

REPORT TO: SCRUTINY COMMITTEE – 29 JUNE 2016
REPORT ON: KPMG INTERIM MANAGEMENT REPORT FOR YEAR ENDED 31 MARCH 2016
REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES
REPORT NO: 234-2016

1 PURPOSE OF REPORT

To submit to Members of the Scrutiny Committee the Interim Management Report for the year ended 31 March 2016 prepared by the Council's External Auditor, KPMG.

2 RECOMMENDATIONS

Members of the Committee are asked to note KPMG's report and to approve the agreed management actions in response to KPMG's recommendations.

3 FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report. Any costs associated with implementing KPMG's recommendations will be contained within existing budgets.

4 MAIN TEXT

4.1 The report summarises the findings from KPMG's interim management review of the Council for the year ended 31 March 2016. These findings have been discussed with management and an agreed action plan in respect of recommendations made by KPMG is included as an appendix to the report. The implementation of the agreed management actions will be monitored by both the Council and by KPMG, with progress being reported to elected members in due course.

4.2 The External Auditor will prepare a final report to members for the year ended 31 March 2016, following the audit of the financial statements. This report will be submitted to elected members later in 2016.

5 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6 CONSULTATIONS

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

7 BACKGROUND PAPERS

None.

MARJORY M STEWART
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

20 JUNE 2016



cutting through complexity

Dundee City Council

Interim management report and audit status summary

For the year ended 31 March 2016

8 June 2016

For scrutiny committee consideration on 29 June 2016

Contents



1. INTRODUCTION



2. SIGNIFICANT RISKS AND OTHER FOCUS AREAS



3. CONTROL FRAMEWORK



5. APPENDICIES

About this report

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland's *Code of Audit Practice* ("the Code").

This report is for the benefit of Dundee City Council ("the Council") and is made available to Audit Scotland and the Controller of Audit (together "the Beneficiaries"). This report has not been designed to be of benefit to anyone except the Beneficiaries. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Beneficiaries, even though we may have been aware that others might read this report. We have prepared this report for the benefit of the Beneficiaries alone.

Nothing in this report constitutes an opinion on a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the introduction and responsibilities section of this report.

This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the Beneficiaries) for any purpose or in any context. Any party other than the Beneficiaries that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Beneficiary's Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Beneficiaries.

Complaints

If at any time you would like to discuss with us how our services can be improved or if you have a complaint about them, you are invited to contact Hugh Harvie, who is the engagement leader for our services to the Council, telephone 0131 527 6682 email: hugh.harvie@kpmg.co.uk who will try to resolve your complaint. If your problem is not resolved, you should contact Alex Sanderson, our Head of Audit in Scotland, either by writing to him at Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG or by telephoning 0131 527 6720 or email to alex.sanderson@kpmg.co.uk. We will investigate any complaint promptly and do what we can to resolve the difficulties. After this, if you are still dissatisfied with how your complaint has been handled you can refer the matter to Russell Frith, Assistant Auditor General, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN.

Purpose of document

In line with our audit strategy we have completed an interim audit. Key activities performed were the testing of a selection of system controls and holding discussions with management to update our understanding and our assessment of the key risks and audit focus areas.

This report provides the scrutiny committee with an update on:

- significant risks and other focus areas (pages three and four); and
- the results of the control framework testing, encompassing overarching governance and systems controls (pages five to eight).

Significant risks and other focus areas in relation to the audit of the financial statements

The significant risks identified are:

- fraud risk from income recognition;
- fraud risk from management override of controls; and
- financial position.

The other focus areas identified are:

- transport infrastructure assets;
- provisions; and
- retirement benefits.

Wider scope responsibilities: audit dimensions

As introduced in the audit strategy document, we consider the Code of Audit Practice 2016 audit dimensions during the audit. The audit dimensions are financial sustainability, financial management, governance and transparency and value for money. From the interim audit we consider the following matters warrant consideration under the wider scope audit dimensions:

Financial sustainability and financial management – uncertainty over future funding and the need for robust medium to long term financial forecasting. We will extend our audit work in respect of the “financial position” risk to address this and set out our findings in the annual audit report.

Governance and transparency – following the formation of the Dundee Health and Social Care Partnership there are new governance arrangements within the Council, which we will consider and set out our findings with regards to adequacy of in the annual audit report. In addition, the Audit Scotland assessment of the Council’s public performance reporting (‘PPR’) highlighted some areas for further information to be provided. We will consider progress with PPR reporting and set out our findings in the annual audit report.

We outline below the significant risks and other focus areas included within the audit strategy document, together with an update from the interim audit.

RISK	WHY	UPDATE FROM STRATEGY
Fraud risk from management override of controls	Professional standards require us to communicate the fraud risk from management override of controls as a significant risk; as management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	<p>We performed controls testing over expenditure, bank reconciliations, budget monitoring and general IT controls. The results of the testing are set out on page seven onwards. We did not identify instances where management override of control had occurred.</p> <p>Substantive procedures will be performed during the year end audit, including testing journal entries throughout the year, assessing accounting estimates and significant transactions that are outside the organisation's normal course of business, or are otherwise unusual.</p>
Financial position	<p>With higher demand for services coupled with budget reductions and public reform, financial position is of key importance to local authorities.</p> <p>In 2014-15 the Council recorded an accounting deficit of £36.4 million in the comprehensive income and expenditure account. The net movement on the useable funds balance was an increase of £1.6 million, while uncommitted general fund balances remained at £5.0 million. The Council reported an underspend on cost of services against budget for services of £8.4 million.</p> <p>In benchmarking undertaken by Audit Scotland from analysis of the 2014-15 unaudited financial statements of Scotland's 32 local authorities, Dundee City Council had a movement in total useable reserves just above the average movement. The carried forward usable revenue reserves as a proportion of revenue were the third lowest in Scotland</p>	<p>We performed controls testing over the budgeting process, including the monitoring of revenue and capital budgets. Discussion with management confirms that the financial sustainability of the Council remains a challenge, with grant funding cuts of 4% confirmed for 2016-17.</p> <p>At the final audit we will perform substantive analytical procedures over income and expenditure comparing the final position to budget. We will also understand management's plans and strategies to manage the business within future funding allocations. We will consider the medium to long term financial forecasting.</p> <p>We will consider management's capital monitoring reports and provide commentary on the progress of the capital budget and impact on the capital limits and associated borrowing during the year.</p>
Fraud risk from income recognition	Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. We consider the fraud risk from recognition of other income to be significant. Other income relates primarily to sales or service income, and therefore we consider there to be potential judgement in recognising this income.	<p>Controls testing over higher level controls are set out on page seven.</p> <p>Substantive procedures will be performed during the year end audit. We will consider each source of income and analyse results against budgets and forecasts, performing substantive analytical procedures and tests of details.</p>

FOCUS AREA	WHY	UPDATE FROM STRATEGY
Transport Infrastructure Assets	<p>The 2016-17 Code will adopt requirements of the Code on transport infrastructure assets (“the transport code”), which requires measurement of these assets on a depreciated replacement cost basis.</p> <p>This will represent a change in accounting policy from 1 April 2016. Local authorities are advised to have implemented a robust project plan through 2015-16 to ensure preparedness for the requirements of the 2016-17 code.</p>	<p>We will consider the Council’s plan to meet the requirements of the transport code during our year end audit. We will evaluate the extent to which management is prepared for the change in accounting policy.</p>
Provisions	<p>Whilst the Council does not operate landfill sites or coal mines, Tayside Contracts Joint Committee operates quarries which carry obligations for rectification. Management of both the council and Tayside Contracts Joint Committee should review whether appropriate provisions are held for this required expenditure.</p> <p>Following a European Court of Justice ruling in May 2014, employers are required to pay holiday pay to staff at a rate commensurate with any commission or over time that they regularly earn, instead of at their basic pay level. Following legal advice, management has implemented actions to mitigate the impact of the legislation. In common with all impacted employers, the Council will consider if there is a contingent liability that requires disclosure as at 31 March 2016.</p>	<p>We discussed the holiday pay, equal pay and landfill site provisions with management. Based on these discussions, the previous year’s audit work and our current understanding, we do not expect these areas to have a material impact on the financial statements. We will remain alert to any legislative changes and consider the Council’s position in detail as part of our year end procedures.</p> <p>We have requested that management prepares a paper outlining its position in respect of these areas, to be considered during our year end audit. We will challenge and assess the judgements applied as at the year end and review recognition of any provisions or disclosures of contingent liabilities.</p>
Retirement benefits	<p>The Council accounts for its participation in the Tayside Pension Fund in accordance with IAS 19 Retirement benefits, using a valuation report prepared by actuarial consultants.</p> <p>The Council’s actuaries use membership data and a number of assumptions in their calculations based on market conditions at the year end, including a discount rate to derive the anticipated future liabilities back to the year end date and assumptions on future salary increases.</p> <p>IAS 19 requires the discount rate to be set by reference to yields on high quality (i.e. AA) corporate bonds of equivalent term to the liabilities. The calculation of the pension liability is inherently judgemental.</p>	<p>All audit procedures will be performed during our year end audit. Prior to the fieldwork we will request the agreed assumptions from management to facilitate consideration and benchmarking by our internal actuaries.</p>

Overarching and supporting governance arrangements remain primarily unchanged and provide a solid framework for decision-making. The work of internal audit continues to provide assurance over the key risks identified in the corporate register, while the Risk Information Management System is used to monitor and manage risks on an ongoing basis.

Test	Description	Results
Organisational policies	We reviewed a sample of key policies available to staff via the intranet and found the content to be appropriate and the policies to be easily accessible to employees on the intranet. The helpline for employees (whistleblowing policy) could be made more prominent within the staff resources section of the intranet.	Satisfactory - no exceptions.
Registers of interests	<p>Separate registers of interest exist for elected members and senior officers. The elected members' register of interests is updated every six months and the declaration of members' interests is the first item on the agenda for all Council and committee meetings. Senior officers are expected to inform the Head of Democratic and Legal Services of any changes in-between updates of the senior officers register of interests. Should a senior officer have an interest to declare in an item of business coming before the Council or a committee they are required to declare this interest at the meeting and leave the room while the item is being considered.</p> <p>We reviewed the elected members registers of interests to confirm that all registers are up to date, and will verify if related party transactions are appropriately disclosed in the financial statements during year end procedures. We will review the senior officers register of interests as part of year end audit procedures.</p>	Satisfactory - no exceptions.
Procurement policy	We reviewed the procurement policy for reasonableness and confirmed that payment cannot be made to new suppliers without authorisation from procurement. Internal audit is conducting a review of procurement processes and we will consider the finding of this report once complete.	Satisfactory
Corporate risk register	<p>Management is continuing to review risk management arrangements to provide assurance to elected members over the mitigation of identified risks.</p> <p>The Council's risk management strategic plan was approved by the policy and resources committee in June 2013 and includes a broad description of the Council's risk appetite.</p> <p>The corporate risk register was last updated and approved by the scrutiny committee in June 2014. Following this, the Council introduced the Covalent performance and risk management software. As part of the implementation of the new system, management has reviewed the risk register format which is in the process of being agreed. It is intended that frequent updates of the corporate risk register will be presented to the scrutiny committee once the new format has been agreed.</p>	<p>The scrutiny committee has not received an update on the risk register since June 2014.</p> <p style="text-align: right;">Recommendation one</p>

Control framework

Governance arrangements (continued)

Test	Description	Results
Internal audit	We reviewed the reports of internal audit as presented to the scrutiny committee to consider if there are risks identified with key business processes which might result in amendments to our approach. We will continue to consider internal audit findings as the audit progresses and place reliance where appropriate.	Satisfactory. No additional risk areas identified through review.
Charitable trusts	All charitable trust funds registered with the Office of the Scottish Charity Regulator (“OSCR”) will require an audit. In the prior year, the Council prepared two sets of registered charity accounts, the Dundee City Council Charitable Trusts (containing 29 charitable funds) and the Lord Provost of Dundee Charity Fund. Management has initiated a process to re-organise the charitable funds, however, it is not anticipated that this process will be completed by 31 March 2016.	Satisfactory - we will audit the financial statements of the Dundee City Council Charitable Trusts and the Lord Provost of Dundee Charity Fund for the year ending 31 March 2016, in July 2016. This will be reported to the Council's scrutiny committee.
National Fraud Initiative (NFI)	We submitted a return to Audit Scotland in February 2016, assessing management’s participation in the NFI against Audit Scotland criteria. The NFI process has improved since the June 2015 NFI return as a result of internal audit taking the lead on the process and developing an action plan.	Satisfactory - overall engagement with NFI is good, no exceptions identified.
Integration of health and social care	<p>The Integration Joint Board (“IJB”) has met regularly since establishment. Strategic plans are required to be submitted to Scottish Ministers by 1 April 2016; these are currently in draft and are expected to be approved by the board at the next meeting. The first budget for the year ended 31 March 2017 will not be approved prior to 1 April 2016.</p> <p>First year financial statements will be required to be prepared for the IJB, in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015-16, the Local Authority Accounts (Scotland) Regulations and any other guidance need to be met. The IJB chief finance officer will be responsible for the preparation of these financial statements.</p>	<p>Satisfactory - we will audit the financial statements of the IJB for the year ending 31 March 2016, in July 2016.</p> <p>We will report to the IJB, along with reporting progress to the Council’s scrutiny committee.</p>
Medium term financial planning	There is no long term financial budget information presented to the council or committees. A medium term financial outlook was set on 11 January 2016 and agreed by the policy and resources committee. This sets out some context for the year 2016-17 including the anticipated cuts in the local government grant settlement. Management have internal projections for income and expenditure. These take into account known changes, estimates for inflation, anticipated cost pressures and future levels of government funding. Looking forward there is scope for improvement in terms of longer term financial budgeting and planning. There are uncertainties, however, scenario planning and risk analysis would help the council to produce meaningful financial plans beyond one year. These should receive appropriate scrutiny by being presented to the policy and resources committee. There is a risk that future cost pressures are not identified and understood by members in a timely manner as they are not presented with a longer term budget.	Looking forward there is scope for improvement in terms of longer term financial budgeting and planning. There are uncertainties, however, scenario planning and risk analysis would help the council to present meaningful financial plans beyond one year to the policy and resources committee.

Recommendation two

Where an audit objective has a controls approach, we updated our understanding of accounting and reporting activities over each significant account, identified and tested key financial controls. We evaluated the design and implementation of these controls and, where appropriate, tested the operating effectiveness. Our audit does not seek to test all transactions or controls established by management; testing of the design and operation of key financial controls is for the purposes of the financial statements audit only.

Test	Description	Results
Payroll exception reporting	We reviewed two months' payroll exception reports to confirm evidence of investigation and explanation of variances. These were also checked for appropriate levels of review and approval.	Satisfactory - no exceptions.
Journals authorisation	<p>Management perform a review of a statistical sample of journals each quarter. A sample of journals posted in the quarter are selected and emailed to all staff members who are able to post journal entries. Staff must then produce supporting documentation and explanations for the journals selected so that this can be reviewed for appropriateness.</p> <p>We found that supporting documentation is not adequately collated and evaluated to allow this control to prevent and detect fraud or error.</p> <p>Automated journal controls ensure that one-sided journals, out of balance journals, and journals to a closed period cannot be posted. Our testing found that these controls were operating effectively.</p>	<p>The control is designed appropriately, however, we found that the implementation of the control was not effective.</p> <p>Recommendation three</p>
Budget monitoring	<p>The Council has a robust budget setting process, with involvement from various key members of staff.</p> <p>Performance against budget is monitored on a regular basis and formally reported to the policy and resources committee via the budget monitoring reports.</p> <p>Our testing confirmed that budget monitoring arrangements are designed, implemented and operating effectively.</p>	Satisfactory - no exceptions.
Bank reconciliations	<p>Reconciliations for key bank accounts are carried out weekly or monthly depending on the level of transactions.</p> <p>We reviewed two months' bank reconciliations to ensure these were appropriately prepared and reviewed.</p>	Satisfactory - no exceptions.

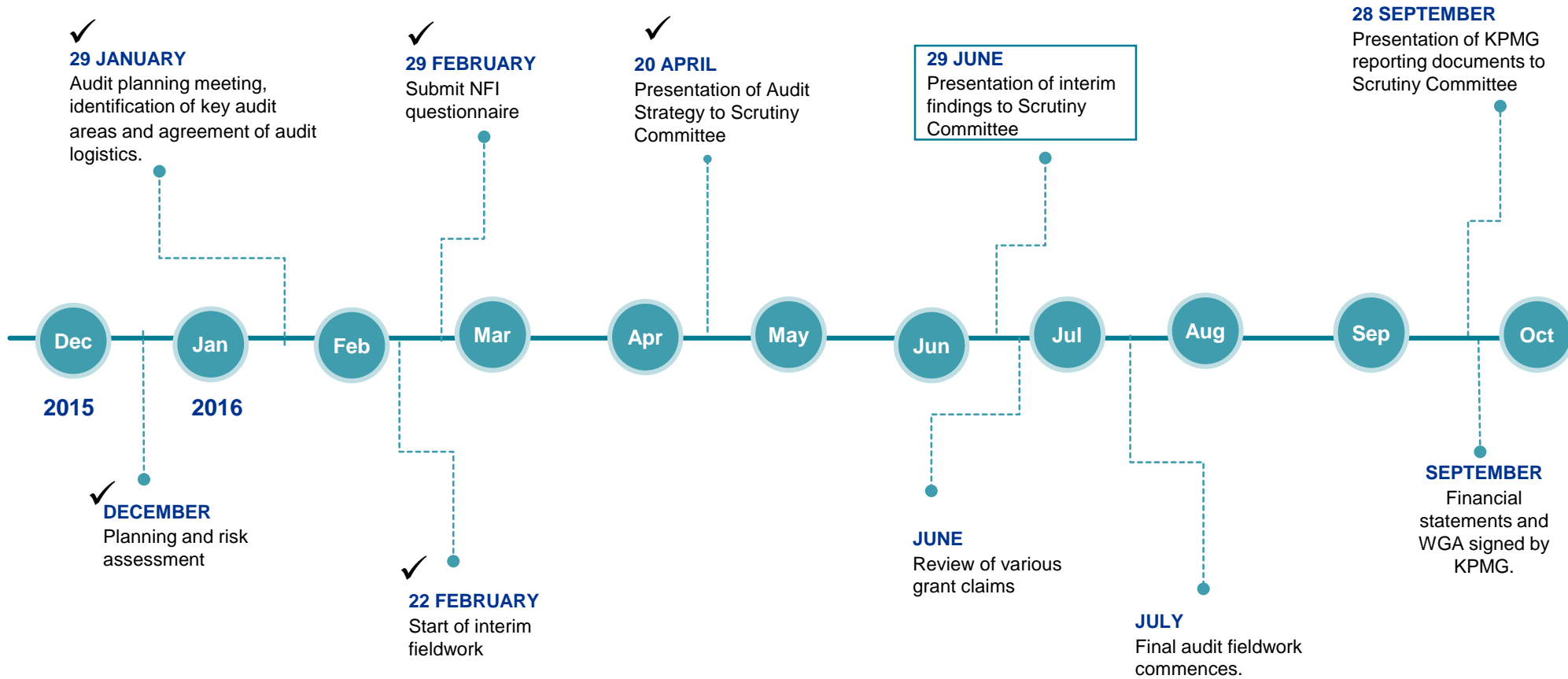
Control framework

Systems controls (continued)

Within the Civica Financials, Resource link aurora and Northgate system, we test the operation of general IT controls to obtain comfort that these are operating effectively and can not be circumvented through human error or deliberate manipulation. The testing of the general IT controls, as described below, allows us to rely on automated controls tested below for the purposes of our audit.

Test	Description	Results
General IT controls	<p>For all systems relative to our audit we performed general IT controls testing:</p> <ul style="list-style-type: none"> ■ programme changes were authorised and requested by the appropriate people; ■ user access was authorised over starters, leavers and amendments; and ■ appropriate users were assigned system administrator user access. <p>Our testing highlighted areas of weakness in the timely removal of leavers and the documentation of authorising new users to the Civica system.</p> <p>Minor weaknesses were identified over system administrator access for Northgate system.</p> <p>Controls tested in relation to resource link aurora were found to be operating effectively.</p>	<p>Satisfactory – improvements to controls have been identified to support best practice.</p> <p style="text-align: center;">Recommendation four and five</p>
Journal system testing	<p>We tested the system to confirm that:</p> <ul style="list-style-type: none"> ■ unbalanced journals cannot be processed; ■ journals are automatically and sequentially numbered; and ■ journals to a closed out period could not be posted. 	<p>Satisfactory – no exceptions.</p>

Appendices



Priority rating for recommendations

Grade one (significant) observations are those relating to business issues, high level or other important internal controls. These are significant matters relating to factors critical to the success of the Council or systems under consideration. The weaknesses may therefore give rise to loss or error.

Grade two (material) observations are those on less important control systems, one-off items subsequently corrected, improvements to the efficiency and effectiveness of controls and items which may be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified.

Grade three (minor) observations are those recommendations to improve the efficiency and effectiveness of controls and recommendations which would assist us as auditors. The weakness does not appear to affect the availability of the control to meet their objectives in any significant way. These are less significant observations than grades one or two, but we still consider they merit attention.

Finding(s) and risk(s)

Recommendation(s)

Agreed management actions

1 Risk register

Grade two

The Council's risk management strategic plan was approved by the policy and resources committee in June 2013 and includes a broad description of the Council's risk appetite.

Management is continuing to review risk management arrangements as part of the implementation of the Covalent performance and risk management software. As a result the scrutiny committee has not been presented with the corporate risk register since June 2014.

There is a risk that the register is out of date, not used as an appropriate tool to drive controls and actions which mitigate existing risks and that the process is not subject to appropriate scrutiny or oversight.

Management should ensure that:

- a timetable and plan to update the risk register, involving the council management team and key business area representatives is developed and approved by the scrutiny committee (by September 2016)
- The full risk register, once updated, is presented to the scrutiny committee (by December 2016).
- Arrangements for the ongoing review and monitoring of the risk register, including scrutiny committee role and design of reporting updates are agreed by committee (by October 2016)

We note that internal audit plan to complete a review of risk management arrangements as part of the 2016-17 internal audit plan.

Recommendations to be implemented.

Responsible officer(s): Service Manager – Community Safety and Resilience

Implementation date: As per recommendations.

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
2 Medium term financial strategy		
<p>There is no long term financial budget information presented to the council or committees. The key aspects of a medium term financial strategy have been set out, however, there is a risk that future cost pressures are not identified and understood by members in a timely manner as they are not presented with a longer term budget.</p>	<p>Management have income and expenditure forecasts to help aid their financial planning. Management should use these to present a three year budget based on current year budget, updated for known changes to income and expenditure to members, along with explanations of the uncertainties affecting the budget.</p>	<p style="text-align: center;">Grade two</p> <p>The Council will continue to develop its budget projections and medium term financial strategy in response to the forthcoming spending review announcements by the UK and Scottish Governments. This will include consideration around preparation and presentation of a three year revenue budget.</p> <p>Responsible officer(s): Executive Director of Corporate Services</p> <p>Implementation date: February 2017</p>
3 Quarterly journal control		
<p>Management perform a review of a statistical sample of journals each quarter. A sample of journals posted in the quarter are selected and emailed to all staff members who are able to post journal entries. Staff must then produce supporting documentation and explanations for the journals selected so that this can be reviewed for appropriateness.</p> <p>Our testing identified that the control was designed appropriately however the control was not implemented effectively.</p> <p>There is a risk that this control does not prevent and detect fraud and error as the supporting documentation is not adequately collated and evaluated.</p>	<p>Management should ensure that supporting documentation or explanations for the journals posted are obtained in a timely manner. These should be reviewed to allow a conclusion to be documented on whether the journals posted were appropriate and did not contain errors.</p> <p>We note that internal audit plan to complete a review of journal entries as part of the 2016-17 internal audit plan.</p>	<p style="text-align: center;">Grade three</p> <p>Agreed.</p> <p>This control was overlooked during the absence of the staff member delegated to perform this task. This will now be overseen by the appropriate manager who will review the completed analysis of returns received from accounting staff and monitor the timeous issue and return of the selected sample. Sample journals will be reviewed and any issues arising will be followed up and resolved.</p> <p>Responsible officer(s): Accounting Manager (Systems)</p> <p>Implementation date: 30 September 2016</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>4 GITC – Northgate administrator access</p> <p>Staff from the systems team should only be able to add new users to the Northgate V6 revenues system, however, there are a number of additional users that have access to create, edit and remove user profiles. There is a risk that new users can be created by unauthorised staff.</p> <p>In addition, a number of administrators have access to the generic user account to perform certain tasks. This is appropriate as access by different users is scheduled in advance. However, there is still a risk that there is no clear audit trail exists to identify who uses this profile.</p>	<p>It is recommended that management:</p> <ul style="list-style-type: none"> ■ reviews the access levels of system administrators on the Northgate V6 system, and reduce the access of users out with the systems department. A separate user profile should be created to differentiate the systems team and management. This is to ensure that new users cannot be created by unauthorised staff; and ■ reviews the generic user account on a regular basis for any inappropriate or unusual transactions. 	<p style="text-align: center;">Grade three</p> <p>:A review will be completed on the access levels within Northgate V6 System and a separate user profile created for management and systems staff. Regular reviews will also be carried out on the generic user account which will be recorded and monitored by senior officers.</p> <p>Responsible officer(s): Training and Systems Manager</p> <p>Implementation date: 31 August 2016</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>5 GITC – Civica Financials system revocation</p>		
<p>The control over leavers is not designed effectively, as there was evidence of non timely removal of users. There is a risk that leavers have access to the system after they have left DCC or relevant department.</p> <p>It was also identified that there was no documentation of authorisation prior to a new user being added to the system. Although the access was verified as appropriate, there is a risk that users could have unauthorised and inappropriate access to the system.</p> <p>Internal audit issued report 2014/25 in March 2016 which summarised their findings from the ‘payroll – leavers’ review. The testing carried out found that 11 out of 20 leavers tested did not have a form submitted to IT to request the deactivation of IT access, however, internal audit note that access is automatically removed after a user has not accessed the system for 32 days.</p>	<p>It is recommended that management:</p> <ul style="list-style-type: none"> ■ implement timely controls for individual leavers from the Civica system, and ■ enforce the appropriate documentation to be presented before allowing new users to be added to the system. 	<p style="text-align: center;">Grade three</p> <p>Agreed.</p> <p>With respect to leavers, the Resourcelink Aurora report relied upon is now produced monthly and the application of this report, and its timeous processing, will be overseen by the appropriate manager.</p> <p>With respect to starters, a copy of the e-mail received from the appropriate supervisor is now being attached to the record of the new or amended operator and consideration will be given to the introduction of an appropriate form.</p> <p>Responsible officer(s): Accounting Manager (Systems)</p> <p>Implementation date: 30 September 2016</p>



cutting through complexity

The contacts at KPMG in connection with this report are:

Hugh Harvie

Partner

Tel: 0131 527 6682

hugh.harvie@kpmg.co.uk

Andy Shaw

Director

Tel: 0131 527 6673

andrew.shaw@kpmg.co.uk

Michael Wilkie

Senior Manager

Tel: 0141 300 5890

michael.wilkie@kpmg.co.uk

Natalie Dyce

Assistant Manager

Tel: 0141 300 5746

natalie.dyce@kpmg.co.uk

© 2016 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International.