Appendix 2

Recommendations Overdue 01 August – 31 October 2010

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:

DEPARTMENT   CHIEF EXECUTIVE'S UNIT

SERVICE   IMPROVEMENT & HR

REPORT NAME   REVIEW OF SINGLE OUTCOME AGREEMENT 2009-10

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
3	CPP Risk Register Many of the strategic risks in the CPP Risk Register relate to the specific activities undertaken by individual partners and do not fully reflect the strategic risks identified by the Council. **MEDIUM**	The CPP should consider adopting a structure similar to the Council, thereby ensuring that all relevant strategic risks identified by the Council are included.	31 October 2010 **31 December 2010**	The Community Planning Management Committee has agreed to refresh outcomes in the SOA at its meeting on 3 November. This approach will address risk and a reviewed risk register will be tabled at the Management Committee on 15 December.	**Delayed but rescheduled**

SERVICE   STRATEGIC FINANCE

REPORT NAME   REVIEW OF RISK MANAGEMENT 2008-09

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
1	Risk Management Policy & Framework The risk management policy and risk management framework document would benefit from updating to reflect the ongoing development of the risk management process within the Council. Once updated this should be approved by the SMT and the Council. **MEDIUM**	1. Management should implement a risk management framework supported by a risk management policy. The recommendations outlined within the remainder of the risk management report should be reflected in the revised documentation. Once finalised, management should ensure the risk management policy and framework is approved by the SMT and Council. 2. Management should develop a risk management framework document to support the risk management policy by providing a set of tools and techniques. This will form a key milestone within the road map to be developed 31 October 2009	31 October 2010 **30 November 2010**	Currently at draft stage awaiting review	**Delayed but rescheduled**

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
2	Oversight and Challenge The governance responsibilities for risk management have yet to be fully and clearly defined across the organisation, including to all relevant individuals and groups involved within the risk management process. **HIGH**	1. Management should ensure that the risk management framework clearly defines the overall risk governance structure together with the role of the different elements of the Council's management arrangements. 2. Management should ensure that terms of reference for all groups within the Council are clearly outlined, including their responsibilities and role in terms of the risk management process. 3. Information on the roles and responsibilities in respect of the risk management governance process should be clearly outlined within the Council's risk management framework This will form a key milestone within the road map to be developed by 31 October 2009	31 October 2010 **30 November 2010**	Currently at draft stage awaiting review	**Delayed but rescheduled**
3	Risk Identification & Assessment The existing risk identification and assessment process should be further developed to provide clear and transparent guidance for all stakeholders. **HIGH**	1. Management should modify existing documentation to develop a risk management framework. 2. Management should consider updating the existing risk register templates in order to strengthen their role as a tool within the risk management process This will form a key milestone within the road map to be developed by 31 October 2009	31 October 2010 **30 November 2010**	Currently at draft stage awaiting review	**Delayed but rescheduled**

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
4	Risk Aggregation The risk aggregation process has yet to be clearly defined to ensure the effective aggregation of risks from 13 operational risk registers into one strategic risk register **MEDIUM**	1. Management should embed a risk aggregation process within the organisation that defines how risks from the 13 operational risks registers are recorded and distilled onto the strategic risk register. 2. Management should define the risk appetite for the Council within the risk management framework document and referenced within the risk management policy This will form a key milestone within the road map to be developed by 31 October 2009	31 October 2010 **30 November 2010**	Currently at draft stage awaiting review	**Delayed but rescheduled**
6	Communication & Change No road map or implementation plan exists to improve and develop the existing risk management process. **HIGH**	1. Management should develop a road map that defines the ultimate objective for the Council in terms of risk management process and determine that appropriate milestones and resources are allocated to support delivery. 2. Following the approval of an updated risk management policy and framework document, management should formulate and implement an engagement and communication plan to ensure all employees understand and see value in the risk management process adopted by the Council. The road map will incorporate all the points highlighted in this report identifying milestone completion dates that reflect the rating given to the individual findings.	31 October 2010 **30 November 2010**	Currently at draft stage awaiting review	**Delayed but rescheduled**

2	Our examination of the current 34 strategic risks found that these did not appear to be arranged in any particular order, although certain risks were similar in nature and could potentially be grouped together. **HIGH**	Consideration should be given to grouping risks under appropriate risk headings to make the risk register more accessible and easier to understand. Our specimen risk framework containing 12 key risk areas has been provided for consideration. See Appendix 3.	31 May 2010 30 September 2010 31 October 2010 **30 November 2010**	Currently at draft stage awaiting review	**Delayed but rescheduled**
3	The preparation of the Specimen Risk Framework schedule provided a useful audit tool to further examine the linkage of the underlying risks to the strategic risk register. This could also provide the basis for management to ensure that the appropriate linkages initially exist and remain intact as risk management within the Council evolves. **HIGH**	Consideration should be given to preparing a schedule in a similar format to the Internal Audit version, outlined in Appendix 4, on an annual basis to provide a management overview mechanism. This will provide evidence that the appropriate linkages remain intact.	31 May 2010 30 September 2010 31 October 2010 **30 November 2010**	Currently at draft stage awaiting review	**Delayed but rescheduled**
4	In examining the Operational Risk Registers it is not apparent which are strategic risks, included in support of the strategic risk register, and which are separate operational risks, identified as specifically relating to that service. **MEDIUM**	In the operational risk description within Pyramid the services should identify where applicable which strategic risk it is linked to.	31 May 2010 30 September 2010 31 October 2010 **30 November 2010**	Currently at draft stage awaiting review	**Delayed but rescheduled**

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5	Our work has identified additional potential strategic risks and suggested refinements for consideration as follows:		31 May 2010 30 September 2010 31 October 2010 **30 November 2010**	Currently at draft stage awaiting review	**Delayed but rescheduled**
	5.1 Failure to realise efficiency gains should be amended to failure develop shared services opportunities – Internal & External	Consideration of the specific risk issues raised should be covered in the current review and development phase of risk management.			
	5.2 Failure in reliable provision of core ICT infrastructure	Consideration will be given to including these risks 5.2 and 5.3.			
	5.3 Failure to develop eProcurement				
	5.4 Strategic risk 24 could be extended to cover 'UK and European' Government Policy (as well as Scottish Government)	Consideration will be given to amending the risk description per 5.4.			
	5.5 Best Value – Policy & Strategy currently take corporate lead, but certain departments have identified a risk in respect of BV in their departments. **MEDIUM**	Creation of a link from the Operational Risk register to the Strategic Risk Register should be considered.			

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DEPARTMENT   COMMUNITY SERVICES
SERVICE   ADULT CARE
REPORT NAME   REVIEW OF YEAR END STOCK AND WORK IN PROGRESS

3	IES Store The stock reports did not agree with the actual stock held in the store **HIGH**	A full stock count should be carried out and the stock records should be amended to reflect the actual stock being held. A set of procedures should be produced for the storeman.	30 September 2010 **31 December 2010**	Temporary manager in place due to vacant post therefore these required procedures have been delayed but rescheduled.	**Delayed but rescheduled**

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DEPARTMENT   CUSTOMER SERVICES

SERVICE   CUSTOMER & SUPPORT SERVICES

REPORT NAME   GRANT THORNTON REPORT ON THE 2007-08 ACCOUNTS AUDIT

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
5	Debt Management We found that there is no formal debt recovery scheme in place for outstanding debtor balances and, whilst the Council has adequately provided for these debts, it has not reviewed them for some time to consider recoverability. **MEDIUM**	The Council should develop a formal debt recovery scheme to formalise its procedures for following up, reviewing and writing off aged debtors. Management Response A formal policy has always been in place in relation to sundry debts but due to transfer of staff under TUPE in connection with Housing Staff Transfer, the internal resources for this largely disappeared. Outsourcing arrangements are now being considered Tender by December 2007 with contract in place by April 2008	30 April 2008 31 August 2009 01 April 2010 01 September 2010 31 October 2010 **31 December 2010**	New arrangements are in place to supervise and monitor debt recovery procedures. There is new staff training programme and progress has been made in recovering debt with circa £100,000 recovered between 1 July and 30 October. The formal procedural document addressing this and the three other debt recovery actions in this update will be completed by 31 December.	**Delayed but rescheduled**

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:

REVIEW OF FILE TRANSFERS

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
2	Physical access (server rooms). The Campbeltown server room is accessible by non-essential personnel. In addition, in Lochgilphead the servers are located under flat sky lights. **MEDIUM**	The BACS equipment will be moved from the current location to facilitate better access control of the server room. However, it will be necessary to provide suitable physical security for the BACS equipment at the new location. This new location and any physical security measures will be agreed by the BACS users in Campbeltown, prior to moving this equipment. The issue with the array of cables in the rear of the servers will be addressed. The existing sky lights in the main server room are being blanked over by installing a second ceiling skin over the server area. This is being provided during the forthcoming server room upgrade that is being carried out in the first quarter 2010, prior to moving all server equipment to this new location. The recommendation for moisture sensors is therefore not relevant for the new location.	30 June 2010 30 September 2010 31 December 2010 **31 January 2011**	part 1 complete 2) the BACS recommendations are complete. The recommendation relating to the work in the server room, the original contractor went into liquidation, the work was re-tendered and a new contractor has been appointed and work should start in November. Revised date for completion 31 January 2011	**Delayed but rescheduled**

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SERVICE GOVERNANCE & LAW

REPORT NAME   GRANT THORNTON PROGRESS IMPLEMENTATION REVIEW - INTERNAL AUDIT

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
1	Scope of Internal Audit The Council's procedures for the prevention of fraud and corruption are detailed within the Financial and Security Regulations and include guidance for staff reporting suspected fraud. The guidance does not specifically detail the role of Internal Audit in fraud investigations. **MEDIUM**	The Council Should update 'guidance for staff reporting suspected fraud' to include specific reference to the role of Internal Audit. Management Response The Council Constitution will be amended to recognise the role of Internal Audit in the investigation of suspected frauds.	30 April 2008 30 June 2009 01 October 2009 31 March 2010 30 June 2010 07 October 2010 **25 November 2010**	The procedure has been updated and will be submitted to the Council in November for approval.	**Delayed but rescheduled**

REPORT NAME   REVIEW OF BUSINESS CONTINUITY

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
3	The report from Glen Abbot on the 'Ocean Drive' exercise highlighted areas that required to be addressed **HIGH**	Recommendations in the action plan will be met through an internal training programme which be developed by December 2009 and implemented by April 2010.	30 April 2010 31 May 2010 30 September 2010 **30 April 2011**	Until the current modernisation programme is completed and the relevant staff have been identified for these roles then the training cannot take place. This will form part of the corporate wide review of our Business Continuity processes, structures and plans to ensure a fit with our new organisational structure.	**Delayed but rescheduled**

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
REPORT NAME		**REVIEW OF DEBTORS 2008 – 09**			
5	There are no collection rate targets in place. In addition, there is a lack of clarity on debtor performance reporting to Senior Management. **MATERIAL**	Management will review current performance reporting and assess the requirement to introduce collection rate targets taking into the introduction of the new Debtors system.	29 May 2009 31 October 2009 31 March 2010 30 September 2010 31 October 2010 **31 December 2010**	New arrangements are in place to supervise and monitor debt recovery procedures. There is new staff training programme and progress has been made in recovering debt with circa £100,000 recovered between 1 July and 30 October. The formal procedural document addressing this and the three other debt recovery actions in this update will be completed by 31 December.	**Delayed but rescheduled**
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REPORT NAME		**REVIEW OF NEW LEGISLATION 2009-10**			
3	As part of the Anti fraud and Corruption policy, contained within the Council Constitution there are clearly designated whistle-blowing arrangements which encourage and enable anyone to raise serious concerns. Employees reporting concerns in this way are afforded certain rights through legislation (Public Interest Disclosure Act 1998). **MEDIUM**	It is recommended that consideration should be given to improving the access links to the "whistle-blowing" arrangements on the Council's website.	31 August 2010 **25 November 2010**	Report to Council on 25 November 2010	**Delayed but rescheduled**

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
4	The initial finding was a lack of awareness of the Anti-Fraud Strategy or where to find it. **MEDIUM**	The launch of the revised Anti-Fraud Strategy should be notified to staff via Postmaster, and access to the strategy, within the Council Constitution improved with the use of hyperlinks.	31 July 2010 31 October 2010 **25 November 2010**	Report to Council on 25 November 2010	**Delayed but rescheduled**

DEPARTMENT   DEVELOPMENT & INFRASTRUCTURE SERVICES
SERVICE   ECONOMIC DEVELOPMENT
REPORT NAME   REVIEW OF LEADER SELF ASSESSMENT ICQ

ACTION PLAN NO:	WEAKNESSES IDENTIFIED: GRADE:	AGREED ACTION:	DATES :	COMMENT/EXPLANATION:	PYRAMID:
5	5.2 In common with other areas of the office that have direct dealings with the public involving financial arrangements, it is proposed that a Register of Interests is maintained containing relevant information for all staff. **MEDIUM**	The form and content of the proposed Register of Interest should be finalised as soon as possible so that the Register can be implemented.	30 September 2010 **31 December 2010**	This matter will be discussed at the LEADER LAG scheduled 16 December 2010	**Delayed but rescheduled**
5	5.1 Staff should be aware of the Council's anti fraud and whistle blowing policies. **MEDIUM**	The LEADER staff operational guidelines should contain reference to the Council's anti fraud policy within the Council Constitution and to the 'whistle blowing policy.'	30 September 2010 **31 December 2010**	This matter will be discussed at the LEADER LAG scheduled 16 December 2010	**Delayed but rescheduled**

SERVICE   **ROADS & AMENITY SERVICES**
REPORT NAME   **REVIEW OF CAPITAL CONTRACTS**

| 4 | Incomplete Documentation Testing of compliance with the tendering process highlighted a number of exceptions including incomplete checklists and documentation that could not be found. **MEDIUM** | Management should review the processes, whereby, compliance with tendering procedures within work instructions is confirmed on a continuous basis. This should incorporate an end of process check that all relevant documentation has been appropriately completed and retained. This could be captured within the final tender report and signed off to confirm that all relevant documentation and sign off's have been completed and retained. | 31 December 2009 30 June 2010 31 October 2010 **28 February 2011** | A QMS audit shall be conducted to reappraise the extent of the matter given the time since the audit was undertaken and to suitably inform improvement recommendations. These will be reported to the R & A Service Management Team and will enable subsequent QMS update and any other action considered necessary. | **Delayed but rescheduled** |