be	A stocktake of all policies and their revision dates is underway. A review of the Standards and Guidance	▶	31-Dec-2020	31-Dec-2020		Margaret-Jane Cardno;	Jo Gibson

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
	reviewed and updated to reflect current expected practice. Consideration should be given as to how minutes of Supervision meetings should be recorded and retained. b) Management should consider what policies, such as a respite policy, are required and these policies should then be documented. (Low Risk)	for Case Recording and the Supervision policy will be carried out , including consideration of records storage. Work to develop a HSCP Respite Policy					Jo Gibson	
IAAP/056	11. Community Health and Care Services – Supervision As noted in recommendation 10 above, the Supervision Policy requires to be reviewed. As part of this review management should re-emphasise the importance of including supervision of cases on CareFirst as evidence of review and consider how the supervision meetings should be recorded (Medium Risk).	A review of the supervision policy will be carried out , including consideration of records distribution and storage.	▶	31-Dec-2020	31-Dec-2020		Jo Gibson	Jo Gibson
IAAP/057	12. Community Health and Care Services - Completeness of Information on CareFirst Management should investigate and ensure that all essential information is available on CareFirst. (Medium Risk)	Workplan in place to reduce risk of data being held in one system and not being accessible to other users. NHS GGC have released a project manager to lead this for WDHSCP	▶	31-Mar-2021	31-Mar-2021		Margaret-Jane Cardno	Jo Gibson
IAAP/058	13. Community Health and Care Services - Unallocated cases a) Notes should be made by the SSW on CareFirst for each unallocated case explaining why the case has not been treated as a priority and why they believe there is a limited risk in delaying the allocation of that case. b) The SSW should amend the priority of the case on CareFirst as part of	This will be encompassed in core actions from Team Meetings.	▶	31-Oct-2020	31-Oct-2020		Hazel Kelly	Jo Gibson

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
	their review to ensure it is included accurately within the Waiting Times Report. (Medium Risk)							
IAAP/059	14. Community Care and Health Services - Care home placement reviews Management should consider whether it would be more appropriate to carry out an annual review of all placements in to private care homes to ensure they are being monitored effectively. (Medium Risk)	A review of scrutiny and support to independent sector care homes will be completed, to ensure appropriate level of resources are in place to monitor quality of care.	▶	30-Sep-2020	30-Sep-2020		Jo Gibson	Jo Gibson
IAAP/060	15. Community Health and Care - Peer review audit of cases The results of the peer reviews should be provided to each service area so that trends and areas for improvement are highlighted and can be discussed across the relevant teams. (Low Risk)	The Integrated Operations Managers will share the findings of the audit and will carry out regular bi monthly peer review of chronologies to ensure effective recording. This will include sharing the findings with the Social Workers involved.	▶	31-Dec-2020	31-Dec-2020		Hazel Kelly	Jo Gibson
IAAP/061	16. Community Health and Care Services - Feedback on peer review of audit files Casefile audit summary documents should be prepared for each peer review completed and the relevant Senior Social Worker should discuss the outcome of the peer review with the relevant Social Worker to highlight areas of good practice and areas where improvements are required. (Low Risk)	The Integrated Operations Managers will share the findings of the audit and will carry out regular bi monthly peer review of chronologies to ensure effective recording. This will include sharing the findings with the Social Workers involved.	▶	31-Dec-2020	31-Dec-2020		Hazel Kelly	Jo Gibson
IAAP/062	17. Community Health and Care Services - Performance Management Reports Procedures for preparing the reports should be updated and additional staff should be trained in how to run the reports to reduce reliance on one	Procedure will be documented and additional staff trained. Process will be introduced to ensure accuracy.	▶	30-Sep-2020	30-Sep-2020		Hazel Kelly	Jo Gibson

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
	member of staff. Reports should be reviewed within the admin team to ensure that they are complete and accurate. (Low Risk)							
IAAP/063	18. Community Health and Care Services - Enhancement to Performance Management Information Management should consider whether oversight could be improved through developing reports such as: • a report which would show any open cases on Care First where the last observation was over six months or one year ago - where SSWs are unable to review all cases at Supervision meetings this would help identify cases which have not been followed up on a timely basis and cases which could potentially be closed. • a report which would show cases where there had been no manager supervision comments for a defined period of time e.g. six months. This would highlight cases where there is no evidence of manager supervision and highlight either that managers have not had time to document their supervision or that supervision has not taken place in line with the procedures requirements. (Low Risk)	Consideration will be given as to what reports can be developed and how these will be used to support performance management.	▶	30-Sep-2020	30-Sep-2020		Hazel Kelly	Jo Gibson

Internal Audit Report 2019-20 - Outstanding Actions

West Dunbartonshire COUNCIL

Generated on: 19 August 2020

Th	**2. Incomplete Internal Audit Action Plans**

P	**151. Performance Indicator Review – Library Visits (Report Issued May 2019)**

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
T&PSR/IAAP/719	<u>1. Information obtained from the electronic counters is not user friendly and is time consuming to analyse</u>Management should consider how the data provided by the electronic counters can be improved either by upgrading or replacing the current system to ensure useful management information is available. (Low risk)	We will look at alternative solutions and make an assessment on suitability in the 2019/20 financial year.	▶	31-Mar-2020	31-Dec-2020	Global events overtook the finalising of this action, with all Libraries closed to the public in accordance with government guidelines. A Business Case has now been prepared to consider alternative systems at a time the libraries re-open.	David Main	Stephen Daly

P	**154. Charging Policy - Non Residential Services (Report Issued May 2019)**

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
T&PSR/IAAP/732	<u>1. Financial Assessments Not Located/Provided</u>Service areas should ensure that it is built into their processes that Financial Assessment reviews are undertaken on an annual basis as this does not	The Head of Service will issue an instruction to Integrated operational Managers on the requirement to undertake a Financial Assessment as part of the initial assessment of care and also that this should be reviewed	▶	30-Jun-2019	30-Sep-2020	The request to commission a care package for any client group will only be considered by the Area Resource Groups when accompanied by a Financial Assessment with evidence of Income Maximisation being offered to the individual. This process is clearly set out in	Fraser Downie; Jo Gibson; Jonathan Hinds	Beth Culshaw

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
	appear to happening as standard. In addition, record keeping needs to be improved. (High Risk)	annually. Evidence should also be retained to verify that this has been done. The HSCP SMT has agreed that an Extended Management Team session will be held around the operational responsibilities of social care staff.				the Draft Charging Policy currently being finalised with a focus on Equalities Impact Assessment. The Coronavirus Act has allowed for a relaxation of a full social care assessment being undertaken (including financial assessment) as staff resource is under strain. It is requested that the completion date is extended to 30 September 2020 to allow for the draft Charging Policy to be consulted upon and the Self Directed Support actions to be completed. Internal Audit will review the Financial Assessment process in 2020/21 as part of their planned programme of audits.		
T&PSR/IA AP/734	3. Evidence of Benefits When carrying out Financial Assessments, verification of the clients Benefits/Income/Capital should be carried out, this verification should be retained as evidence to the assessment. Alternatively, consideration should be given to accessing/sharing information from the IWorld Benefits system as this is verified/evidenced information which would also ensure that the client is only being asked once for the information. (Medium Risk)	The revised Charging Policy will stress that evidence must be provided and retained to allow for a robust financial assessment to be undertaken. If service user refuses then the full charge will be applied. This will be detailed within the financial assessment. IWorld access to be given to members of staff currently carrying out Financial Assessments for Residential Placements. Extending this will be considered where appropriate.	▶	30-Aug-2019	30-Sep-2020	Linked to AP732 above: It is requested that the completion date is extended to 30 September 2020 to be consulted upon and the Self Directed Support actions to be completed. Internal Audit will review the Financial Assessment process in 2020/21 as part of their planned programme of audits. The draft Charging Policy has placed more emphasis on the responsibility of the Service User/Representative that without evidence of income/benefits the full charge will be applied.	Jonathan Hinds	Beth Culshaw
T&PSR/IA AP/735	4. Charging Policy As the Community Based Care Charging Policy - Non Residential Services has not been reviewed for at least eight years and as some parts of the policy requires to be more generic	A Charging Policy Review Group has been established on 7th Jan with meetings scheduled for every 2 weeks until end of June. The group includes all Heads of Service, the CFO, some Integrated Ops Managers and social	▶	31-Aug-2019	30-Sep-2020	The impact of responding to the Covid-19 Pandemic has directed all levels of staff in Health and Social Care to support front line service delivery. This has resulted in a delay in finalising a number of outstanding actions including revised guidance on eligibility and	Jonathan Hinds	Beth Culshaw

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
	and other parts require to be more specific, it is recommended that the policy be fully reviewed and revised. This will therefore provide more clarity, eliminate ambiguity and make it fit for purpose. It is also recommended that all services be included in the review to ensure input from all areas. In addition, once reviewed, the date of the revision should be recorded on the policy to ensure that there is proper version control. (Medium Risk)	care accountant. The draft Terms of Reference were considered at the 2nd meeting and agreement was reached between HoS about seconding a social worker to support the process. The review will consider the impacts of new Carers Act and Free Personal Care for Under 65 as well as Self Directed Support duties. It will also address the current anomalies/inequities between service users and opportunities to maximise charging in the context of the council's Commercialisation Policy – but within COSLA Guidance. Personal care is defined in legislation. A simple "service user guide" to non-residential charges can be added to the website/leaflet for distribution.				self directed support assessments which impact on the review of the Charging Policy.

The draft Charging Policy has taken account of policy, COSLA guidance and legislation changes and is currently with the SMT for comment, revisions and agreement. This will be followed by a process of consultation with the wider community.

This stems from some opposition to the introduction of the £10/day Day Opportunities charge incorporating transport and meals and the Chief Office committed to a survey of Service Users and dependent on outcome a report may be required to be considered by WDC.

The work of the SDS Programme Board will also be reflected. | | |

P 157: Social Work Tendering & Commissioning (Report Issued 7 June 2019)

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
T&PSR/IA AP/760	2. Resources Allocation Meetings (a) It may be helpful for the CPU attend some of the resource allocation meetings to establish ways they could work more collaboratively and if tools such as frameworks could be used. (b) Minutes should be taken at all such meetings in order to show the rationale of procurement decisions. In addition these notes should be included in service users' files. (Medium Risk)	(a) It would be beneficial for the CPU to have insight into the Resource Allocation Meetings process, but only with regard to the type of provider and service type required. (b) Rather than a full minute there will be a Decisions Summary produced after every meeting which will be distributed to both CPU and HSCP Finance Team.	▶	30-Sep-2019	30-Sep-2020	On going work through SDS review. Short term working group established to review financial processes and agree across teams, procurement to be invited to be part of process. The SMT are considering the current ARG process.	Fraser Downie; Hazel Kelly; Robert MacFarlane; Lynne McKnight; Annie Ritchie; Bernadette Smith	Jo Gibson; Jonathan Hinds; Julie Lusk; Annabel Travers

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
T&PSR/IAAP/762	4. Monitoring Providers All monitoring should follow the procedures and be consistent across the partnership. (Medium Risk)	Our review of commissioning and quality within the HSCP will ensure that a consistent monitoring approach will be developed across services. This will include a review of the functions within the Quality Assurance Team, in tandem with a review of the HSCP SMT structure.	▶	31-Dec-2019	31-Oct-2020	The review of the organisational structure has not fully commenced due to the timing of the 3 new Heads of Service taking up post. The Head of People & Change took up post on 1 May and will work with the new Head of Strategy & Transformation on taking this forward within existing budget limits.	Margaret-Jane Cardno	Beth Culshaw

Ⓟ 163. Debt Recovery (Report Issued November 2019)

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
IAAP/018	1. Policy Renewals The Council should update its Rent Collection Policy to ensure it is up to date with current legislation and work practices. (Low Risk)	The Rent Collection policy is to go to the West Dunbartonshire Tenants & Residents Organisation for consultation. Following the consultation the renewed Rent Collection Policy will be presented to the Housing & Communities Committee for approval.	▶	31-Mar-2020	31-Aug-2020	Public consultation on Rent Collection Policy ends on 13th April, this was extended from mid March to tie in with Housing News being issued to all tenants to maximise participation on survey. Draft policy will be going to next Housing Committee for approval.	Ryan Chalmers	Arun Menon

Ⓟ 165. CM2000 Functionality (Report Issued February 2020)

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
IAAP/026	Compliance with Clocking in and out in the CM2000 system It is recommended that Management formalise checks/follow up for the clocking in and out on a regular basis. Results should be cascaded to Team Leaders/Supervisors to discuss missed clocking in and out with relevant staff to help achieve the target with the compliance level. (Medium Risk)	We have committed that back office staff will undertake live monitoring. We have written a "Reconciliation Standards" document for the admin team. It explains how they are to handle each Reconciliation scenario, We will work with HR to undertake formal action under the performance management policy for those staff who failed to log in and out of visits.	▶	30-Apr-2020	30-Nov-2020	Two employees have been identified to support the administration team in following up on compliance. The planned review of care at home services has been delayed due to the Covid-19 Pandemic however CM2000 compliance actions will be covered in service delivery plans current in draft. Staff have been formally notified by letter on requirements to comply with CM2000	Richard Heard	Lynne McKnight

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
						procedures.		
IAAP/027	Compliance with Clocking in and out in the CM2000 system b) It is recommended that Management roll out this new App as soon as the pilot is completed in order to assist with increasing the compliance level. (Medium Risk)	New app will be rolled out in next three months as tags for all clients will need to be re-programmed and training provided for front line Home Carers.	▶	30-Apr-2020	30-Nov-2020	As action IAAP/026 above.	Richard Heard	Lynne McKnight
IAAP/028	Overtime Payment It is recommended that: • all timesheets are checked and agreed to CM2000 system before being authorised for payment; • where there are instances of non-compliant clock in overtime, appropriate additional authorisation should be obtained. (Medium Risk)	We are working with CM2000 to develop a payroll report which will be used as the basis for staff payment. This report will be implemented by September 2020. In the meantime Admin will do cross checks against clocking in and out. A communication will be issued to all home care staff re compliance and claims for overtime.	▶	30-Nov-2020	30-Nov-2020	Further information is required to confirm if this date is still realistic.	Richard Heard	Lynne McKnight
IAAP/029	Implementation of additional CM2000 Functionality a) It is recommended that Management pilot and fully implement the Mileage functionality across the Homecare team within the planned time frame. (Medium Risk)	Mileage Wizard will be rolled out in next six months. This will depend on high compliance.	▶	30-Jun-2020	30-Nov-2020	Further information is required to confirm if this date is still realistic.	Richard Heard	Lynne McKnight
IAAP/030	Implementation of additional CM2000 Functionality b) It is recommended that Management develop a plan in collaboration with WDC ICT and Payroll to implement the Financial module. (Medium Risk)	We are working with CM2000 to develop a payroll report which will be used as the basis for staff payment. This report will be implemented for testing by September 2020	▶	30-Nov-2020	30-Jan-2021	Further information is required to confirm if this date is still realistic.	Richard Heard	Lynne McKnight

	169. Housing Rents-Calculation & Collection (Report Issued May 2020)

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
IAAP/38	1.Monitoring the work of the Housing Team Team meetings should be formalised and note taken detailing issues discussed and actions to be taken. Meetings should be held at regular intervals. There is a need to prioritise the implementation of the Arrears module to enhance the 1-1s and facilitate the on going monitoring of the performance of Housing Officers. (Medium Risk)	Weekly service performance meetings, alternating between Alexandria/Dumbarton & Clydebank, have been in place for several years and action notes are recorded, however these were adjourned at the time of our new system being implemented and would have been reinstated by now but for the recent disruption arising from the coronavirus pandemic. The less formal approach described was a temporary acknowledgement of the scale of service change arising from the system rollout and dynamic changes to process and a resumption of the substantive process meets the objectives identified. In doing so, we will ensure the new system is used in an optimal way. This process may however be in an alternative format given the ongoing restrictions which are likely to remain once lockdown has eased.	▶	31-Aug-2020	31-Aug-2020		Edward Thomas	Edward Thomas
IAAP/39	2. Accurate and timely Identification ofrent payments The QL integrated Housing Management System (IHMS) team should provide additional guidance and training to assist officers in identifying the source of payments received. (Medium Risk)	The QL system does differentiate between different payment sources and records payment dates; whilst user guides are sufficiently detailed to access this information from relevant fields, however we acknowledge that in some areas such as rent statements, this could be clearer for officers and work will be undertaken to ensure this is improved.	▶	31-Aug-2020	31-Aug-2020		Edward Thomas	Edward Thomas
IAAP/40	3. Management of potential conflict of interests The team responsible for implementing	We will review the present process for declaring potential conflict of interest, both to tighten up the identified issues	▶	31-Aug-2020	31-Aug-2020		Edward Thomas	Edward Thomas

Code	Recommendation	Agreed Action	Status	Original Due Date	Due Date	Note	Assigned To	Managed By
	IHMS should investigate the feasibility of a blocking process being incorporated through system functionality where available. In the meantime, all users should complete the Friends and Family declaration as soon as possible. A listing of all Housing employees that have declared an interest in Council properties should be maintained and reviewed on a regular basis at least annually. (Medium Risk)	and ensure configuration within the new system.						

Action Status	
✖	Cancelled
🛑	Overdue; Neglected
⚠	Unassigned; Check Progress
▶	Not Started; In Progress; Assigned
✅	Completed

PI Status		Long Term Trends		Short Term Trends	
🛑	Alert	⬆	Improving	⬆	Improving
⚠	Warning	➖	No Change	➖	No Change
✅	OK	⬇	Getting Worse	⬇	Getting Worse
❓	Unknown				
📈	Data Only				

Risk Status	
🛑	Alert
🔶	High Risk
⚠	Warning
✅	OK
❓	Unknown

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead - Resources

Audit Committee: 16 September 2020

Subject: **Public Interest Disclosures and other Internal Audit Investigations 1 July 2019 to 30 June 2020**

1. Purpose

1.1 The purpose of this report is to advise Committee of the outcome of investigations into allegations and disclosures in line with public interest disclosure and business irregularities policies received by Internal Audit between 1 July 2019 to 30 June 2020.

2. Recommendations

2.1 It is recommended that Members note the content of this report.

3. Background

3.1 A disclosure in the public interest is where a concern is raised by a Council employee about a danger or illegality that has a public interest aspect to it. A confidential reporting facility is managed by Internal Audit as part of the WDC Public Interest Disclosure Policy. Internal Audit maintains a central record of all concerns raised under the Public Interest Disclosure Policy. All such disclosures are investigated by Internal Audit, including liaising with Services and HR as appropriate

3.2 Members of the public can also contact Internal Audit to raise issues of concern and such matters are investigated as appropriate, although they are not regarded as public interest disclosures in terms of legislation.

4. Main Issues

Public Interest Disclosure Cases

4.1 There was one outstanding case reported in the previous report submitted to committee on 25 September 2019, which has been progressed as detailed below:

Ref	Date Received	Detail	Status
PID 11/19	5.3.19	Allegation that employee is making improper use of Council materials and assets.	Closed - unfounded.

4.2 There were 8 disclosures received during the period 1 July 2019 to 30 June 2020 as follows:

Ref	Date Received	Detail	Status
20/20	26/8/19	Allegation that staff were using drugs whilst working.	Closed – unfounded.
21/20	31/8/19	Misuse of Council vehicle.	Closed – unfounded.
22/20	3/10/19	Misuse of Council vehicle.	Closed – unfounded.
23/20	12/10/19	Allegation that materials are being misappropriated by a member of staff and sold on.	Investigation complete. Draft report being prepared for management.
26/20	29/11/19	Allegation that member of staff is taking regular smoking breaks whilst on duty.	Referred to and actioned by management. Situation is being monitored on an ongoing basis.
28/20	15/1/20	Allegation of misappropriation of materials.	Closed – unfounded. Insufficient evidence to progress.
30/20	5/2/20	Allegation that materials are being misappropriated by a member of staff and sold on.	Linked investigation – 23/20. Investigation complete. Draft report being prepared for management.
31/20	25/2/20	Allegation that employee is off sick but is posting on social media about holidays and socialising.	Referred to Service.

4.3 Activity relating to public interest disclosure for recent reporting periods is as follows:

Period	No. of Cases
1st January 2016 to 30th June 2016	4
1st July 2016 to 31st December 2016	6
1st January 2017 to 30th June 2017	1
1st July 2017 to 31st December 2017	7
1st January 2018 to 30th June 2018	2
1st July 2018 to 31st December 2018	3
1st January 2019 to 30th June 2019	5
1st July 2019 to 30th June 2020	8

4.4 There were 2 cases recorded as outstanding in the previous report, submitted to committee on 25 September 2019, which have been progressed as detailed below:

Ref	Date Received	Detail	Status
04/20	2.5.19	Allegations of misuse of Council vehicle and inappropriate behavior towards a member of the public.	Referred to service and actioned accordingly.
16/20	3.6.19	Missing money – education establishment.	Investigated by management. There was clear evidence to support that WDC policies and processes were not followed with regard to the handling of money and keys. Corrective action has now been taken to improve controls.

4.5 A total of 8 cases were received by Internal Audit during the period 1July 2019 to 30 June 2020 as follows:

Ref	Date Received	Detail	Status
17/20	3/7/19	Allegation that materials are being misappropriated by a member of staff and sold on.	Closed – unfounded.
18/20	7/8/19	Allegation that member of staff was working whilst on sick leave.	Closed – unfounded.
24/20	25/10/19	Allegation of theft of inventory.	Closed – unfounded.
25/20	22/11/19	Allegation of theft of income.	Ongoing investigation.
27/20	2/12/19	Allegation of financial irregularities in client account administration.	Closed – unfounded. Investigation complete and no financial discrepancies identified.
29/20	16/1/20	Allegation that work was carried out on a property which was not authorised.	Closed – unfounded.

01/21	25/5/20	Allegations that a licensed taxi driver continues working despite having no valid MOT.	Closed – unfounded. The vehicle is coverd by a Certificate of Compliance which replaces the requirement for a separate MOT.
02/21	14/6/20	Allegations that employee is claiming incorrect mileage and has misappropriated WDC materials.	Closed – unfounded. Mileage has been claimed correctly and insufficient detail in order to investigate misappropriation of materials.

4.6 Activity relating to other investigation cases for recent reporting periods is as follows:

Period	No. of Cases
1st January 2017 to 30th June 2017	3
1st July 2017 to 31st December 2017	5
1st January 2018 to 30th June 2018	5
1st July 2018 to 31st December 2018	4
1st January 2019 to 30th June 2019	14
1st July 2019 to 30th June 2020	8

4.6 As remitted to the 17 June 2020 Audit Committee, more specific information requested in relation to 2 completed investigations is as follows:

Detail	Status
Ordering/invoice error in relation to ordering of cables.	There was an error identified in the charge per metre recorded on the system which has now been rectified.
Allegation of unofficial person on site. (Titan Crane)	A new operating model and operational handbook for staff will be in place for reopening. This will include information on authorised site access arrangements.

5. People Implications

5.1 There are no personnel implications with this report.

6. Financial and Procurement Implications

6.1 There are neither financial nor procurement implications with this report.

7.   Risk Analysis

7.1   There are risks to the Council in financial, legal, operational and reputational terms of not providing a service to enable a disclosure in the public interest and to ensure that all public interest disclosure and other concerns raised with Internal Audit are properly investigated.

8.   Equalities Impact Assessment (EIA)

8.1   There is no requirement to undertake an equality impact screening.

9.   Consultation

9.1   This report has been subject to consultation with appropriate Strategic Leads.

10.   Strategic Assessment

10.1 The Public Interest Disclosure Policy and Business Irregularity Procedures contribute to the Council's strategic priorities by ensuring that early warnings of malpractice may mitigate the extent of financial losses to the Council, contribute to better asset management by utilising employees to manage risks to the organisation's reputation and support fit for purpose services through the continuation and promotion of robust employment practice.

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Stephen West
Strategic Lead - Resources
Date: 16 September 2020

Person to Contact:	Andi Priestman, Shared Service Manager – Audit & Fraud Telephone: 01389-737436 Email: andi.priestman@west-dunbarton.gov.uk
Appendix:	None
Background Papers:	Public Interest Disclosure Policy agreed by the Corporate Services Committee on 13 August 2014; Business Irregularity Procedures
Wards Affected:	All

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead - Resources

Audit Committee: 16 September 2020

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Subject: National Fraud Initiative 2018/19

1.   Purpose

1.1   The purpose of this report is to inform Members of the Audit Scotland Report "National Fraud Initiative 2018/19" published in July 2020 and to provide an overview of the key messages and recommendations raised in the report and how these issues are being addressed by the Council.

2.   Recommendations

2.1   It is recommended that the Audit Committee notes the contents of this report and agrees that a further update report is submitted to the March 2021 Audit Committee outlining the Council's progress with the 2020-2021 exercise.

3.   Background

3.1   The NFI in Scotland is now well established with this being the 7th biennial exercise since 2006/07. The NFI enables public bodies to take advantage of computer data matching techniques to detect fraud and error. The NFI remains the largest national fraud detection and prevention scheme that can provide data matches within and between public bodies. Its key features are that it:

- acts as a deterrent to potential fraudsters.
- identifies errors and fraud thus enabling appropriate action to recover money and/or press criminal charges.
- can provide assurances, similar to a regular health check, that systems are operating well and can also identify where improvements are required.
- operates across boundaries between public bodies in different sectors and countries.
- represents value for money in terms of the efficiencies deliverable through centralised data processing and identifying targeted high priority matches.

3.2   The NFI works by using data matching to compare a range of information held on bodies' systems to identify potential inconsistencies or circumstances that could indicate fraud or error which are called 'matches'. A match does not automatically mean that there is a fraud or error and investigations are required to enable the correct conclusion to be drawn for each match. Bodies investigate these and record on a secure web application appropriate outcomes based on their investigations.

3.3   Public bodies spend billions of pounds of taxpayers' money for the benefit of the Scottish population, providing services and financial assistance to all citizens including those that need them the most. Systems underpinning public spending can be complex and errors can happen. Unfortunately, there are also some individuals who seek to exploit the systems and fraudulently obtain services and benefits to which they are not entitled.

3.4   Data sharing enables bodies to match data internally and externally. Technology provides an efficient way to connect discrete data sets and can therefore limit the gaps available for fraudsters to manipulate and can help identify those that have. It also supports bodies to identify and implement process and control improvements that should reduce future errors and the costs of correcting these errors.

3.5   Audit Scotland, working closely with public bodies, external auditors and the Cabinet Office, has completed another major data sharing and matching exercise. The NFI exercises make a significant contribution to the security and transparency of public sector finances by confirming that services are provided to the correct people and by reducing fraud and error.

4.   **Main Issues**

4.1   In terms of key messages, the report identified the following:

- The Covid-19 pandemic has brought significant challenges across the public sector as bodies seek to deliver services for individuals, communities and businesses in an extremely difficult time. Since the start of the pandemic, the risk of fraud and error has increased as organisations become stretched and controls and governance are changing.
- Since the last report in July 2018, outcomes valued at £15.3m have been recorded. The cumulative outcomes from the NFI in Scotland since the first exercise in 2006/07 are now £143.6m. Across the UK, the cumulative total of NFI outcomes are now £1.93bn.
- NFI outcomes in Scotland have fallen by £2.4m in the 2018/19 exercise, despite an increase in participating bodies. Reduced levels of outcomes could be due to less fraud and error in the system, strong internal controls or less effective detection of fraud and error.
- Most organisations demonstrate a strong commitment to counter-fraud and the NFI. Some could act more promptly and ensure that sufficient staff are in place to investigate matches, prevent frauds and correct errors.

4.2   Since the last exercise in 2016/17, the areas with significant changes are as follows:

- Council Tax Discounts – £4.9m, which is an increase of £0.5m
- Pensions – £3.2m, which is a reduction of £2.2m
- Housing Benefit - £2.8m, which is an increase of £0.7m
- Blue badges – £1.8m, which is a reduction of £0.7m
- Housing Waiting Lists - £0.7m which is an increase of £0.5m

- Creditors - £0.6m, which is a reduction of £0.5m
- Residential Care homes - £0.4m, which is a reduction of £0.5m
- Council Tax Reduction Scheme - £0.3m, which is a reduction of £0.2m

4.3 From a local perspective, outcomes valued at £70,598 have been recorded for the 2018/19 exercise as follows:

Area	No. Of Cases	Fraud	Error	Financial Outcome
HB Claimants	836	29	9	£42,971
CTRS	1,242	6	5	£27,627
Creditors	2,824	0	0	0
Blue Badge	205	0	132	£75,900(Notional)
Housing tenants/Waiting list	283	0	0	0
Personal Budgets	4	0	0	0
Private Residential Care Homes	37	0	0	0
Right To Buy	401	0	0	0
Procurement	53	0	0	0
Payroll	102	0	0	0
TOTAL	**5,987**	**35**	**146**	**£70,598**

4.4 The report recommends that:

- All participants should be aware of emerging fraud risks, e.g. due to Covid-19, and take appropriate preventative and detective action.
- All participants in the NFI exercise should ensure that they maximise the benefits of their participation. They should consider whether it is possible to work more efficiently on the NFI matches by reviewing the guidance section within the NFI secure web application.
- Audit committees, or equivalent, and staff leading the NFI should review the NFI self-appraisal checklist. This will ensure they are fully informed of their organisation's planning and progress in the 2020/21 NFI exercise.
- Where local auditors have identified specific areas for improvement, participants should act on these as soon as possible.

4.5 In response to the recommendations, a copy of the completed self-appraisal checklist is attached at Appendix 2. This highlights the good progress the Council has made in undertaking counter-fraud activities. In addition, there were no specific areas for improvement identified by Audit Scotland in their Interim Audit Letter in relation to the Council's engagement in the 2018/2019 NFI exercise.

5. **Personnel Implications**

5.1 There are no personnel issues with this report.

6.   Financial and Procurement Implications

6.1   There are neither financial nor procurement implications arising directly
from this report.

7.   Risk Analysis

7.1   The NFI enables public bodies to take advantage of computer data matching
techniques to detect fraud and error. This can lead to process risks being
identified during the investigation of matches and internal controls being
strengthened to reduce the risk of fraud and error recurring in the future and
improve the Council's control environment.

8.   Equalities Impact Assessment (EIA)

8.1   There are no issues.

9.   Consultation

9.1   This report has been subject to consultation with appropriate Strategic Leads.

10.   Strategic Assessment

10.1   This report relates to all five of the Council's Strategic Priorities.

Stephen West
Strategic Lead - Resources
Date: 16 September 2020

Person to contact	Andi Priestman, Shared Service Manager – Audit & Fraud Telephone: 01389-737436 Email: andi.priestman@west-dunbarton.gov.uk
Appendix 1:	Audit Scotland Report – National Fraud Initiative 2018-19 (July 2020)
Appendix 2:	NFI Self-appraisal checklist
Background Papers:	None
Wards Affected:	All wards

National Fraud Initiative 2018/19

AUDIT SCOTLAND

Prepared by Audit Scotland
July 2020

Covid-19 raises risk of public-sector fraud
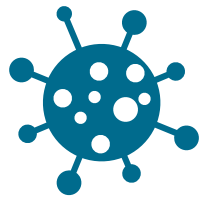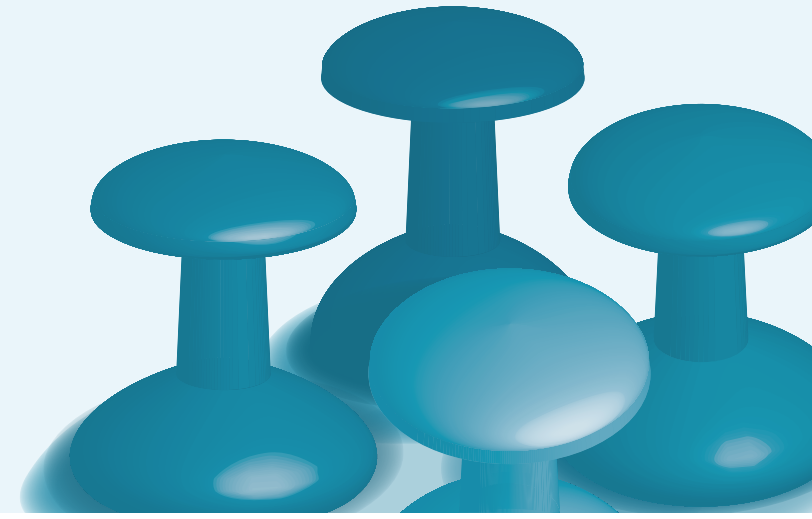
1. Covid-19

The Covid-19 pandemic has brought significant challenges across the public sector as bodies seek to deliver services for individuals, communities and businesses in an extremely difficult time. Since the start of the pandemic, the risk of fraud and error has increased as organisations become stretched and controls and governance are changing.

2. Outcomes

Since we last reported on the National Fraud Initiative (NFI) in Scotland in June 2018, outcomes valued at £15.3 million have been recorded. The cumulative outcomes from the NFI in Scotland since the first exercise 2006/07 are now £143.6 million. Across the UK, the cumulative total of NFI outcomes are now £1.93 billion.
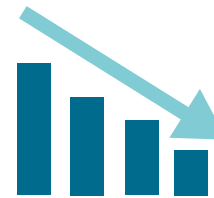
3. Results

NFI outcomes in Scotland have fallen by £2.4 million to £15.3 million in the 2018/19 exercise, despite an increase in participating bodies. Reduced levels of outcomes could be due to less fraud and error in the system, strong internal controls or less effective detection of fraud and error.

4. Process

Most organisations demonstrate a strong commitment to counter-fraud and the NFI. Some could act more promptly and ensure that sufficient staff are in place to investigate matches, prevent frauds and correct errors.

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Recommendations

1. Covid-19 risks

All participants should be aware of emerging fraud risks, eg due to Covid-19, and take appropriate preventative and detective action.

2. Maximise the benefits

All participants in the NFI exercise should ensure that they maximise the benefits of their participation.

They should consider whether it is possible to work more efficiently on the NFI matches by reviewing the guidance section within the NFI secure web application.

3. Self-appraisal checklist

Audit committees, or equivalent, and staff leading the NFI should review the NFI self-appraisal checklist ⊕.

This will ensure they are fully informed of their organisation's planning and progress in the 2020/21 NFI exercise.

4. Take action

Where local auditors have identified specific areas for improvement, participants should act on these as soon as possible.

1. Fraud risks associated with Covid-19

The Covid-19 pandemic has brought significant challenges across the public sector as bodies seek to continue to deliver services for individuals, communities and businesses in an extremely difficult time. This includes additional fraud risks that will be important for public bodies to identify and manage.

Good governance and sound controls are essential in such crisis situations. The risks include, but are not limited to:

public-sector staff working remotely

an increase in cyber-crime as more public-sector staff connect remotely

public-sector staff working under extreme pressure

an increase in phishing emails and scams trying to get staff working under pressure to click on links which allow fraudsters access to public-sector systems

government stimulus packages to support individuals and businesses being provided quickly with a lower level of scrutiny and due diligence than has previously been in place for similar schemes.

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2. National Fraud Initiative outcomes

The NFI is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. The NFI uses data sharing and matching to help confirm that services and payments are provided to the correct people.

An NFI outcome describes the overall amounts for fraud, overpayments and error that are detected by the NFI exercise and an estimate of future losses that it prevents.

NFI outcomes

18/19

£15.3 million
NFI outcomes in Scotland from the 2018/19 exercise

These are split between outcomes for the 2018/19 exercise (£13.5 million) and late outcomes from the 2016/17 exercise (£1.8 million)

Since 06/07

£143.6 million
NFI outcomes cumulatively in Scotland since 2006/07

UK NFI outcomes
£244.7 million
from the 2018/19 exercise

£1.93 billion
cumulatively since 2006/07

The background of the NFI is contained in Appendix 1.

Trends in outcomes between 2016/17 and 2018/19 exercises

Outcomes in Scotland have fallen by £2.4 million to £15.3 million

Number of matches generated has fallen by 76,562 to 580,393

Number of participating bodies has increased by 11 to 124

The decrease in outcomes is partly down to immigration data not being included in the 2018/19 exercise due to restrictions placed on it by the Home Office following the recent review into the treatment of the Windrush generation. Following the review, the Home Office decided to temporarily suspend sharing immigration data until it had considered the findings of the review and reflected those findings in its policies and procedures. Reduced levels of outcomes and matches could be due to less fraud and error in the system, strong internal controls or less effective detection of fraud and error.

Having fewer matches provides some assurance there do not appear to be significant problems in the areas covered by the exercise. However, participants still benefit from the deterrent effect the NFI creates.
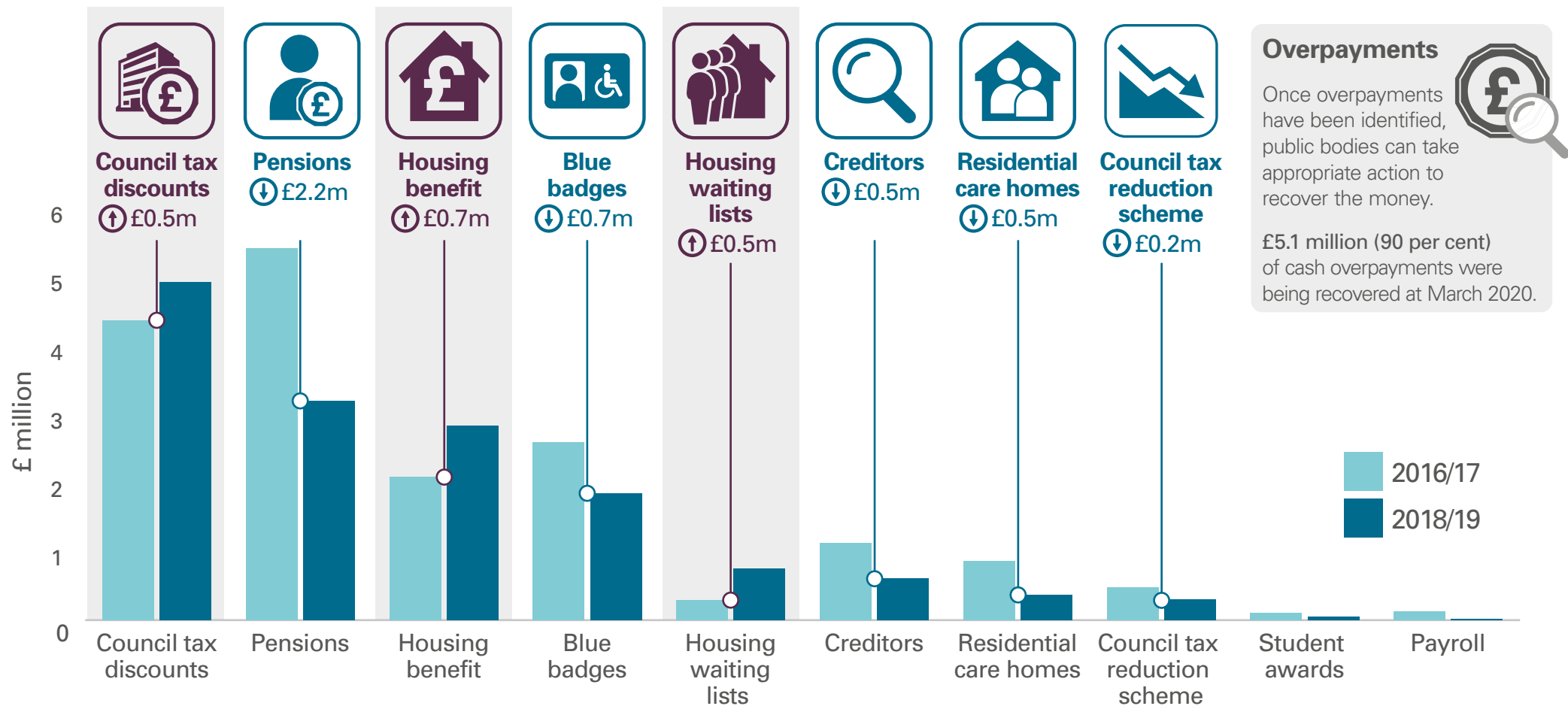
Although the main purpose of the NFI is to ensure funds and services are provided to the correct people, the review of NFI matches may also identify that a customer is entitled to additional services or payments.

Details of the Scottish NFI participants are on our FraudHub ⊕

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3. Results

How the latest outcomes compare to the last exercise

The areas with significant changes are:

Council tax discounts ⬆ £0.5m

Pensions ⬇ £2.2m

Housing benefit ⬆ £0.7m

Blue badges ⬇ £0.7m

Housing waiting lists ⬆ £0.5m

Creditors ⬇ £0.5m

Residential care homes ⬇ £0.5m

Council tax reduction scheme ⬇ £0.2m

Overpayments

Once overpayments have been identified, public bodies can take appropriate action to recover the money.

£5.1 million (90 per cent) of cash overpayments were being recovered at March 2020.

Bar chart: £ million (y-axis 0–6) across categories: Council tax discounts, Pensions, Housing benefit, Blue badges, Housing waiting lists, Creditors, Residential care homes, Council tax reduction scheme, Student awards, Payroll. Legend: 2016/17, 2018/19.

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Council tax discounts

People living on their own, or with no countable adults in the household, are eligible for a 25 per cent single person discount (SPD) on their annual council tax bill.
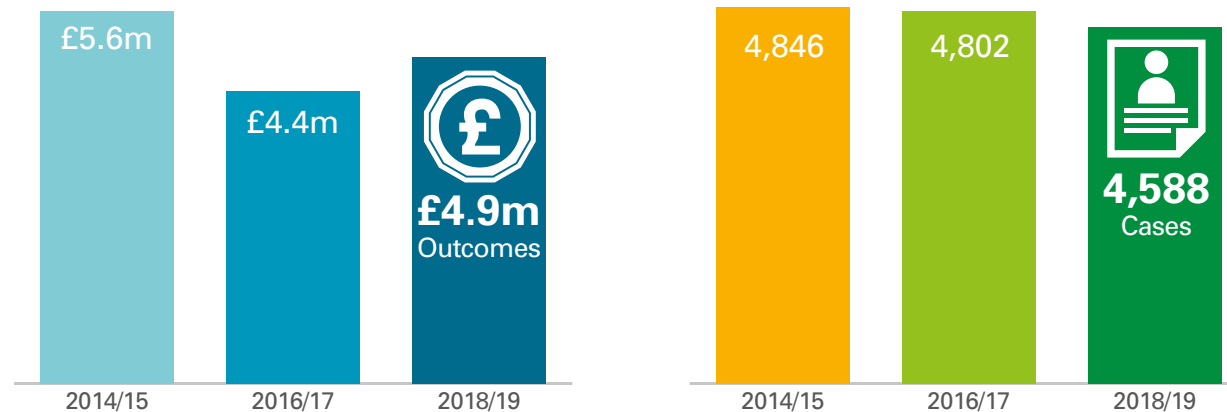
£4.9 million
Total outcomes in 2018/19 exercise

£1,072
Average outcome

4,588
Cases

£5.6m — 2014/15
£4.4m — 2016/17
£4.9m Outcomes — 2018/19

4,846 — 2014/15
4,802 — 2016/17
4,588 Cases — 2018/19

Case study

East Dunbartonshire Council

An NFI match between a council tax reduction claimant and a pension recipient identified that a second undeclared adult was residing with the council tax reduction claimant.

Investigations identified that the pension recipient had been staying in, and jointly owned, the property since 1983. The pension recipient moved out of the property in 2013 and later returned in 2018.

As a result a council tax reduction overpayment of £2,200 plus a council tax SPD outcome of £9,800 were identified.

The 2018/19 NFI exercise found that the total council tax discount incorrectly awarded across Scottish councils totalled £4.9 million. This is an average outcome of £1,072 for each case compared with £916 per case in the 2016/17 NFI.

Five councils used alternative data matching or verification for SPD data matching during 2018/19.

Council tax data is matched to:

- ☑ Electoral register
- ☐

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Pensions

For the Scottish Public Pensions Agency (SPPA) and councils that administer pensions, the NFI is an efficient and effective way of checking that they are only paying pensions to people who are alive.

£3.2 million
Total outcomes in 2018/19 exercise

£2.2 million
Reduction on the 2016/17 NFI exercise

£32,600
Average outcome for each case

Pension outcomes have fallen due to the 'tell us once' reporting process having become more embedded over the last two years, and SPPA carrying out 6-monthly mortality screening.

Pension outcomes across the UK have fallen by 59 per cent from £143.7 million in 2016/17, to £59.1 million in 2018/19.

£4.6m — 2014/15

£5.4m — 2016/17

£3.2m Outcomes — 2018/19
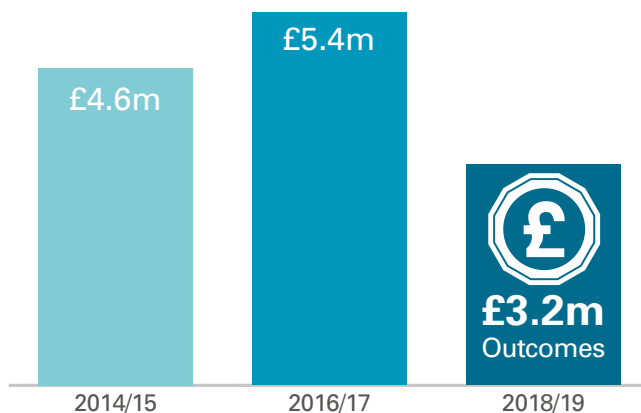
Note: Due to a formula error in the NFI computer system, pension outcomes in the 2016/17 exercise were overstated by £0.9 million. The figure has been adjusted accordingly.

Case study

Dundee City Council

An NFI match indicated that a pensioner had died. Investigations revealed that the pensioner had been living in Canada and had died in 2016.

A pension of just under £22,000 had been paid since the date of death. It was also established that the pensioner's widow has also since died. The overpaid pension has been partially offset against the widow's pension.

Pension data is matched to:
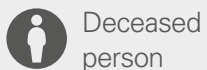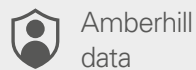
Deceased person
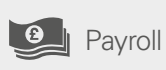
Payroll

Housing benefits

Injury benefits

Amberhill data

Amberhill is a system used by the Metropolitan Police to authenticate documents presented for identity.

Tell us once

'Tell us once' is a service that lets you report a death to most government organisations when registering the death.

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Housing benefit

The NFI provides councils and the Department for Work and Pensions (DWP) with the opportunity to identify a wide range of benefit frauds and errors. Housing benefit helps people on low incomes pay their rent.
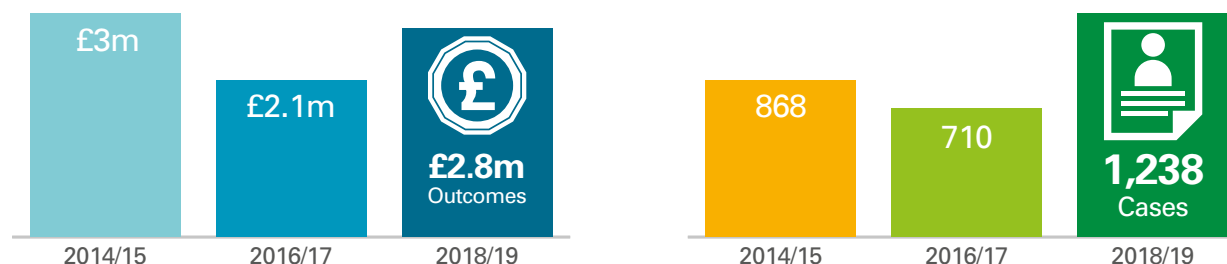
£2.8 million
Total outcomes in 2018/19 exercise

£2,292
Average individual value of overpayments

1,238
Cases

£3m — 2014/15
£2.1m — 2016/17
£2.8m Outcomes — 2018/19

868 — 2014/15
710 — 2016/17
1,238 Cases — 2018/19

The value and number of housing benefit cases recorded with overpayments has risen from £2.1 million from 710 cases in the 2016/17 NFI, to £2.8 million from 1,238 cases in the 2018/19 NFI.

Although the number of benefit cases has risen, along with an increase in outcomes, the average individual value of overpayments has fallen from £2,923 in the 2016/17 NFI exercise to £2,292 in 2018/19.

One possible reason for the decline in the average value of individual overpayments of the 2018/19 outcomes is that the DWP and councils are now using real-time information (RTI) payroll and pension information, to help ensure any overpayments are picked up more quickly.

Case study

Renfrewshire Council

An NFI match resulted in a joint investigation by the council and the Department for Work and Pensions. This investigation identified that a benefit claimant had failed to declare their occupational pension since 2013, their earnings while working as a 'bank staff' employee and all of their bank accounts.

The undeclared occupational pension and earnings resulted in a housing benefit overpayment of £6,682.35 and a council tax reduction adjustment of £1,633.91.

The council has reported the matter to the Procurator Fiscal, for consideration of proceedings.

Housing benefit data is matched to:

- Student loans
- Right to buy (in England)
- Payroll
- Licences
- Pensions
- Deceased person
- Housing benefits
- Amberhill data
- Housing tenants

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Blue badges

The blue badge parking scheme allows people with mobility problems to park for free at on-street parking meters, in 'pay and display' bays, in designated blue badge spaces, and on single or double yellow lines in certain circumstances.
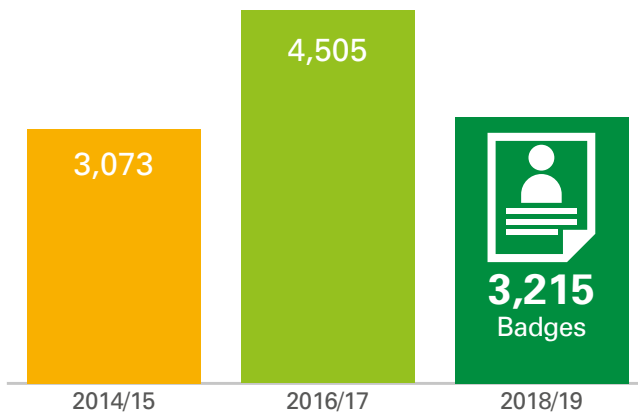
£1.8 million
Total outcomes in 2018/19 exercise

3,215
Total number of blue badge outcomes in 2018/19 exercise

1,290
Decrease from NFI 2016/17 exercise

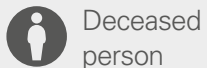| Year	Value
2014/15	3,073
2016/17	4,505
2018/19	3,215 Badges

The 2018/19 NFI exercise identified 3,215 blue badge outcomes, which is a decrease of 1,290 (40 per cent) since the last exercise.

Badges are sometimes used or renewed improperly by people after the badge holder has died. It is an offence for an unauthorised person to use a blue badge.

Blue badge data is matched to:

Deceased person

Amberhill data

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Housing waiting lists

The aim of the NFI using housing waiting list data is to identify possible cases of waiting list fraud. This happens when an individual has registered on the waiting list but there are possible undisclosed changes in circumstances or false information has been provided. This was a new data set for the 2016/17 NFI exercise. Social housing provides affordable accommodation, allocated according to need. It usually provides a more secure, long-term tenancy when compared to private renting.

£0.7 million
Total outcomes in 2018/19 exercise

230
Cases

Councils identified 230 cases where applicants were removed from waiting lists. Stirling Council identified 185 (80 per cent) of these cases.

The estimated value of these cases is £0.7 million. This is based on a calculation of the annual estimated cost of housing a family in temporary accommodation and the likelihood a waiting list applicant would be provided a property.

2016/17	2018/19
90	230 cases
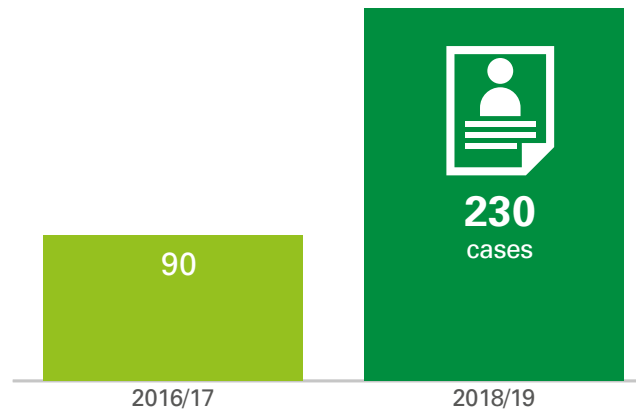
Housing waiting list data is matched to:

Waiting list

Housing benefit

Housing tenants

Right to buy (in England)

Deceased persons

Amberhill data

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Creditors

The NFI provides an efficient way to check for duplicate payments and that payments are only made to appropriate creditors. A creditor is a person or an organisation that a public body pays money to for a good or service.

£0.6 million
Total outcomes in 2018/19 exercise

100%
Recovery action is taking place

147
Cases

£1.1m

£0.7m

£0.6m
Outcomes

| 2014/15 | 2016/17 | 2018/19 |

168

139

147
Cases

| 2014/15 | 2016/17 | 2018/19 |
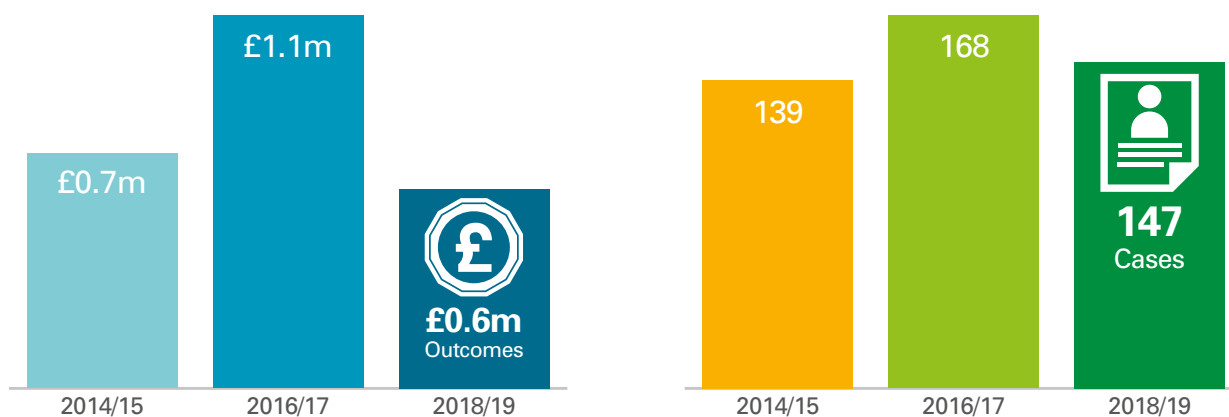
The 2018/19 NFI exercise has resulted in 147 creditor outcomes of £0.6 million compared to 168 outcomes worth £1.1 million in 2016/17. Recovery action is taking place for 100% of these overpayments.

Creditor data is matched to:

Creditor data   Payroll

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Payments to residential care homes

The NFI identifies cases where a care home resident has died, but the council may not have been notified and so continue to make payments.
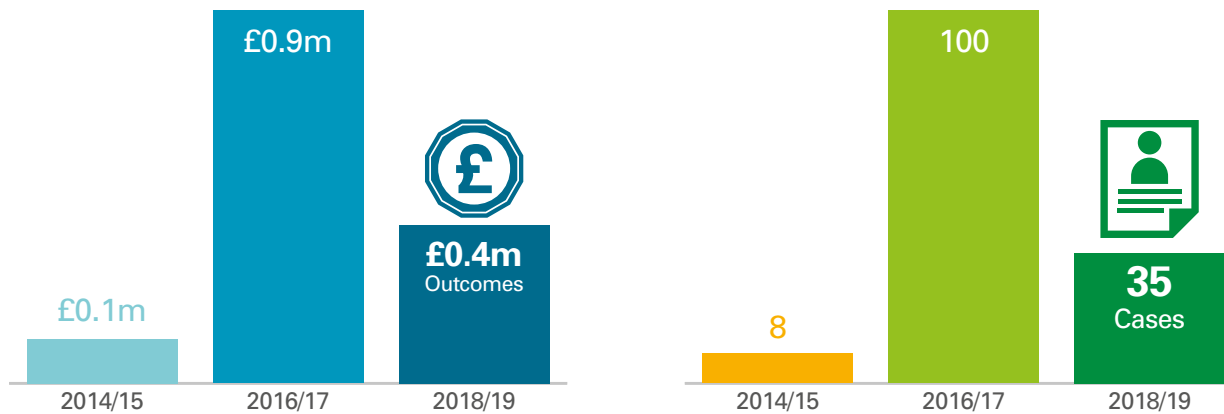
£0.4 million
Total outcomes in 2018/19 exercise

71%
Overpayments are being recovered

35
Cases

£0.1m — 2014/15
£0.9m — 2016/17
£0.4m Outcomes — 2018/19

8 — 2014/15
100 — 2016/17
35 Cases — 2018/19

Councils have identified 35 cases of overpayments valued at £0.4 million to care providers for residents who have died.

71 per cent of these overpayments are being recovered.

Despite the number of overpayments having fallen since 2016/17, the average value of overpayment has risen from £8,651 to £10,500.

Residential care home data is matched to:

Deceased persons   Amberhill data

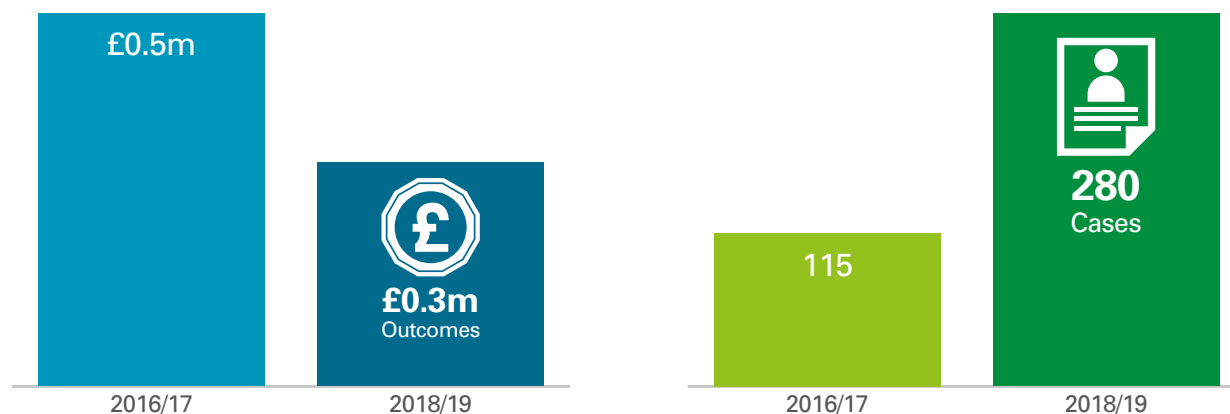Page 81

Council tax reduction

Council tax reduction helps those on low incomes to pay their council tax bills. The NFI provides councils with the opportunity to identify a range of council tax reduction frauds and errors.

£0.3 million
Total outcomes in 2018/19 exercise

280
Cases

£0.5m

£0.3m
Outcomes

2016/17   2018/19

115

280
Cases

2016/17   2018/19

The 2016/17 NFI was the first time council tax reduction data sets were included within the NFI.

Outcomes of £0.3 million were identified in the 2018/19 NFI, a fall of £0.2 million from the £0.5 million reported in 2016/17.

Councils have identified more than double the number of cases in 2018/19 but each with a smaller value, suggesting fraud and error is being picked up more quickly.

Council tax reduction data is matched to:

- Council tax reduction
- Right to buy (in England)
- Payroll
- Licences
- Pensions payroll
- Deceased persons
- Housing benefits
- Amberhill data
- Housing tenants

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Other data matches

Payroll

£20,000
Total outcomes in 2018/19 exercise

8
Cases

The NFI also matches all participating bodies' employee payroll data as well as those of MSPs and councillors in order to identify cases of potential payroll fraud. The 2018/19 NFI identified eight cases valued at £20,000 compared to 13 cases valued at £0.1 million in the 2016/17 exercise.

Student awards

£50,000
Total outcomes in 2018/19 exercise

2
Case

The NFI provides the Student Awards Agency Scotland (SAAS) with matches identifying cases where individuals may not be eligible for student funding, for example, through identity fraud. The 2018/19 NFI exercise only identified two outcomes, a reduction of 3 from the 2016/17 exercise.

Past NFI exercises have identified larger outcomes in both payroll and student awards. This is partly due to immigration data not being included in the 2018/19 exercise.

Case study

Student Award Agency Scotland (SAAS)

An individual applied for student funding with a counterfeit Slovakian identity card. The applicant was awarded a tuition fee loan of £5,500.

The applicant was arrested, and facial recognition software identified a second false identity that had also been used by this individual.

The applicant made a full admission and is currently being detained in prison. It is expected that they will be deported from the UK following completion of their 12 month prison sentence.

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4. Process

Matches benefiting other public bodies

One key benefit of a UK-wide data matching exercise is that it enables matches to be made between bodies and across national borde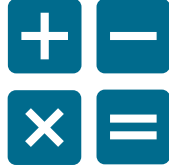rs. Data provided by Scottish participants for the 2018/19 NFI exercise helped other public bodies, both within and outwith Scotland, to identify 884 outcomes worth £1.7 million. This is an increase of £0.6 million from 2016/17.

Local government	Central government	NHS	Colleges	Total
£854,760	£759,879	£120,408	£12,672	£1,747,719
415	388	75	6	884
2016/17	**2016/17**	**2016/17**	**2016/17**	**2016/17**
£520,948	£438,206	£155,566	£7,073	£1,121,793
232	254	77	5	568

Most of these outcomes relate to housing benefits, housing waiting lists and council tax reductions where, for example, payroll data from a health board may allow a council to identify a housing benefit overpayment.

Matches

For those public bodies taking part in the NFI which may not always identify significant outcomes from their own matches, it is important to appreciate that other bodies and sectors may do so.

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Costs and benefits of participating in the NFI

£123,000+
Average outcome for each public body in Scotland for the 2018/19 NFI

£120 – £30,000
Estimated costs of NFI to public bodies

£213,750
Audit Scotland costs

Audit Scotland funds the cost of the NFI system and the biennial data matching for Scottish public-sector bodies

Participating bodies incur costs following up and investigating matches. Participating bodies also incur costs for pilot work and additional services such as the AppCheck[1] pre-application screening.

Many bodies do not keep separate records for NFI costs as it is just one of many counter-fraud activities they are doing. Those that did have records were able to estimate that their costs ranged from £120 to £30,000. This compares favourably with the average outcome for each public body in Scotland of over £123,000 for the 2018/19 NFI.

Overall, the £15.3 million of outcomes from the 2018/19 NFI outweigh the costs.

	No. of bodies reported	Cost range
Local government	4	£10,000 – £30,000
NHS	8	£120 - £6,000
Central government	10	£400 - £10,179
Colleges	7	£150 - £10,000

Note: 1. Appcheck is a data matching service used at point of applications for a service or benefit.

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How bodies work with the NFI

External auditor review of NFI arrangements

A higher percentage of participating public bodies managed their roles in the 2018/19 NFI exercise satisfactorily compared to the 2016/17 NFI exercise.

Local government

16/17   18/19

NHS

16/17   18/19

● Unsatisfactory   ● Mostly adequate   ● Satisfactory

Central government

16/17   18/19

Colleges

16/17   18/19
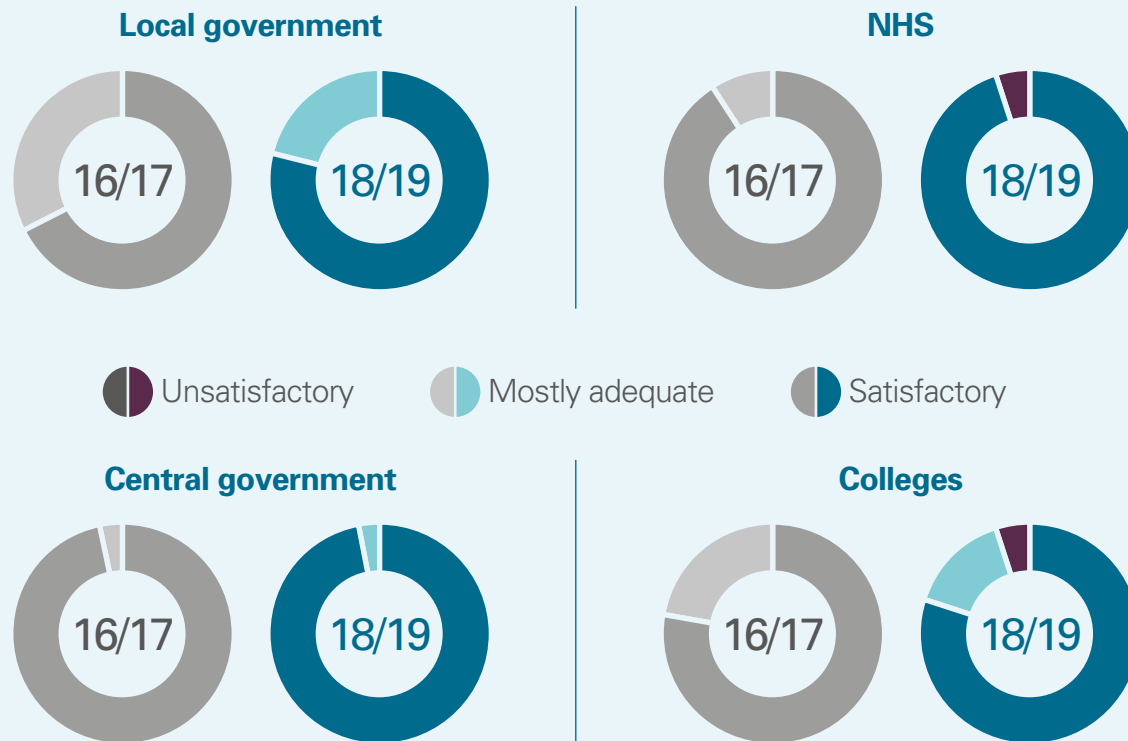
Auditors reviewed each body's planning and progress with the NFI, and provided recommendations for improvement where appropriate.

Some bodies could be more pro-active in their approach to the NFI. All colleges were included in the 2018/19 exercise for the first time. Three colleges only submitted data after receiving several prompts from auditors. They cited resourcing and IT issues as the reasons. One of these colleges did not subsequently review any matches it received.

We recommend that all bodies use our checklist ⊕ to self-appraise their involvement in the NFI before and during the 2020/21 NFI exercise.

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NFI pilot activity – non-domestic rates

A **pilot** ⊕ was undertaken with the Scottish Government and seven Scottish councils in order to help identify businesses inappropriately claiming Small Business Bonus Scheme (SBBS) relief. The SBBS assists small businesses in Scotland to pay their rates.

The seven participating councils provided 81,827 ratepayer records which were matched across councils and with data from Companies House in order to identify SBBS fraud. The pilot identified £412,974 in incorrect awards being identified.

If similar levels of incorrect awards were identified across all Scottish councils, the extrapolated value could be in the region of £1.9 million.

Some system weaknesses were also identified, and recommendations have been issued for improvements where appropriate.
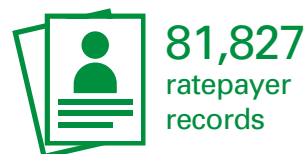
Due to the success of this pilot, the Scottish Government is considering a national roll-out of this data matching exercise across all Scottish councils.

Small Business Bonus Scheme fraud

Scottish Government **+** x7 Scottish councils

81,827 ratepayer records

Matched across councils and with data from Companies House

£412,974 incorrect awards identified

Future developments

The Covid-19 pandemic and the resulting emergency support packages have led to a greater risk of fraud.

Audit Scotland has been working with the Cabinet Office to identify, develop and promote data matching facilities to help address some of this increased fraud risk. Work will continue in this area into the 2020/21 NFI exercise.

The 2020/21 NFI is due to start in late summer 2020. Data sets have been reviewed following a period of consultation with participants.

Audit Scotland continues to work with the Cabinet Office in developing new ways to prevent and detect fraud. This includes piloting new data matching in respect of NHS patient prescription exemptions.

Audit Scotland continues to work with the Scottish Government in promoting and enhancing participation in the NFI across Scotland.

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Appendix 1. Background to the NFI

The NFI is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. The Cabinet Office oversees it and Audit Scotland leads the exercise in Scotland, working with a range of Scottish public bodies and external auditors. The NFI takes place every second year.

The NFI enables public bodies to use computer data matching techniques to detect fraud and error.

We carry out the NFI process under powers in The Criminal Justice and Licensing (Scotland) Act 2010. It is important for all parties involved that this exercise is properly controlled and data handled in accordance with the law. The Audit Scotland Code of Data Matching Practice ⊕ includes a summary of the key legislation and controls governing the NFI data matching exercise.

Data matching exercise every two years in partnership with the Cabinet Office

Participating bodies submit data to a secure website

The NFI system matches data within and between bodies to identify anomalies

Potential anomalies called 'matches' are reported to participating bodies to review, investigate and record outcomes

Auditors monitor participating bodies' processes and progress

NFI outcomes are reported by participating bodies, auditors and Audit Scotland

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Appendix 2. Estimation bases

The figures used in this report for fraud, overpayments and errors include outcomes already delivered (actual amounts participants have recorded) and estimates. Estimates are included where it is reasonable to assume that incidents of fraud, overpayments and errors would have continued undetected without NFI data matching.

Details of estimate calculations used in the report are shown below.

Data match	Basis of calculation of estimated outcomes
Council tax single person discount	Annual value of the discount cancelled multiplied by two years.
Housing	£93,000 per property recovered, based on average four-year fraudulent tenancy. Includes: temporary accommodation for genuine applicants; legal costs to recover property; re-let cost; and rent foregone during the void period between tenancies.
Housing benefit	Weekly benefit reduction multiplied by 21 weeks.
Pensions	Annual pension multiplied by the number of years until the pensioner would have reached the age of 85.
Payroll	£5,000 for each employee who is dismissed or resigns as a result of NFI matching, or £10,000 for each resignation or dismissal for employees who have no right to work in the UK.
Council tax reduction scheme	Weekly change in council tax discount multiplied by 21 weeks.
Housing waiting lists	£3,240 for each case based on the annual estimated cost of housing a family in temporary accommodation and the likelihood a waiting list applicant would be provided a property.
Residential care homes	Weekly cost of residential care multiplied by 14 weeks.
Social care/personal budgets	Monthly social care payment multiplied by three months. Monthly reduction in personal budget payment multiplied by three months.
Blue badges	Number of badge holders confirmed as having died multiplied by £575 to reflect lost parking and congestion charge revenue.
Other immigration	£50,000 for someone removed from the UK.

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National Fraud Initiative 2018/19

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Part A for those charged with Governance Leadership Commitment and Communication	Yes/No/Partly	Is action Required?	Who and By When
1 Are we aware of emerging fraud risks, eg due to Covid-19, and taken appropriate preventative and detective action?	Yes	Yes - regular updates are received through NAFN and CIFAS which are circulated to relevant services within the Council. The Internal Audit Annual Audit Plan for 2020/21 includes an allocation of resource to undertake post-assurance work in relation to Covid-19. Ongoing support has also been provided to services involved in the Business Grants process and through the Organisational Resilience Group.	N/A
2. Are we committed to NFI? Has the council/board, audit committee and senior management expressed support for the exercise and has this been communicated to relevant staff?	Yes	The responsibility for overseeing the NFI lies with Internal Audit. Internal Audit will review all aspects of NFI for the coming 2020/2021 exercise. A report will be presented to the Audit Committee outlining how the Council is engaging with the 2020/2021 exercise.	Shared Service Manager - Audit & Fraud March 2021
3. Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error ?	Yes	The NFI is included within our Anti-Fraud and Corruption Policy.	N/A
4. Have we considered using the point of application data matching service offered by the NFI team, to enhance assurances over internal controls and improve our approach to risk management?	Partly	This is not something that is actively used by services. This will be considered as part of the 2020/21 NFI exercise.	Shared Service Manager - Audit & Fraud March 2021
5. Are the NFI progress and outcomes reported regularly to senior management and elected/board members (eg, the audit committee or equivalent)?	Partly	A high level summary is provided to Committee on NFI progress but could be enhanced to report more detail on areas investigated and outcomes.	Shared Service Manager - Audit & Fraud March 2021
6. Where we have not submitted data or used the matches returned to us, eg council tax single person discounts, are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are?	N/A	All required data sets are submitted.	N/A
7. Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	Yes	The responsibility for overseeing the NFI lies with Internal Audit. Internal Audit will review all aspects of NFI for the coming 2020/2021 exercise. A report will be presented to the Audit Committee outlining how the Council is engaging with the 2020/2021 exercise. Outcomes of the NFI exercise are used to inform potential audit areas for future annual audit plans.	Shared Service Manager - Audit & Fraud March 2021
8. Do we review how frauds and errors arose and use this information to improve our internal controls?	Partly	Outcomes of the NFI exercise are used to inform potential audit areas for future annual audit plans. As part of the 2020/21 Annual Internal Audit Plan we will carry out a review of council tax discounts and exemptions. As part of that audit we will review processes in place to ensure the validity, completeness and accuracy of discounts and exemptions applied and recommend control improvements where required. This will include a review of errors and frauds identified by the NFI exercise.	Shared Service Manager - Audit & Fraud March 2021
9. Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (eg, successful prosecutions)?	Yes	Published on website and during fraud awareness training internally.	N/A

Part B For the NFI Key contacts and users Planning and Preparation			
1.Are aware of emerging fraud risks, eg due to Covid-19, and taken appropriate preventative and detective action?	Yes	Yes - regular updates are received through NAFN and CIFAS which are circulated by the Corporate Fraud team to relevant services within the Council.	Shared Service Manager - Audit & Fraud Ongoing
2. Are we investing sufficient resources in the NFI exercise?	Partly	As part of the 2020/21 exercise the Corporate Fraud team will carry out review of dataset owners across the Council to ensure sufficient resources are in place.	Shared Service Manager - Audit & Fraud February 2021
3. Do we plan properly for NFI exercises, both before submitting data and prior to matches becoming available? This includes considering the quality of data.	Yes	Quality checks on data are carried out regularly.	N/A

4. Is our NFI Key Contact (KC) the appropriate officer for that role and do they oversee the exercise properly?	Yes	The responsibility for overseeing the NFI lies with Internal Audit. Internal Audit will review all aspects of NFI for the coming 2020/2021 exercise. A report will be presented to the Audit Committee outlining how the Council is engaging with the 2020/2021 exercise.	Shared Service Manager - Audit & Fraud March 2021
5. Do KCs have the time to devote to the exercise and sufficient authority to seek action across the organisation?	Yes	Sufficient allocation of resource for the NFI work is included within the 2020/21 Internal Audit Annual Audit Plan. Progress reports are submitted to Audit Committee on a regular basis.	Shared Service Manager - Audit & Fraud Ongoing
6. Where NFI outcomes have been low in the past, do we recognise that this may not be the case the next time, that NFI can deter fraud and that there is value in the assurances that we can take from low outcomes?	Yes	This is recognised in terms of the matches received. Resources for the Corporate Fraud team's workplan are reviewed in light of the matches received and the level of outcomes for earlier exercises.	Shared Service Manager - Audit & Fraud Ongoing
7. Do we confirm promptly (using the online facility on the secure website) that we have met the fair processing notice requirements?	Yes	This exercise is being carried out in July and August and will be confirmed using the online facility by September 2020.	Shared Service Manager - Audit & Fraud 30 September 2020
8. Do we plan to provide all NFI data on time using the secure data file upload facility properly?	Yes	Internal Audit co-ordinates the NFI exercise and a timetable is in place to meet timescales for data upload for the 2020-2021 exercise.	Shared Service Manager - Audit & Fraud October 2020
9. Have we considered using the the point of application data matching service offered by the NFI team to enhance assurances over internal controls and improve our approach to risk management?	Yes	This is not something that is currently used within the Council as it attracts additional costs and the functionality requires to be reviewed for any enhancements offered. This will be considered as part of the 2020/21 NFI exercise.	Shared Service Manager - Audit & Fraud March 2021
Effective Follow up Matches			
10 Do all departments involved in NFI start the follow-up of matches promptly after they become available?	Yes	Progress is monitored and followed up by the Corporate Fraud Team.	Shared Service Manager - Audit & Fraud Ongoing
11. Do we give priority to following up high-risk matches, those that become quickly out-of-date and those that could cause reputational damage if a fraud is not stopped quickly?	Yes	A full review of protocols for all services has been carried out by Internal Audit to ensure compliance. High risk matches have been fully discussed with all services and they are aware to prioritise these. This will be monitored by the Corporate Fraud Team	Shared Service Manager - Audit & Fraud Ongoing
12 Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular?	Yes	A full review by Corporate Fraud team has been conducted to ensure all services are investigating adequately. We are satisfied that all services are full investigating matches before reaching a "no issue" outcome.	N/A
13. (In health bodies) are we drawing appropriately on the help and expertise available from NHS Scotland Counter-Fraud Services?	N/A		
14. Are we taking appropriate action in cases where fraud is alleged (whether disciplinary action, penalties/cautions or reporting to the Procurator Fiscal)? Are we recovering funds effectively?	Yes	Appropriate reports to PF, disciplinary action are taken, debt recovery procedures in place.	N/A
15. Do we avoid deploying excessive resources on match reports where early work (eg, on high-risk matches) has not found any fraud or error?	Yes	Reviews of results undertaken and resources based on the outcomes achieved will be deployed to other recommended or high risk matches. The Corporate Fraud team will review all services to ensure compliance.	Shared Service Manager - Audit & Fraud Ongoing
16. Where the number of high-risk matches is very low, are we adequately considering the medium and low-risk matches before we cease our follow-up work?	Yes	The Corporate Fraud team have reviewed each service to ensure they consider the "All Matches" report. All services are aware of the "all matches" report.	N/A
17. Overall, are we deploying appropriate resources on managing the NFI exercise?	Yes	The Corporate Fraud team review resources to ensure appropriate resources are being deployed.	N/A
Recording and Reporting			
18. Are we recording outcomes properly in the secure website and keeping it up to date?	Yes	The Corporate Fraud team have carried out a full review of this area to ensure compliance.	N/A
19. Do staff use the online training modules and guidance on the secure website, and do they consult the NFI team if they are unsure about how to record outcomes (to be encouraged)?	Yes	Offices have found the online training helpful and if required they have been informed to consulted with Internal Audit for further training/assistance. Internal Audit have also raised awareness of the online training modules with all services	N/A
20. If, out of preference, we record some or all outcomes outside the secure website, have we made arrangements to inform the NFI team about these outcomes?	N/A	All outcomes are reported in secure website.	N/A