

REPORT TO: SCRUTINY COMMITTEE – 23 JUNE 2021

REPORT ON: INTERNAL AUDIT REPORTS

REPORT BY: SENIOR MANAGER – INTERNAL AUDIT

REPORT NO: 186-2021

1.0 PURPOSE OF REPORT

To submit to Members of the Scrutiny Committee a summary of the Internal Audit Reports finalised since the last Scrutiny Committee.

2.0 RECOMMENDATIONS

Members of the Committee are asked to note the information contained within this report.

3.0 FINANCIAL IMPLICATIONS

None

4.0 MAIN TEXT

4.1 The day-to-day activity of the Internal Audit Service is primarily driven by the reviews included within the Internal Audit Plan. Broadly, on the completion of a specific review, a report which details the audit findings and recommendations is prepared and issued to management for a formal response and submission of management's proposed action plan to take the recommendations forward. Any follow-up work subsequently undertaken will examine the implementation of the action plan submitted by management.

4.2 Executive Summaries for the reviews which have been finalised in terms of paragraph 4.1 above are provided at Appendix A. Within each Executive Summary the prime aim is to provide both Elected Members and management with key information which includes the reason for undertaking the review, a summary of financial data and statistics, the areas encompassed within the review and specific areas which were excluded, the principal audit objectives, an audit opinion on the adequacy of the systems and control framework of the area reviewed, the key conclusions based on the audit findings and recommendations and a summary of management's response to the audit report. The full reports are available to Elected Members on request.

5.0 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6.0 CONSULTATIONS

The Chief Executive, Executive Director of Corporate Services, Head of Corporate Finance and Head of Democratic and Legal Services have been consulted on the content of this report.

7.0 BACKGROUND PAPERS

None

Pamela Redpath, Senior Manager – Internal Audit

DATE: 04 June 2021

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i) INTERNAL AUDIT REPORT 2020/14

Client	Corporate
Subject	COVID-19 Recovery

Introduction

COVID-19 has had a profound effect on a global scale impacting communities, organisations and individuals at a national and local level. Dundee's local response has been positive, providing wide ranging support and assistance as necessary. As part of the initial response to the COVID-19, a number of governance and operational arrangements within the Council were subject to change. This was necessary to reflect the restrictions put in place as a result of COVID-19 and allow services to continue to be delivered, albeit in a different manner in some cases.

The Council temporarily changed its committee arrangements including establishing procedures for approval of Essential Business involving sign off by representatives from each local political party and the Lord Provost. In addition, a Recovery Sub Committee was established over the summer recess and since then steps have been taken to introduce, record and publish "remote" Council meetings / committees in line with the committee timetable.

The Council established a Recovery Plan to take forward as soon as practicable and help to re-introduce normal or "new normal" service delivery. In support of the Recovery Plan, a COVID-19 Recovery Risk Register has also been developed, which includes a risk relating to Governance. More specifically that "effective governance arrangements are not adhered to due to pressures, constraints and changing priorities related to COVID-19 and the recovery process". Controls in place to mitigate this risk include "management monitoring of system / procedure / legislative and regulatory compliance and "message reinforcement that governance / procedural compliance matters". The Recovery Plan has also identified those key business operations to be reinstated in the first six months after lockdown and subsequently in the longer term, over the next 3 years.

Internal audit has a role to play in assessing the risks associated with new and amended COVID-19 service delivery processes and providing assurance, or otherwise, that the design of higher-risk processes includes proportionate control frameworks to support achievement of the Council's COVID-19 objectives and adequately mitigate associated risks.

COVID-19 has brought with it a significant additional financial burden to the Council, arising from both increased costs and loss of income, as well as an administration / resourcing burden as staff have been redeployed or required to assist with new processes, such as processing grant claims and other support measures.

The financial impact associated with the Recovery Plan is likely to continue increasing cost pressures to the Council and has been communicated publicly via "Financial Implications of the Council's Response to the COVID-19 Emergency and Financial Recovery Plan" reports compiled by the Executive Director of Corporate Services in April 2020, August 2020, December 2020, February 2021 and April 2021.

The April 2021 report highlights that the "latest projections show gross additional costs of £41.569m for financial year 2020/21, in respect of the Council's response to the COVID-19 emergency. This includes £4.574m for Leisure and Culture Dundee". After taking into account confirmed additional government funding streams, a funding surplus for 2020/21 of £9.050m was projected. The Financial Recovery Plan for the Council currently totals £4.200m, resulting in an aggregate projected surplus of £13.250m for 2020/21. The final outturn position for 2020/21 is due to be reported to the Scrutiny Committee in June 2021.

Scope and Objectives

Review to ensure that key business operations and their associated governance and control frameworks are appropriately and timeously established / re-established. The review also focussed on the key changes in the recruitment and selection processes as a result of the COVID-19 pandemic.

i) INTERNAL AUDIT REPORT 2020/14 (Cont'd)

Client	Corporate
Subject	COVID-19 Recovery

Conclusion

The principal conclusion drawn from this review is that there is a sound system of control designed to achieve the system objectives and that the controls are being consistently applied.

The work carried out as part of the audit demonstrates that the Council's approach to dealing with the COVID-19 pandemic is well structured and, from the outset, brought together officers and Senior Managers from all Council services, as well as representatives from its partners, including the voluntary sector and the business community where required. Whilst the Council continues to respond positively to the COVID-19 pandemic, the following key measures, in addition to the partnership approach described above, help demonstrate its proportionate and inclusive response to date.

- The Council immediately established arrangements to ensure that it could make decisions under the heading of Essential Council Business.
- An Incident Management Team (IMT) was established, which has met regularly throughout. Membership of the IMT includes the Chief Executive, Executive Directors of the Council, representatives from the Dundee Health and Social Care Partnership (DH&SCP), Leisure and Culture Dundee (L&CD), Tayside Contracts, the Third Sector, as well as other key Council officers, including the Resilience officers within Neighbourhood Services.
- The Council developed a COVID-19 Recovery Risk Register, as part of its response to the pandemic and it has been submitted to Committee twice since August 2020. The risks in this register have been regularly reviewed and updated where required. All of the risks in the COVID-19 Recovery Risk Register have been reviewed in the last 3 months (March 2021 - May 2021).
- The set up and continuing administration of a centralised Personal Protective Equipment (PPE) hub for the purchasing and distribution of key PPE was also established. This was particularly important at a time when PPE was difficult to source.
- Regular reports have been provided to the Policy and Resources Committee on the financial implications of the Council's response to the COVID-19 pandemic.
- Community Support Centres for vulnerable children and children of key workers were set up, together with early learning and childcare availability options. Supporting learning from home was also established.
- Multiple Council services have worked together to administer a series of COVID-19 business grants, whilst at the same time taking steps to mitigate the risk of fraud and error.
- Significant work has been carried out in processing Scottish Welfare Fund Crisis Grants and Community Care Grants applications to support those individuals and families within the community who are in need, as well as introducing arrangements for processing Self Isolation Support Grants.
- The Council, through the IT Service, has enabled home working access for the majority of IT users through remote access and allowed Contact Centre users to work from home through connecting via the telephony system.
- Revised recruitment and selection procedures were introduced, including the use of remote ID checking, the introduction of shortlisting and interviewing via video questioning and the completion of online Disclosure Scotland applications.
- The Council has also been involved in the set up and support of the Mass Vaccination Centre at the Caird Hall.
- Arrangements were maintained to pay all Council suppliers within 14 days.
- Arrangements were established for the provision of Free School Meals over the summer period and a Food Fund, Fuel / Poverty Fund and other funds to assist those living in or below the poverty line were introduced.
- The Council also established a COVID-19 Recovery Plan in August 2020 to address the medium and long term economic and social impact of COVID-19 on the city. The plan has been updated due to the second lockdown and will be considered as part of Service plan reports going forward, to determine progress.

i) INTERNAL AUDIT REPORT 2020/14 (Cont'd)

Client	Corporate
Subject	COVID-19 Recovery
Conclusion (Cont'd)	
Internal Audit has included time in the 2021/22 Internal Audit Plan to further review the key business operations and their associated governance and control frameworks.	

ii) INTERNAL AUDIT REPORT 2020/15

Client	City Development
Subject	Waterfront Project

Introduction

The Dundee Waterfront Project is a £1 billion regeneration transformation project, first formed over 20 years ago. The Waterfront encompasses 240 hectares of development land stretching 8km alongside the River Tay and is a strategic, focussed and forward looking 30-year project (2001-2031) that is aimed at propelling the city to international acclaim. The area is divided into five focussed zones: Riverside; Seabraes, The Central Waterfront, City Quay and Dundee Port.

The V&A Museum of Design Dundee (the V&A Dundee) is the flagship property of the waterfront project and this opened in 2018. The Waterfront Place and Active Travel Hub projects, which are part of the overall project commenced construction in February 2020.

Design and Property Services within City Development is responsible for a wide range of services including those which support and enhance the local economy and building operations. The Central Waterfront project forms a major part of the Capital Plan (2020-2025) with further expenditure planned for 2020-21 and beyond. This includes funding from the Growth Accelerator Model developed by the Scottish Government.

Design and Property Services manages certain relevant areas of the Council's Capital Programme and maintains the property and infrastructure portfolio, including Waterfront properties that have been constructed for the purposes of economic investment.

There is an overarching governance document, the Waterfront Governance Structure Document ("WGSD") which details the Attendance, Purpose and Format of the various governing bodies/groups. The WGSD outlines the three decision and strategy groups within the structure – the Waterfront Internal Governance Board; the Waterfront Project Team and the Scottish Enterprise Liaison group. In addition, the WGSD also specifies the Attendance, Purpose and Format of the individual project teams who are responsible for activity at a detailed individual site level on each project.

Scope and Objectives

High level review of the governance arrangements in place to manage, monitor and report on the £1 billion waterfront regeneration project.

Conclusion

The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.

The main area highlighted in the report is as follows:

- A review should be undertaken from a Business Continuity perspective of the critical Waterfront Senior Manager role and other key senior Council officer roles with a view to ensuring sustainable appropriate oversight across all Waterfront governance groups and the safeguarding of information and knowledge. Contingency arrangements should then be documented so that, in the event of key staff being unavailable in the future, there is clarity surrounding who will undertake certain roles and responsibilities.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Executive Director of City Development and appropriate action agreed to address the matters raised.

iii) INTERNAL AUDIT REPORT 2020/17

Client	Leisure and Culture Dundee
Subject	Governance Arrangements

Introduction	
<p>Leisure and Culture Dundee (“L&CD”) is a Scottish Charitable Incorporated Organisation (“SCIO”). Established by the Office of Scottish Charity Regulator (“OSCR”) in July 2011 (charity number SC042421), it is an independent Scottish charity with responsibility for the delivery of leisure, sports, library, information and cultural services in Dundee City.</p> <p>Overall strategic direction and control of L&CD is provided through its Board of Trustees. This comprises thirteen members, three of whom are Elected Members from Dundee City Council (“DCC”). The Managing Director and a trustee who is a senior finance officer of DCC are appointed to these roles by DCC. There are eight independent trustees, one of whom holds the position of Chair. The role of Vice Chair is held by one of the DCC appointees. The Board has also appointed one trustee to act as its lead on each of its sub committees – Finance, Health & Safety and Property, and HR and Equalities.</p> <p>The International Federation of Accountants (IFAC) and the Chartered Institute of Public Finance and Accountancy (CIPFA) have together developed the International Framework: Good Governance in the Public Sector (“the Framework”). There have been a number of recent examples of poor governance in the wider public sector which have led to a growing awareness and scrutiny over the need for appropriately robust governance arrangements. The Framework aims to encourage better service delivery and improved accountability by setting out a benchmark of principles in the public sector.</p>	
Scope and Objectives	
High level review of the governance arrangements in place at L&CD against recognised good governance principles.	
Conclusion	
<p><i>The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made</i></p> <p>The main areas commented on in the report are as follows:</p> <ul style="list-style-type: none"> • There is no conflict of interest policy in place at L&CD and the register of interests for Trustees requires to be updated. • A risk management culture at L&CD has not yet been fully embedded. The risk register was last updated more than two years ago and requires updating, along with the Risk Management Policy. • Service Level Agreements and the Memoranda of Understanding are outdated and have not been reviewed recently, and therefore may no longer be fit for purpose. 	
Management Response to the Audit Report	
The audit findings and recommendations were formally reported to the Managing Director and appropriate action agreed to address the matters raised.	

iv) INTERNAL AUDIT REPORT 2020/20

Client	Corporate
Subject	Asset Management

Introduction

Asset management refers to a system whereby an organisation's assets are monitored and maintained. It is the process of operating, maintaining and upgrading assets cost-effectively. Strong asset management is a key part of the Council demonstrating that it provides Best Value through its resources. This includes identifying assets which are surplus to requirements and can be divested, providing an immediate cash inflow as well as generating longer term revenue savings. The ongoing effective management of assets can also lead to improved service to users and reduced operating costs.

The Council has a broad range of assets which include physical assets (such as commercial and non-commercial property, Council housing, land, equipment / IT equipment, plant and vehicles) and intangible assets (such as IT software and licences). Various Council services including Design and Property Services, and Sustainable Transport and Roads (including Corporate Fleet) within City Development, IT Services within Corporate Services and the Housing Asset Management Unit within Neighbourhood Services, have important roles in the overall approach to asset management within the organisation.

Different systems are used to manage, monitor and maintain the Council's assets: City Development use GVA, Neighbourhood Services use Housing Asset Management and Corporate Fleet use Tranman. AIRS, a Logotech system, is used by Corporate Finance for fixed assets including property, infrastructure, vehicles, equipment, community assets, heritage assets, investment property, surplus assets, assets held for sale and assets under construction, as well as intangible assets. It also supports financial management in calculating depreciation charges and asset valuations.

The Council's Corporate Governance Assurance Statement Group is responsible for reviewing and agreeing the Annual Governance Statement Service Self-Assessment Checklist, considering the Local Code of Corporate Governance assessment and agreeing key improvements (as informed by completed Checklists and Local Code of Corporate Governance assessment) that are then included in the Council's Continuous Improvement Agenda. The 2020/21 Continuous Improvement Agenda included the need to update the Corporate Asset Management Strategy. At the time of the audit fieldwork this had not been completed but was being considered by key officers in the Council.

Asset Management is also noted as one of the areas for improvement in the Best Value Assurance Report (BVAR) issued in September 2020. The recommendation notes that a Strategic Asset Management Plan is to be developed, aligned to the financial and strategic service delivery plans.

Scope and Objectives

Review of the governance arrangements in place to manage the acquisition, utilisation and disposal of the Council's key assets.

Conclusion

The principal conclusion drawn from this review is that there are weaknesses in the system that should be addressed.

The main areas highlighted in the report are as follows:

- The "Corporate Asset Management Strategy 2011 - 2015" has not been updated since its expiry in 2015 and, as planned, requires to be updated in line with the BVAR Implementation Plan and Council's Continuous Improvement Agenda. The Strategy document should be reviewed and revised (if required) on a regular basis going forward to ensure the information remains relevant and communicated to each Officer responsible for asset management activities within the Council.

iv) INTERNAL AUDIT REPORT 2020/20 (Cont'd)

Client	Corporate
Subject	Asset Management

Conclusion (Cont'd)

- There is currently no governance group within the Council with overall formal responsibility for ensuring that a holistic and sustainable approach to asset management is achieved. Consideration should be given as to whether an existing group could take on this responsibility or whether a new group is required. Formal Terms of Reference documents should then be updated / complied to reflect these governance arrangements.
- Two of the five Strategic Services tested as part of the fieldwork did not have a formal asset management plan in place as expected. Steps should be taken to address this as soon as possible.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Executive Director of Corporate Services and the Executive Director of City Development and appropriate action agreed to address the matters raised.

v) INTERNAL AUDIT REPORT 2020/22

Client	Corporate
Subject	Project Management

Introduction

Dundee City Council (the "Council") manages a large portfolio of ICT projects to support its services. These projects can be initiated in a number of different ways and can involve stakeholders such as Council service areas; the IT Service itself; government bodies/other councils; and numerous third-party suppliers. This creates a complex environment requiring robust governance to ensure that projects continue to meet the needs established in corporate strategies and plans.

The current IT Strategy, which was approved by the Policy and Resources Committee in February 2019, supports the Council's vision for a 'Digital Dundee'. The main priority for the IT Service is moving the Council on to Cloud based services and technologies wherever possible over a number of years, and the IT Strategy sets out the aim of allowing IT to become a critical business servicing partner rather than a routine support and maintenance service.

The 2020-25 Capital Plan has set aside a provision of £19.54m for forecast expenditure on IT Service Provision to support the IT Strategy, including approximately £13.25m for additional or replacement computer equipment, £1.45m on the Smart Cities Digital/ICT investment project and £1.2m to replace the Citrix software. The Council's current IT infrastructure supports more than 4,000 users in the corporate network and approximately 20,000 users in the curriculum network. In response to the COVID-19 pandemic, additional funding was made available to support, through the provision of devices, a number of Council staff who were required to move to remote working at relatively short notice.

Other recent major ICT projects have included:

- The implementation of Office 365 across the Council in August 2020 closely followed by the roll out of Microsoft Teams and One Drive.
- The relocation of the data centres to Brightsolid in September 2020.

In addition, the Council has rescheduled a planned major refresh of IT server hardware in 2021/22 following the COVID-19 pandemic.

In order for the Council to achieve its vision of a Digital Dundee and for the IT Strategy to be successfully implemented over the next few years, it is imperative that the Council has a robust approach to managing IT projects.

Scope and Objectives

Review of the project management arrangements in place within the Council to ensure the efficient and effective planning, initiation, delivery, monitoring and evaluation of the Council's key ICT projects.

Conclusion

The principal conclusion drawn from this review is that there are weaknesses in the system which should be addressed.

The main areas highlighted in the report are as follows:

- There is no standard project management methodology utilised within the IT Service or the wider Council. As a result, the approach to project management varies across the portfolio of projects. While some of the variations can be attributed to the size and scale of specific projects, some key project management disciplines expected in all projects are absent. A formalised methodology should be developed to outline the minimum expected project management processes and controls required for all major IT projects, alongside guidance to be used for projects requiring heightened levels of governance. It was noted as part of the audit fieldwork, however, that two recent IT projects delivered during the COVID-19 pandemic that did not have full formal project management governance arrangements in place, were successfully delivered within the timescales expected.

v) INTERNAL AUDIT REPORT 2020/22 (Cont'd)

Client	Corporate
Subject	Project Management

Conclusion (Cont'd)

- The Council has not undertaken a skills assessment to identify employees who have project management qualifications and / or training, and project managers who are not qualified or trained. Although the project managers identified in audit testing had adequate project management experience, they were primarily appointed based on technical knowledge. Projects do not include a capacity analysis at the outset to determine whether the project manager and wider team have capacity to successfully deliver project management responsibilities in addition to any business as usual workloads. A skills analysis should be carried out to help identify any gaps within the organisation that need to be addressed and a capacity assessment should be carried out at the initiation phase of all projects to help ensure sufficient, sustainable capacity is available to successfully deliver the project and ensure project management disciplines are upheld.
- Governance arrangements, including the establishment and operation of a dedicated project board, vary between projects. This inconsistency results in variable oversight and increases the risks that individuals involved in managing and delivering projects are not accountable. All major IT projects should have a dedicated project board, which should have a formalised role in governing the project from initiation through to implementation, by monitoring progress and managing / mitigating corresponding risks.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Executive Director of Corporate Services and appropriate action agreed to address the matters raised.

vi) INTERNAL AUDIT REPORT 2020/23

Client	Construction Services
Subject	Follow-up Review of Sub-contractors (2nd Follow-up)

Introduction

As part of the planned internal audit work, a follow-up review of the outstanding recommendations from Internal Audit Report 2015/30, Sub-contractors, was undertaken. A previous follow up audit was completed with progress at that stage reported in Internal Audit Report 2017/26 in January 2019.

The original internal audit report concluded that there were significant weaknesses in the system which must be addressed. At the time of the follow up audit, it was noted that, whilst some action had been taken to strengthen the control weaknesses highlighted in the original review, there were still some recommendations which required to be implemented by management. The main outstanding areas highlighted in the follow-up report were as follows:

- The Corporate Procurement Team (CPT) has identified appropriate existing public sector frameworks for the procurement of sub-contractors for some trade disciplines (workstreams), and Construction Services has been guided to utilise them. In respect of workstreams where there are no appropriate existing public sector frameworks available to utilise, the CPT together with Construction Services management, has considered and prioritised these from a local framework / contract development perspective. For each of the highest priority workstreams, it is envisaged that frameworks will be in place by the beginning of the new financial year (2019/20). A number of these are currently progressing with tender opportunities published and / or closing dates approaching. In the interim, both prior to, and as part of, the development of these frameworks, there has been a significant amount of work carried out between Construction Services and the CPT to move towards achieving an appropriate compliant route to market. The CPT on behalf of Construction Services has been utilising the Public Contracts Scotland portal to procure sub-contractors, more specifically utilising the Quick Quote system where spend is under £50,000 and the open tenders process for spend above this value. This has reduced the risk of legal challenge and associated financial penalties.
- The CPT is currently reviewing the evaluation and quality assessment processes in conjunction with Construction Services, with revised guidance and procedures being developed for staff in both services to use to ensure that best practice is followed.

Scope and Objectives

To assess whether or not the outstanding recommendations from the first follow up audit (2017/26) had been implemented within the revised agreed timescales.

Conclusion

The principal conclusion drawn from the follow-up work undertaken is that, whilst some action has been taken to strengthen the control weaknesses highlighted in the original and first follow-up reviews, there are still some recommendations which require to be implemented by management.

The main area where action agreed by management is still outstanding is as follows:

- From a framework development perspective, for the 21 highest priority workstreams identified at the time of the first follow-up, frameworks are in place for 10, specifications are being developed by the CPT for a further 3 and, to date, work has not started on the frameworks for the remaining 8, although sub-contractors are being procured compliantly for the workstreams where frameworks are not in place, via the Quick Quote process. In overall terms, including the highest priority workstreams, from a total of 48 workstreams that have been identified as requiring a framework, frameworks are in place for 24, work is in progress for a further 6 and, to date, work had not started on the frameworks for the remaining 18. Progress has been delayed due to the deployment of some CPT staff to assist the Council in its response to the Covid-19 pandemic.

vi) INTERNAL AUDIT REPORT 2020/23 (Cont'd)

Client	Construction Services
Subject	Follow-up Review of Sub-contractors (2nd Follow-up)
Management Response to the Audit Report	
The audit findings and recommendations were formally reported to the Executive Director of Corporate Services and the Executive Director of Neighbourhood Services and appropriate action agreed to address the matters raised.	

vii) INTERNAL AUDIT REPORT 2020/25

Client	Corporate Services
Subject	Cyber Security

Introduction

The Council experienced a number of attempted cyber-attacks during 2015-16 and as a result has invested in measures since then to reduce the risk of future attacks. This risk has escalated further during the COVID-19 pandemic as the number of known cyber-related incidents has increased significantly across all organisations, particularly as significant numbers of staff have moved to remote working and are following new processes and controls.

In November 2017 the Scottish Government developed a public sector action plan which aimed to ensure that all of Scotland's public bodies have a common baseline of good cyber resilience and that all digital public services are both safe and secure. The action plan, which was developed by the National Cyber Resilience Leaders Board ("NCRLB") and the National Cyber Security Centre, included a commitment to developing a framework for supporting public sector organisations to improve their overall cyber resilience arrangements. Subsequently, in January 2020 the Scottish Public Sector Cyber Resilience Framework was published which encouraged all organisations, including the Council, to achieve a level of implementation that best aligned with their organisational circumstances. This publication came before the COVID-19 pandemic however.

The NCRLB has emphasised that cyber resilience is as much a cultural and social issue as a technical and economic one. The Council is, therefore, required to manage the threat of a cyber-attack, primarily through setting an appropriate leadership tone and approach through the Council Management Team.

Unauthorised access to sensitive data and systems can be gained through weaknesses in both people and processes, in addition to technology vulnerabilities. Inadequate cyber security management can result in disclosure of confidential data and violation of data protection legislation, which risks legal sanctions, including significant fines and reputational damage. The leadership and governance of IT services at the Council, including cyber security arrangements, is critical in not only setting the agenda, the budget and prioritising workforce resources but also in continuing to drive positive changes at all levels of the Council.

Public sector institutions, which hold significant quantities of sensitive data and are heavily reliant on resilient IT services, need to ensure that they have effective governance structures in place to monitor, mitigate and manage the increasing threat of cyber-related incidents.

Scope and Objectives

Review of the arrangements in place within the Council to ensure that cyber-crime and other associated security risks are appropriately mitigated. The focus of the review was to conduct an internal audit over two key elements of the Council's Cyber Security arrangements, Leadership and Governance, and Human Factors. More specifically to:

- Conduct a review over the leadership and governance arrangements across the Council in relation to Cyber Security; and
- Conduct an assessment over the 'human factors' in place at the Council to provide a view on whether an appropriate security culture exists. This has included an assessment of capabilities, skills, training and awareness.

Conclusion

The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.

The main area commented upon in the report is as follows:

vii) INTERNAL AUDIT REPORT 2020/25 (Cont'd)

Client	Corporate Services
Subject	Cyber Security
Conclusion (Cont'd)	
<ul style="list-style-type: none"> • Cyber security policy training is mandatory for all corporate network users that join the Council, but compliance against this is not monitored and there are no refresher courses. Optional training on cyber attacks and phishing emails is available to all staff via supplementary guidance, but this does not form part of the mandatory training. Furthermore, there is no training needs analysis carried out that documents staff training requirements across the IT Service and the wider organisation. The Council should conduct a training needs analysis across the IT Service to understand and formally document what level of IT Security training is required for staff with different access levels and responsibilities (including the IT Security Manager). The Council should also review the mandatory Cyber Security Training and ensure that phishing, hacking and cyber-incident response guidance is included as part of the course. 	
Management Response to the Audit Report	
The audit findings and recommendations were formally reported to the Executive Director of Corporate Services and appropriate action agreed to address the matters raised.	

viii) INTERNAL AUDIT REPORT 2020/26

Client	Corporate
Subject	Tay Cities Deal

Introduction

The Tay Cities Region Deal (“the Deal”) is a programme of investment to deliver economic growth across the region. The Tay Cities partnership comprises Dundee City, Angus, Perth and Kinross and Fife councils; the Higher and Further Education sectors; the business sector; the region’s third sector interface bodies; Scottish Enterprise and Skills Development Scotland.

The Scottish and UK governments have each agreed to invest up to £150 million in the Deal. This investment has the potential to secure over 6,000 quality jobs and generate £400 million of investment over 15 years. It will enable the region to “empower and promote inclusion”, “innovate and internationalise” and “connect”. The Deal was signed on 17 December 2020.

The Deal’s governance arrangements enable decisions to be taken in an open and transparent way, for the whole of the Tay Cities region. The Joint Committee, established by local authority partners in 2017, is the ultimate regional decision-making body for the Deal. This is supported by the Tay Cities Management Group, Finance Directors Group and five Thematic Boards (TBs), more specifically Skills, Transport, Digital, Culture and Tourism and Innovative and International.

The Council is the Accountable Body and Lead Authority for the Deal. All grant funding from Government is channelled through the Accountable Body and it has the authority to hold to account any members of the bodies within the governance structure or projects, should they present a risk to the overall programme. It is important that established governance structures are designed and operating as intended at this stage of the Deal to ensure effective, timely decision making. The Programme Management Office (PMO) is a team of officers currently employed by Dundee City Council as the Lead Authority to coordinate the operational tasks needed to implement the delivery of the Deal, although other officers may be seconded from other partnership areas. The Programme Manager is appointed by the Management Group and works under its direction. In particular, the PMO has the role of facilitating the scrutinising of proposed business cases, reporting to the Joint Committee and assessing and monitoring progress.

Scope and Objectives

Review of governance arrangements in place for the Tay Cities Region Deal.

Conclusion

The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.

The main areas commented upon in the report are as follows:

The Deal was formally signed in December 2020 and the internal audit took place towards the end of the financial year 2020-21 so it is recognised that the delivery of the Deal remains in relative infancy. Through all stakeholder discussions held it has been noted that there has been consistent and positive feedback regarding the overall governance arrangements in place, and particularly in relation to the role played by the PMO in its approach and responsiveness.

There are some routine areas for consideration that Internal Audit has raised, to further strengthen the governance arrangements in place for the Tay Cities Region Deal including:

- Enhancing the role of the TBs by formalising the requirement for them to engage with the projects earlier. This can be done by inviting lead individuals from each Project / Programme / Fund to the meetings of the TBs at the initial stages of creating business cases, obtaining their input throughout the Decision Pathway, and then providing ongoing updates during the delivery and monitoring phase.

viii) INTERNAL AUDIT REPORT 2020/26 (Cont'd)

Client	Corporate
Subject	Tay Cities Deal
Conclusion (Cont'd)	
<ul style="list-style-type: none"> Documenting the roles and responsibilities of the Project Owners, PMO, Section 95 Officer and Governments in relation to processing, reviewing and approval of grant claims, including the process for challenging, escalating and investigating any exceptions. 	
Management Response to the Audit Report	
<p>The audit findings and recommendations were formally reported to the Executive Director of City Development and the Executive Director of Corporate Services and appropriate action agreed to address the matters raised.</p>	

ix) INTERNAL AUDIT REPORT 2020/29

Client	Children and Families Service
Subject	Incident Management

Introduction

The Council has responsibilities under the Health and Safety at Work etc Act 1974 and the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR 2013) to record, review, investigate and report on Health and Safety incidents. These statutory instruments are supplemented by the Management of Health and Safety at Work Regulations 1999 and corresponding guidance from the Health and Safety Executive (HSE).

Health and safety is about preventing people from being harmed by, or becoming ill through, work. All employees are responsible for reporting health and safety incidents at work, including near-misses where someone could have been harmed.

Certain incidents, such as an accident which results in death or a specific serious injury, for example, an injury likely to lead to permanent loss of sight or reduction in sight, or accidents that prevent the injured person from continuing their normal work for more than 7 days, must be reported to the HSE within 15 days of the accident. In terms of school pupils, if the incident results in death or injury and arose out of, or in connection with, a work activity and the person is taken directly from the scene of the accident to hospital for treatment, then a report should be submitted to the HSE.

The Council has developed a corporate Health and Safety Toolkit, which includes sections on "Accidents and Dangerous Occurrences" and "Inspections and Audit". The toolkit is supported by the Council's Health and Safety Policy Framework, which requires each service to put in place, tailored, formal, local arrangements. The Children and Families Service has developed its framework accordingly.

The Children and Families Service covers a wide range of activities, including pre-school, primary and secondary schools and services for children with additional support needs, as well as responsibilities for community justice services and children's social work services. These activities are delivered within a wide range of settings to children of all ages.

Within the Health and Safety Toolkit, Section 5 – Inspections and Audit there are a number of high-risk sites within the Council and these sites are required to undertake a Health & Safety inspection on an annual basis. High risk sites specific to the Children and Families Service include all secondary schools and Kingspark School.

Scope and Objectives

High level review of the arrangements in place to manage health and safety incidents within the Children and Families Service, including investigation and reporting procedures.

Conclusion

The principal conclusion drawn from this review is that there are weaknesses in the system which should be addressed.

The main areas highlighted in the report are as follows:

- The C&F Health & Safety (H&S) Policy and Management Framework document should be reviewed and revised, to ensure that the amendments made to the Council's H&S Policy and Management Framework 2020 document are adequately reflected. As part of this exercise, consideration should be given to how best to comprehensively reflect the processes and procedures to be followed within Community Justice Services and Children's Services.

ix) INTERNAL AUDIT REPORT 2020/29 (Cont'd)

Client	Children and Families Service
Subject	Incident Management

Conclusion (Cont'd)

- Education and Community Justice Services and Children's Services should follow the same processes in terms of H&S and Violence and Aggression (V&A) reporting and, in order to ensure that incidents are accurately and consistently reported, procedures should clearly explain the circumstances in which V&A and H&S Incident reports should be made. In addition, cross checks should be carried out to assist in minimising the risk of under recording / reporting.
- To assist in ensuring that all Children and Families establishments are aware of the H&S records they are required to compile and maintain, as well as the actions they are required to carry out, standardised up to date documentation should be issued to all establishments along with detailed guidance surrounding what needs to be carried out and by who. Checks should also be carried out centrally to ensure that H&S requirements are being met.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Executive Director of Children and Families and appropriate action agreed to address the matters raised.

x) INTERNAL AUDIT REPORT 2020/30

Client	Corporate
Subject	Attendance Management

Introduction

The Council's 'Our People and Workforce Strategy' sets out the ambitions and strategic direction for transforming the Council workforce over the three-year period between 2019-22, and this aligns with the overall corporate strategy to ensure a consistent and integrated approach. The People and Workforce Strategy is built on four key themes: Equality, Diversity and Fairness; Enhancing Leadership, Managing our People; and, Developing Our People. Supporting attendance is a priority for the Council to ensure service delivery and minimise the impact of absenteeism. This forms a key part of the theme of 'Managing Our People' within the People and Workforce Strategy.

The Council strives to improve the health and wellbeing of its staff at the same time as recognising that, on occasion, individuals may require to be absent from work. It is important to ensure that staff returning from a leave of absence are encouraged and supported in their return to work.

The Council has developed and implemented a Health and Wellbeing policy on Promoting Health and Attendance. This is supported by the 'Our People Charter' that outlines the Council's responsibility to promote health and wellbeing. There are also several guidance documents that support the Council's Health and Wellbeing policy on Promoting Health and Attendance, including Attendance Support, Phased Return to Work, Managing Stress in the Workplace and Health and Safety. In response to the COVID-19 pandemic, beginning in March 2020, ways of working significantly changed with the majority of staff now working remotely. Working from home has also resulted in personal circumstances (such as living arrangements and family responsibilities) becoming a new important factor to consider from a health and wellbeing perspective when assessing someone's ability to work.

The Council's corporate Promoting Health and Attendance Policy and suite of supporting guidance have been developed by Corporate Services', Human Resources and Business Support Service. It is the responsibility of all employees and managers within each service to comply with the policy and guidance.

The Council currently employs in the region of 7,000 employees over six strategic service areas, including Leisure and Culture Dundee and Dundee Health and Social Care Partnership. The average number of Sickness Absence Days per Employee (non-teacher) for 2018/19 was 12.94 (as per the Local Government Benchmarking Framework report reported to the Scrutiny Committee in June 2020). The rate for teachers in the same financial year was 7.28 days. The Scottish average is 11.49 and 6.21 days respectively.

Scope and Objectives

Risk based review of the arrangements in place within services to ensure compliance with the Council's Policy on Promoting Health and Attendance and suite of supporting guidance.

Conclusion

The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.

The main area commented upon in the report is as follows:

- Whilst there are a number of absence reports collated at a Council-wide level by HR for the Council Management Team and the Absence Management Short Life Working Group to analyse and monitor, there is currently no similar service-level reporting and analysis carried out. To help the Council to timeously identify and address service specific absence trends or spikes going forward, service-level reports should be generated and analysed on a quarterly basis.

x) INTERNAL AUDIT REPORT 2020/30 (Cont'd)

Client	Corporate
Subject	Attendance Management
Management Response to the Audit Report	
The audit findings and recommendations were formally reported to the Executive Director of Corporate Services and appropriate action agreed to address the matters raised.	

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