

A meeting of the Audit Committee will be held on Tuesday 7 January 2025 at 3pm.

Members may attend the meeting in person or via remote online access. Webex joining details have been sent to Members and officers. Members are requested to notify Committee Services by 12 noon on Monday 6 January 2025 how they intend to access the meeting.

In the event of connectivity issues, Members are asked to use the *join by phone* number in the Webex invitation and as noted above.

Please note that this meeting will be live-streamed via YouTube with the exception of any business which is treated as exempt in terms of the Local Government (Scotland) Act 1973 as amended.

Further information relating to the recording and live-streaming of meetings can be found at the end of this notice.

LYNSEY BROWN
Head of Legal, Democratic, Digital & Customer Services

BUSINESS

| 1. Apologies, Substitutions and Declarations of Interest | Page |
|---|-------------|
| PERFORMANCE MANAGEMENT | |
| 2. Internal Audit Progress Report – 1 September to 31 October 2024 Report by Chief Internal Auditor | p |
| 3. External Audit Action Plans – Current Actions Report by Chief Internal Auditor | p |
| NEW BUSINESS | |
| 4. Anti-Fraud and Corruption Policy Report by Chief Internal Auditor | p |
| 5. Best Value Thematic Review – Workforce Innovation Report by Chief Financial Officer | p |
| 6. Corporate Risk Register Report by Head of Legal, Democratic, Digital & Customer Services | p |

| | |
|---|-----------------|
| <p>The documentation relative to the following item has been treated as exempt information in terms of the Local Government (Scotland) Act 1973 as amended, the nature of the exempt information being that set out in paragraphs 4, 6 & 14 of Part I of Schedule 7(A) of the Act.</p> | |
| <p>PERFORMANCE MANAGEMENT</p> <p>7. Appendix relative to Item 2 providing information on special investigations.</p> | <p>p</p> |

The reports are available publicly on the Council's website and the minute of the meeting will be submitted to the next standing meeting of the Inverclyde Council. The agenda for the meeting of the Inverclyde Council will be available publicly on the Council's website.

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| <p>Enquiries to – Lindsay Carrick - Tel 01475 712114</p> |
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|-------------------------|--|--------------------|-----------------------|
| Report To: | Audit Committee | Date: | 7 January 2025 |
| Report By: | Chief Internal Auditor | Report No: | FIN/80/24/APr |
| Contact Officer: | Andi Priestman | Contact No: | 01475 712251 |
| Subject: | INTERNAL AUDIT PROGRESS REPORT – 1 SEPTEMBER TO 31 OCTOBER 2024 | | |

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to enable Members to monitor the performance of Internal Audit, to discharge their scrutiny and performance monitoring roles and gain an overview of the overall control environment throughout the Council.
- 1.3 The Monitoring Report from 1 September to 31 October 2024 is attached at Appendix 1 since its content is essential to the understanding of the Council's control environment.
- 1.4 Appendix 2 provides an update on current Red and Amber Internal Audit actions at 31 October 2024.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note the progress made by Internal Audit in the period from 1 September to 31 October 2024.

Andi Priestman
Chief Internal Auditor

3.0 BACKGROUND AND CONTEXT

- 3.1 In June 2024, the Audit Committee approved the Internal Audit Annual Plan which detailed a programme of activity to be undertaken during 2024/25.
- 3.2 Internal Audit regularly reports findings and action plans to relevant Council Officers and the Audit Committee as part of the annual audit plan. A process is in place to allow follow up of current internal audit actions to be co-ordinated and updated by Internal Audit on a monthly basis with regular reporting to CMT and the Audit Committee.
- 3.3 There were no audit reports finalised since the last progress update to Audit Committee in October 2024.
- 3.4 The current status of the 2024/25 audit plan is as follows:

| Stage | Number of Reports |
|---------------------------------|-------------------|
| Final Report | 0 |
| Draft Report | 0 |
| Fieldwork Complete – report N/A | 0 |
| Fieldwork Complete | 2 |
| Fieldwork in Progress | 2 |
| Planning | 2 |
| Not Started | 7 |
| Deferred | 0 |
| Total | 13 |

- 3.5 The audit plan for 2024/25 has been reviewed and updated as follows:
- There was a balance of 25 days to be utilised. A risk-based review of Cyber Security will be undertaken by Glasgow City Council and a compliance review will be undertaken in relation to the Council's process for Governance of External Organisations.
 - The audit of ASN Transport has been rescoped as a risk-based review and will focus on reviewing the adequacy and effectiveness of the governance, risk management and key control arrangements which ensure compliance with relevant policies and procedures. The VFM aspect is currently being reviewed by management as part of the Delivering Differently programme.
 - The risk-based audit of Payroll has been refocussed to provide audit support to the Chris21 upgrade project.
- 3.6 In relation to internal audit action plans there were no actions due for completion by 31 October 2024. The current status report is attached at Appendix 2.
- 3.7 The CMT has reviewed and agreed the current status of actions.
- 3.8 The 2024/25 National Fraud Initiative exercise is underway. The required data submission for the exercise is now complete and matches are expected to be released in early 2025.

4.0 PROPOSALS

- 4.1 It is recommended that Committee agree to note the progress made by Internal Audit in the period from 1 September to 31 October 2024.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation is agreed:

| SUBJECT | YES | NO |
|---|-----|----|
| Financial | | X |
| Legal/Risk | X | |
| Human Resources | | X |
| Strategic (Partnership Plan/Council Plan) | X | |
| Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing | | X |
| Environmental & Sustainability | | X |
| Data Protection | | X |

5.2 Financial Risk

There are no financial implications arising directly from this report.

One off Costs

| Cost Centre | Budget Heading | Budget Years | Proposed Spend this Report | Virement From | Other Comments |
|-------------|----------------|--------------|----------------------------|---------------|----------------|
| N/A | | | | | |

Annually Recurring Costs/ (Savings)

| Cost Centre | Budget Heading | With Effect from | Annual Net Impact | Virement From (If Applicable) | Other Comments |
|-------------|----------------|------------------|-------------------|-------------------------------|----------------|
| N/A | | | | | |

5.3 Legal/Risk

Where delays arise in delivering the Internal Audit Plan, there is a risk that this may result in an inability to provide a reasonable level of assurance over the Council's system of internal control to those charged with governance. The main basis for providing assurance is coverage of the planned risk-based audits. Every endeavour is therefore made to ensure that no material slippage occurs in risk-based audits by concentrating resources on these audits.

5.4 Human Resources Risk

There are no human resources implications arising directly from this report.

5.5 Strategic

This report helps ensure strong governance, and its findings will help support delivery of the Council Plan adopted by Inverclyde Council on 20 April 2023, and in particular outcome theme 3: Performance, with the Council seeking to provide high quality and innovative services that deliver value for money.

6.0 CONSULTATION

6.1 Relevant officers have been consulted on the contents of this report.

7.0 BACKGROUND PAPERS

7.1 File of completed internal audit reports: Available from the Chief Internal Auditor.



**Audit Committee Report
Report on Internal Audit Activity from
1 September to 31 October 2024**

| Section | Contents |
|----------------|---|
| 1 | Audit work undertaken in the period |
| 2 | Audit Plan for 2024-2025 – progress to 31 October 2024 |
| 3 | Corporate Fraud Activity |
| 4 | Ad hoc activities undertaken since the previous Audit Committee |
| 5 | Special Investigation |

1 Audit work undertaken in the period
Reports issued since last update

1.1 In each audit, one of 4 overall opinions is expressed:

| | |
|-----------------------------|---|
| Strong | In our opinion there is a sound system of internal controls designed to ensure that the organisation is able to achieve its objectives. |
| Satisfactory | In our opinion isolated areas of control weakness were identified which, whilst not systemic, put some organisation objectives at risk. |
| Requires improvement | In our opinion systemic and/or material control weaknesses were identified such that some organisation objectives are put at significant risk. |
| Unsatisfactory | In our opinion the control environment was considered inadequate to ensure that the organisation is able to achieve its objectives. |

1.2 Detailed findings and recommendations reported to management are currently graded using the following criteria:

| | |
|--------------|--|
| Red | <ul style="list-style-type: none"> In our opinion the control environment is insufficient to address the risk and this could impact the Council as a whole. Corrective action must be taken and should start immediately. Overseen to completion by Corporate Management Team. |
| Amber | <ul style="list-style-type: none"> In our opinion there are areas of control weakness which we consider to be individually significant but which are unlikely to affect the Council as a whole. Corrective action must be taken (some exceptions may be agreed with IA) within reasonable timeframe. Overseen to completion by Head of Service. |
| Green | <ul style="list-style-type: none"> In our opinion the risk area is well controlled or our audit highlighted areas for minor control improvement and/or areas of minor control weakness. Process improvements/efficiencies may be actioned at management discretion in consultation with Internal Audit (IA). Managed by service owner. |

1.3 There were no audit reviews finalised since the last progress update to Audit Committee in October.

1.4 The audit plan for 2024/25 has been reviewed and updated as follows:

- There was a balance of 25 days to be utilised. A risk-based review of Cyber Security will be undertaken by Glasgow City Council and a compliance review will be undertaken in relation to the Council's process for Governance of External Organisations.
- The audit of ASN Transport has been rescoped as a risk-based review and will focus on reviewing the adequacy and effectiveness of the governance, risk management and key control arrangements which ensure compliance with relevant policies and procedures. The VFM aspect is currently being reviewed by management as part of the Delivering Differently programme.
- The risk-based audit of Payroll has been refocussed to provide audit support to the Chris21 upgrade project.

Internal Audit Action Plan Follow Up

1.5 There were no actions due for completion by 31 October 2024. The current status of Internal Audit Action plans is set out at Appendix 2.

**INVERCLYDE COUNCIL – REPORT ON INTERNAL AUDIT ACTIVITY
FROM 1 SEPTEMBER TO 31 OCTOBER 2024**
2 Audit Plan for 2024/2025 – Progress to 31 October 2024

| Planned Audit Coverage | Not started | Planning | TOR Issued | Fieldwork in Progress | Fieldwork Complete | Draft Report | Report Finalised | Reported to Audit Committee |
|---|--|----------|------------|-----------------------|--------------------|--------------|------------------|-----------------------------|
| Risk-Based Reviews | | | | | | | | |
| Supplier Management (b/f from 2023/24) | ✓ | | | | | | | |
| ASN Transport (b/f from 2023/24) | ✓ | | | | | | | |
| Care and Support at Home – Delayed Discharge | | ✓ | ✓ | ✓ | | | | |
| Strategic Commissioning | | ✓ | | | | | | |
| Vehicle Maintenance | | ✓ | | | | | | |
| Cyber Security | ✓ | | | | | | | |
| Payroll – Chris21 System Upgrade | Audit support and advice is being provided to the working group. Terms of Reference has been issued. | | | | | | | |
| Limited Scope Financial System Reviews | | | | | | | | |
| Budgetary Control | | ✓ | ✓ | ✓ | ✓ | | | |
| Compliance Reviews | | | | | | | | |
| Records Management | ✓ | | | | | | | |
| Governance of External Organisations | ✓ | | | | | | | |
| Corporate Fraud Reviews | | | | | | | | |
| Discretionary Payments | Not started. | | | | | | | |
| Regularity Audits | | | | | | | | |
| Education Control Self-Assessment | | ✓ | ✓ | ✓ | ✓ | | | |
| Cost of Living Payments | ✓ | | | | | | | |
| Catering Stock Control | ✓ | | | | | | | |
| Corporate Purchase Cards – Quarterly Checks | Quarterly checks are underway. | | | | | | | |
| Corporate Governance | | | | | | | | |
| Annual Governance Statement 2023/24 | | | | | | | | |
| Other Work | | | | | | | | |
| National Fraud Initiative | 24/25 Exercise is being progressed – see sections 3 of report for more information. | | | | | | | |
| Completion of 2023/24 Audit Plan | Reports finalised: Succession Planning; Building Standards; UK Shared Prosperity Fund | | | | | | | |
| Inverclyde IJB | 20 days allocated to IJB audit plan. | | | | | | | |

3 Corporate Fraud Activity

- 3.1 The undernoted table sets out progress to date on corporate fraud activity in the period 1 September to 31 October 2024:

| National Fraud Initiative Exercise | | | | | |
|---|---------------------|-----------|-------|-------|----------------------|
| In relation to the 2024/2025 Exercise, data submissions were completed in line with timescales and matches relating to the relevant datasets will be received in early 2025. | | | | | |
| The Council Tax Single Person Discount recheck exercise was refreshed in November 2023 and the results to date are as follows: | | | | | |
| Matches received | Number investigated | No issues | Fraud | Error | Value of Fraud/Error |
| 8932 | 1886 | 1825 | 36 | 25 | £69,382 |
| These matches relate to addresses where the householder is claiming a council tax single person discount on the basis that they live alone yet other data suggests that there is more than one person in the household aged 18 or over. | | | | | |
| Discretionary Payments | | | | | |
| Not yet started. | | | | | |

- 3.2 The team continues to investigate whistleblowing and other enquiries in relation to DWP benefit, blue badge, and Council Tax discounts and exemptions. For the current financial year to date, these enquiries have resulted in the identification of overpayments of council tax discounts and exemptions totalling £102,801.
- 3.3 The team also progressed Whistleblowing and Corporate Fraud Referrals as follows:

| File Ref | Description | Status |
|----------------------------------|--|--|
| Whistleblowing Enquiries | | |
| 42425110 | Shortfalls of cash held in client/petty cash accounts. | Final report issued and recommendations made to improve control environment – see section 5. |
| Corporate Fraud Referrals | | |
| 24/77 | Allegation re householder claiming Council Tax Single Person Discount while living with partner. | Closed – SPD fraud established. |
| 24/85 | Allegation re property being occupied and lived in by named individual but declared as empty for Council Tax purposes. | Closed – unfounded. |

4 Ad hoc activities undertaken since the previous Audit Committee

- 4.1 From time to time, management will request the assistance of Internal Audit in certain activities that are in addition to the annual Operational Plan. Examples of such activities include investigations of alleged irregularities, review of changes in system procedures etc.
- 4.2 Contingency has been made available in the Operational Plan for such ad hoc activities. Since the previous Audit Committee, ad hoc activity undertaken in the period is as follows:
- Providing relevant information in relation to FOI requests.
 - Investigations and other work as set out at sections 3.2 and 3.3 of Appendix 1.
 - Provision of ongoing advice and support to services.

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
AT 31 OCTOBER 2024

Summary: Section 1 Summary of Management Actions due for completion by 31/10/2024

There were no actions due for completion by 31 October 2024.

There was one action with a completion date of 30 November 2024 which has been reported as completed by management.

Section 2 Summary of Current Management Actions Plans at 31/10/2024

At 31 October 2024 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 31/10/2024

At 31 October 2024 there were 8 current audit action points.

Section 4 Analysis of Missed Deadlines

At 31 October 2024 there were 3 audit action points where the original due date had been missed.

Section 5 Summary of Action Plan Points by Audit Year

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 31.10.2024**

SECTION

1

| Directorate | No. of Actions Due | No. of Actions Completed | Deadline missed Revised date set* | No response received* |
|---|--------------------|--------------------------|-----------------------------------|-----------------------|
| There were no actions due for completion by 31 October 2024 | | | | |
| Total | | | | |

* These actions are included in the Analysis of Missed Deadlines – Section 4

There was one action due for completion by 30 November which has been reported as completed by management:

| Education Control Self-Assessment (Report Issued April 2024) | |
|---|--|
| Action | Comments |
| <p>Management of special leave (Amber) Management will ensure that:</p> <ul style="list-style-type: none"> • additional training on special leave is provided and will include training on specific categories of special leave to be entered into the SEEMIS system; and • reports will be developed for special leave granted for scrutiny by senior management. | <p>Reporting has now been developed and issued to senior management.</p> |

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
SUMMARY OF CURRENT MANAGEMENT ACTION PLANS AS AT 31.10.2024**

SECTION 2


CURRENT ACTIONS BY DIRECTORATE

| | |
|---|----------|
| HSCP | |
| Due for completion – December 2024 | 1 |
| Total Actions | 1 |
| Environment and Regeneration | |
| Due for completion – December 2024 | 1 |
| Due for completion – March 2025 | 1 |
| Total Actions | 2 |
| Education Communities and Organisational Development | |
| Completion date to be advised | 2 |
| Total Actions | 2 |
| All Directorates | |
| Due for completion – December 2024 | 1 |
| Due for completion – March 2025 | 2 |
| Total Actions | 3 |
| Total current actions: | 8 |



**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.10.2024**



SECTION 3

| | |
|---|--|
|  | Client Accounts – Quarterly Checks 2022/23 (Report Issued September 2023) |
|---|--|

| Description | Status | Original Due Date | Due Date | Assigned To |
|--|---|-------------------|---------------|--|
| Inaccurate Transaction Records – Amber Management have agreed that a review will be undertaken of the overall management of the corporate appointee process with a view to streamlining and modernising the functions. |  | 30-Apr-2024 | 31-Dec-2024 * | Head of Finance, Planning and Resources, HSCP |

| | |
|---|--|
|  | Attendance Management (Report Issued December 2023) |
|---|--|

| Description | Status | Original Due Date | Due Date | Assigned To |
|---|---|-------------------|--|-------------|
| Security, retention and disposal of attendance management files (Amber) All service-based electronic attendance management files will be reviewed and retained for one year and destroyed in accordance with the Council’s retention and disposal of Documents and Records (electronic/paper) policy. |  | | 3 months after implementation of Chris21 self-service module | ECMT |
| Any existing duplicate paper files in relation to attendance management are destroyed. |  | | 3 months after implementation of Chris21 self-service module | ECMT |


| Action Status | | | |
|---|----------------------|---|--------------------------|
|  | No response received |  | Missed original due date |
|  | In Progress |  | Completed |

* See Section 4


**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.10.2024**

SECTION 3

| | |
|----------|---|
| P | Procurement Manual Compliance – Regulated Procurement (Report Issued - March 2024) |
|----------|---|

| Description | Status | Original Due Date | Due Date | Assigned To |
|--|---|-------------------|-------------|--------------------------------------|
| <p>Managing regulated procurement exercises (Amber) Management will review the procurement manual to more fully reflect the actual allocation of procurement tasks undertaken by Procurement staff and relevant Service officers including appropriate input from the Designated Procurement Officer (DPO) group.</p> <p>Management will introduce a formal programme of sample checks on regulated contracts following the issue of award letters.</p> |  | 30-Nov-2024 | 31-Mar-2025 | Corporate Procurement Manager |

| | |
|----------|---|
| P | Education Control Self-Assessment 2023/24 (Report Issued – April 2024) |
|----------|---|

| Description | Status | Original Due Date | Due Date | Assigned To |
|---|---|-------------------|---------------|--------------------------------------|
| <p>Management of special leave (Amber) Management will ensure that:</p> <ul style="list-style-type: none"> • additional training on special leave is provided and will include training on specific categories of special leave to be entered into the SEEMIS system; and • reports will be developed for special leave granted for scrutiny by senior management. |  | 30-Jun-2024 | 30-Nov-2024 * | School Business Co-ordinators |




| Action Status | | | |
|---|----------------------|---|--------------------------|
|  | No response received |  | Missed original due date |
|  | In Progress |  | Completed |


* See Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.10.2024**

SECTION 3

| | |
|----------|--|
| P | Succession Planning (Report Issued – July 2024) |
|----------|--|

| Description | Status | Original Due Date | Due Date | Assigned To |
|--|---|-------------------|-------------|---|
| <p>Staff training in relation to succession planning (Amber) Organisational Development Team will develop training on succession planning which will be completed by all relevant staff and introduced as part of the induction course for new managers.</p> |  | 31-Mar-2025 | 31-Mar-2025 | Head of OD, Policy and Communications |
| <p>Documentation of succession plans (Amber) Senior management will ensure that all services have a completed succession plan in place which includes analysis of key positions and goals and aspirations of the talent pool.</p> |  | 31-Dec-2024 | 31-Dec-2024 | Chief Executive, Corporate Director (Education, Communities and Organisational Development), Chief Officer HSCP, Director (Environment and Regeneration) |
| <p>Monitoring and reviewing of the effectiveness of succession planning (Amber) Senior management should ensure that all services review and update their succession plan for effectiveness on a regular basis. Once reviewed and updated for effectiveness, the succession plan should be reported to senior management and elected members on a regular basis.</p> |  | 31-Mar-2025 | 31-Mar-2025 | Chief Executive, Corporate Director (Education, Communities and Organisational Development), Chief Officer HSCP, Director (Environment and Regeneration), Head of OD Policy and Communications |


| Action Status | | | |
|---|----------------------|---|--------------------------|
|  | No response received |  | Missed original due date |
|  | In Progress |  | Completed |

* See Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
CURRENT MANAGEMENT ACTIONS AS AT 31.10.2024**

SECTION 3

| | |
|---|--|
|  | UK Shared Prosperity Fund (Report Issued – August 2024) |
|---|--|

| Description | Status | Original Due Date | Due Date | Assigned To |
|--|---|-------------------|-------------|--|
| <p>Organising Funding Agreements for UK SPF projects (Amber)</p> <p>Management will prepare a timetable for concluding all outstanding UK SPF funding agreements. This exercise will continue to include appropriate input from Council solicitors.</p> |  | 31-Oct-2024 | 31-Dec-2024 | <p>Head of Regeneration, Planning & Public Protection</p> |

| Action Status | | | |
|---|----------------------|---|--------------------------|
|  | No response received |  | Missed original due date |
|  | In Progress |  | Completed |

* See Section 4

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (RED AND AMBER ONLY)
ANALYSIS OF MISSED DEADLINES**

SECTION 4

| Report | Action | Original Date | Revised Date | Management Comments |
|--|--|-----------------|-----------------|---|
| Client Accounts – Quarterly Checks 2022/23 (September 2023) | Inaccurate Transaction Records – (Amber) Management have agreed that a review will be undertaken of the overall management of the corporate appointee process with a view to streamlining and modernising the functions. | 30.04.24 | 31.12.24 | Management have started a review into the overall cash holding within the HSCP as part of the overall Business Support review. The aim would be to centralise the vast majority of all cash collection (with the exception of petty cash) in order to streamline the process. The review will also look for more use of online payments where possible. |
| UK Shared Prosperity Fund (August 2024) | Organising Funding Agreements for UK SPF projects (Amber) Management will prepare a timetable for concluding all outstanding UK SPF funding agreements. This exercise will continue to include appropriate input from Council solicitors. | 31.10.24 | 31.12.24 | Letters have already been issued to external organisations. Letters for internal services will be progressed and issued by the end of December. |
| Procurement Manual Compliance (March 2024) | Managing regulated procurement exercises (Amber) Management will review the procurement manual to more fully reflect the actual allocation of procurement tasks undertaken by Procurement staff and relevant Service officers including appropriate input from the Designated Procurement Officer (DPO) group. Management will introduce a formal programme of sample checks on regulated contracts following the issue of award letters. | 30.11.24 | 31.03.25 | |

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS (GREEN ONLY)
SUMMARY OF ACTION PLAN POINTS BY AUDIT YEAR**

SECTION 5

The following table sets out the total number of agreed actions raised by audit year together with their completion status at 31 October 2024.

| Audit Year | Total Agreed Actions | Total Actions Completed | Total Current Actions Not Yet Due* | | |
|--------------|----------------------|-------------------------|------------------------------------|----------|-----------|
| | | | Red | Amber | Green |
| 2017/2018 | 53 | 50 | 0 | 0 | 3 |
| 2018/2019 | 45 | 45 | 0 | 0 | 0 |
| 2019/2020 | 43 | 43 | 0 | 0 | 0 |
| 2020/2021 | 37 | 35 | 0 | 0 | 2 |
| 2021/2022 | 23 | 22 | 0 | 0 | 1 |
| 2022/2023 | 49 | 46 | 0 | 0 | 3 |
| 2023/2024 | 35 | 19 | 0 | 8 | 8 |
| 2024/2025 | 0 | 0 | 0 | 0 | 0 |
| Total | 285 | 260 | 0 | 8 | 17 |

*This part of the table sets out the total number of current actions not yet due at the date of the follow up report. The RED and AMBER actions are included in Section 3 of the follow up report.

An update on the progress of GREEN actions was last provided to Audit Committee in October 2024.

| | | | |
|-------------------------|--|--------------------|-----------------------|
| Report To: | Audit Committee | Date: | 7 January 2025 |
| Report By: | Chief Internal Auditor | Report No: | FIN/81/24/APr |
| Contact Officer: | Andi Priestman | Contact No: | 01475 712251 |
| Subject: | EXTERNAL AUDIT ACTION PLANS - CURRENT ACTIONS | | |

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to advise Members of the status of current External Audit actions at 31 October 2024.

2.0 RECOMMENDATIONS

2.1 It is recommended that Members note the progress in relation to the implementation of external audit actions.

Andi Priestman
Chief Internal Auditor

3.0 BACKGROUND AND CONTEXT

- 3.1 External Audit report findings and action plans to relevant officers and the Audit Committee as part of their annual audit plan.
- 3.2 The Chief Internal Auditor co-ordinates follow up reporting on current actions arising from External Audit Action Plans with regular reporting to CMT and the Audit Committee.
- 3.3 There were no actions due for completion by 31 October 2024. One action due for completion by 30 November 2024 has been reported as completed by management. The status report has been updated to include agreed actions arising from the 2023/24 Report to Members and the Wider Dimension and Best Value work undertaken by external audit and reported to Council in October 2024.
- 3.4 There are 7 current external audit actions being progressed by officers. These are set out in the status report at Appendix 1.

4.0 PROPOSALS

- 4.1 The Audit Committee is asked to note the progress in relation to the implementation of external audit actions.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

| SUBJECT | YES | NO |
|---|-----|----|
| Financial | | X |
| Legal/Risk | X | |
| Human Resources | | X |
| Strategic (Partnership Plan/Council Plan) | X | |
| Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing | | X |
| Environmental & Sustainability | | X |
| Data Protection | | X |

5.2 Finance

One off Costs

| Cost Centre | Budget Heading | Budget Years | Proposed Spend this Report | Virement From | Other Comments |
|-------------|----------------|--------------|----------------------------|---------------|----------------|
| N/A | | | | | |

Annually Recurring Costs/ (Savings)

| Cost Centre | Budget Heading | With Effect from | Annual Net Impact | Virement From (If Applicable) | Other Comments |
|-------------|----------------|------------------|-------------------|-------------------------------|----------------|
| N/A | | | | | |

5.3 Legal/Risk

There is a risk that failure to implement agreed audit actions in a timely manner could result in an inability to provide a reasonable level of assurance over the Council's system of internal control to those charged with governance.

5.4 Human Resources

There are no human resources implications arising directly from this report.

5.5 Strategic

This report relates to strong corporate governance.

6.0 CONSULTATIONS

6.1 Relevant Officers were asked to provide updates and the Corporate Management Team have reviewed the responses and completion dates.

7.0 BACKGROUND PAPERS

7.1 2023/24 External Audit Annual Report

INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS
AT 31 OCTOBER 2024

Summary: Section 1 Summary of Management Actions due for completion by 31/10/2024

There were no actions due for completion by 31 October 2024.

One action due for completion by 30 November has been reported as completed by management.

Section 2 Summary of Current Management Actions Plans at 31/10/2024

At 31 October 2024 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 31/10/2024

At 31 October 2024 there were 7 current audit action points.

Section 4 Analysis of Missed Deadlines

At 31 October 2024 there were no audit action points where the agreed deadline has been missed.

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

SUMMARY OF MANAGEMENT ACTION PLANS DUE FOR COMPLETION BY 31.10.2024

SECTION 1

| Area | No. of Actions Due | No. of Actions Completed | Deadline missed Revised date set* | Deadline missed Revised date to be set* | No action proposed |
|---|--------------------|--------------------------|-----------------------------------|---|--------------------|
| There were no actions due by 31 October 2024. | | | | | |
| Total | | | | | |

* These actions are included in the Analysis of Missed Deadlines – Section 4

There was one action due for completion by 30 November which has been reported as completed by management:

| Annual Report to Members on the 2022/23 Audit (November 2023) – Wider Dimension and Best Value | |
|---|---|
| Action | Comments |
| <p>Asset Management Strategy (Priority 3 recommendation) Recommendation: We recommend timely review and update of both strategies.</p> <p>Management Response: The ICT Strategy is due to be updated and adopted by September 2024.</p> | <p>The ICT Strategy was updated and approved at Policy and Resources on 19 November 2024.</p> |

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

SUMMARY OF CURRENT MANAGEMENT ACTIONS AS AT 31.10.2024

SECTION 2





CURRENT ACTIONS BY DIRECTORATE




| | |
|-------------------------------------|----------|
| Chief Executive | |
| Due for completion March 2025 | 1 |
| Due for completion June 2025 | 1 |
| Due for completion September 2025 | 3 |
| Total Actions | 5 |
| Education and Communities | |
| Due for completion April 2027 | 1 |
| Total Actions | 1 |
| Environment and Regeneration | |
| Due for completion April 2026 | 1 |
| Total Actions | 1 |
| Total current actions: | 7 |

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 31.10.2024

SECTION 3



| Description | Status | Original Due Date | Due Date | Assigned to |
|--|---|-------------------|---------------|---|
| Annual Report to Members on the 2021/22 Audit (November 2022) | | | | |
| Local Development Plan (B/f) The preparation of the LDP will commence in February 2023 and be completed by April 2026. |  | 30-Apr-2026 | 30-Apr-2026 | Director, Environment & Regeneration |
| Annual Report to Members on the 2022/23 Audit (November 2023) – Wider Dimension and Best Value | | | | |
| Out of date policies (Priority 2 recommendation) Recommendation: We recommend that all out-of-date policies are prioritised for updating and review/approval by Council or appropriate Committee as soon as is practicable. |  | 31-Mar-2025 | 31-Mar-2025 | Corporate Management Team (Head of Legal, Democratic, Digital & Customer Services co- ordinating) |
| Equality group involvement in plan (Priority 2 recommendation) Recommendation: We recommend that a specific equality group within the council is identified and involved in the strategy setting process. Management Response: Equality groups will be involved in the development of the next Council Plan from 2027 and in the mid-term review of the Partnership Plan in 2028. |  | 01-Apr-2027 | 01-Apr-2027 | Head of OD, Policy and Communications |
| Asset Management Strategy (Priority 3 recommendation) Recommendation: We recommend timely review and update of both strategies. Management Response: The ICT Strategy is due to be updated and adopted by September 2024. |  | 30-Sep-2024 | 30-Nov-2024 * | Head of Legal, Democratic, Digital & Customer Services |

| Action Status | | | |
|---|----------------------|---|--------------------------|
|  | No response received |  | Missed original due date |
|  | In Progress |  | Completed |

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 31.10.2024

SECTION 3



| Description | Status | Original Due Date | Due Date | Assigned to |
|---|---|-------------------|-------------|--|
| Annual Report to Members on the 2023/24 Audit (October 2024) | | | | |
| <p>Savings Plans Recommendation: We recommend that keeping in view the availability of medium term forecast, beyond the two year budget, saving plans should be considered and developed for medium term as well i.e. beyond the period covered by the latest budget.</p> <p>Management Response: Officers will develop a medium term savings strategy as part of the development of the 2026/27 Budget.</p> |  | 30-Sep-2025 | 30-Sep-2025 | Chief Financial Officer |
| Annual Report to Members on the 2023/24 Audit (October 2024) – Wider Dimension and Best Value | | | | |
| <p>Digital Modernisation Initiatives Recommendation: We recommend that a system of overall assessment of the impacts (cost, time and quality) of the digital modernisation initiatives should be designed and implemented.</p> <p>Management Response: Officers will examine the most appropriate format of a collated assessment of the impact of the Digital Modernisation investment including the quantification of any efficiencies, savings and associated service improvements.</p> <p>Thereafter this will be reported to the Policy & Resources Committee.</p> |  | 30-Sep-2025 | 30-Sep-2025 | Chief Executive/Head of Legal, Democratic, Digital and Customer Services |




| Action Status | | | |
|---|----------------------|---|--------------------------|
|  | No response received |  | Missed original due date |
|  | In Progress |  | Completed |

**INVERCLYDE COUNCIL INTERNAL AUDIT
REPORT TO AUDIT COMMITTEE ON
STATUS OF EXTERNAL AUDIT ACTION PLAN POINTS**

CURRENT MANAGEMENT ACTIONS AS AT 31.10.2024

SECTION 3

| Description | Status | Original Due Date | Due Date | Assigned to |
|--|---|-------------------|-------------|---------------------------------------|
| Annual Report to Members on the 2023/24 Audit (October 2024) – Wider Dimension and Best Value | | | | |
| <p>Assessing the impacts of hybrid working We recommend that an overall assessment of the impact of the new flexible arrangements on service quality and outcomes, to provide greater insight into the achievement of the intended objectives, should be carried out. We further recommend, while in use, the documentation of the Council’s expectations in relation to informal flexible working arrangements.</p> <p>Management Response: Officers will carry out the assessment as indicated and thereafter report to the Policy & Resources Committee. The Flexible Working Policy will be reviewed to ensure that it reflects current practice in relation to informal flexible working.</p> |  | 30-Jun-2025 | 30-Jun-2025 | Head of OD, Policy and Communications |
| <p>Joint Working and Collaboration We recommend that Council should continue to explore opportunities for joint working and collaboration to build resilience and to make the best use of resources.</p> <p>Management Response: The Council will consider potential joint working with other councils and other partners as part of the development of medium-term actions linked to Transformation and Delivering Differently. This to feed into the 2026/27 Budget process.</p> |  | 30-Sep-2025 | 30-Sep-2025 | Chief Executive |

| Action Status | | | |
|---|----------------------|---|--------------------------|
|  | No response received |  | Missed original due date |
|  | In Progress |  | Completed |

| | | | |
|-------------------------|---|--------------------|-----------------------|
| Report To: | Audit Committee | Date: | 7 January 2025 |
| Report By: | Chief Internal Auditor | Report No: | FIN/82/24/APr |
| Contact Officer: | Andi Priestman | Contact No: | 01475 712251 |
| Subject: | ANTI-FRAUD AND CORRUPTION POLICY | | |

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to present the recently updated Anti-Fraud and Corruption Policy to Committee for consideration.

1.3 The Policy was last approved by Committee in 2017 and was reviewed by officers in November 2024. No substantive changes are proposed.

2.0 RECOMMENDATIONS

2.1 It is recommended that Committee approve the updated Anti-Fraud and Corruption Policy.

Andi Priestman
Chief Internal Auditor

3.0 BACKGROUND AND CONTEXT

- 3.1 Public bodies spend billions of pounds of taxpayers' money for the benefit of the Scottish population, providing services and financial assistance to all citizens including those that need them the most. Systems underpinning public spending can be complex and errors can happen. Unfortunately, there are also some individuals who seek to exploit the systems and fraudulently obtain services and benefits to which they are not entitled.
- 3.2 It is the aim of the Council to provide excellent public services and it needs to ensure propriety and accountability in all matters. The Council considers that it has a duty to protect itself and the public from fraud and corruption and is committed to the rigorous maintenance of a policy for the prevention and detection of fraud and corruption which provides a framework for:
- Encouraging fraud prevention;
 - Promoting detection;
 - Performing investigations; and
 - Provoking disciplinary and Police proceedings.
- 3.3 In 2017, the Anti-Fraud and Corruption Policy was updated to reflect the National Fraud Initiative and the Department for Work and Pensions Single Fraud Investigation Service, and introduced a Sanctions Policy for Council Tax Reduction Scheme and Non-Domestic Rates.

4.0 PROPOSALS

- 4.1 The Anti-Fraud and Corruption Policy was reviewed and updated in November 2024. There were no substantive changes made other than:
- Updating the policy to the new Council format;
 - Referencing the Corporate Finances Act 2017 Policy and Data Protection Act 2018/the UK General Data Protection Regulation; and
 - Changes to job titles throughout the policy.
- 4.2 The Audit Committee is asked to approve the updated Anti-Fraud and Corruption Policy.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

| SUBJECT | YES | NO |
|---|-----|----|
| Financial | | X |
| Legal/Risk | X | |
| Human Resources | X | |
| Strategic (Partnership Plan/Council Plan) | X | |
| Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing | | X |
| Environmental & Sustainability | | X |
| Data Protection | | X |

5.2 Finance

One off Costs

| Cost Centre | Budget Heading | Budget Years | Proposed Spend this Report | Virement From | Other Comments |
|-------------|----------------|--------------|----------------------------|---------------|----------------|
| N/A | | | | | |

Annually Recurring Costs/ (Savings)

| Cost Centre | Budget Heading | With Effect from | Annual Net Impact | Virement From (If Applicable) | Other Comments |
|-------------|----------------|------------------|-------------------|-------------------------------|----------------|
| N/A | | | | | |

5.3 Legal/Risk

Failure to adequately address the risk of fraud could result in serious financial and reputational loss for the Council. This policy sets out the Council's approach to discharging its responsibility to safeguard public funds and promote a 'zero tolerance' culture to fraud and corruption.

5.4 Human Resources

The Policy sets out the responsibilities for managers and all employees in relation to this Policy and section 4 of the Policy sets out the Council's approach to disciplinary action in the event of an employee being involved in fraud/theft or corruption.

5.5 Strategic

An effective anti-fraud and corruption policy is a critical component of the Council's governance framework and will support delivery of the Council Plan adopted by Inverclyde Council on 20 April 2023, and in particular outcome theme 3: Performance, with the Council seeking to provide high quality and innovative services that deliver value for money.

6.0 CONSULTATIONS

6.1 Officers within Legal Services and the Corporate Management Team have been consulted on the update to the policy.

7.0 BACKGROUND PAPERS

7.1 Anti-Fraud and Corruption Policy 2017 – approved at Audit Committee in May 2017.

OVERVIEW OF POLICY UPDATES**ANTI-FRAUD AND CORRUPTION POLICY**

| PAGE | TITLE | PROPOSED CHANGE |
|-------------|--|---|
| 4 | Definitions | Updated to include Criminal Finances Act 2017 Policy. |
| 10 | Co-operation with Others and Data Matching | Updated references to Data Protection Act 2018 and UK General Data Protection Regulation. |
| Throughout | | Update to new policy template. |
| Throughout | | Changes to job titles. |

SANCTIONS POLICY

| PAGE | TITLE | PROPOSED CHANGE |
|-------------|--------------|--|
| Throughout | | Update to new policy template. |
| Throughout | | Review of policy in conjunction with Anti-Fraud and Corruption Policy and changes to job titles. |

ANTI-FRAUD AND CORRUPTION POLICY

Version No 5.0

Produced by:

Inverclyde Council
Municipal Buildings
GREENOCK
PA15 1LX

2024

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This document can be made available in other languages, large print, and audio format upon request.

DOCUMENT CONTROL

| Document Responsibility | | |
|----------------------------------|------------------------|----------------|
| Policy Title | Corporate Group | Service |
| Anti-Fraud and Corruption Policy | N/A | Internal Audit |

| Change History | | |
|-----------------------|---------------|---|
| Version | Date | Comments |
| 1.0 | January 2003 | First version of document |
| 2.0 | June 2008 | Full review of policy in line with changes in relevant legislation |
| 3.0 | October 2011 | Review of policy in line with introduction of Bribery Act 2010 |
| 4.0 | April 2017 | Review of policy in line with the establishment of the Single Fraud Investigation Service, the Corporate Fraud Team and a new Sanctions Policy. |
| 5.0 | November 2024 | Updated to new policy format. Review of policy in line with introduction of Criminal Finances Act 2017 Policy, updated reference to Data Protection Act 2018/UK General Data Protection Regulation and changes to job titles. |

| Distribution |
|---|
| Directors, Heads of Service and Intranet. |

| Policy Review | | |
|---------------------------|-------------------------|----------------------------|
| Updating Frequency | Next Review Date | Responsible Officer |
| Four Years | November 2028 | Chief Internal Auditor |

| Policy Review and Approval | | | |
|-----------------------------------|---------------|-------------|----------------------|
| Name | Action | Date | Communication |
| Audit Committee | | | |

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1 INTRODUCTION

1.1 Executive Summary

It is the aim of the Council to provide excellent public services and it needs to ensure propriety and accountability in all matters. The Council considers that it has a duty to protect itself and the public from fraud and corruption and is committed to the rigorous maintenance of a strategy for the prevention and detection of fraud and corruption, which provides a framework for:

- Encouraging prevention;
- Promoting detection;
- Performing investigations; and
- Provoking disciplinary and Police proceedings.

This policy embodies a series of measures designed to deter any fraudulent or corrupt acts and the steps to be taken if such action occurs. For ease of understanding, it is separated into five areas as below:

| | |
|-----------------------------|-----------|
| Culture | Section 2 |
| Prevention | Section 3 |
| Deterrence | Section 4 |
| Detection and Investigation | Section 5 |
| Training | Section 6 |

1.2 Definitions

What is Fraud?

- Fraud is defined as the deliberate use of deception or dishonesty to disadvantage or cause loss (usually financial) to another party or person.

What is corruption?

- Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.
- The Bribery Act 2010 sets out more formally what could be considered an offence and includes:
 - a. Offering a bribe;
 - b. Being bribed; and
 - c. A corporate offence of failure to prevent bribery.

It will however be a defence if an organisation has “adequate procedures” in place to prevent bribery.

- The Criminal Finances Act (CFA) 2017 came into force on 30 September 2017 and amended the Proceeds of Crime Act 2002. The CFA creates a corporate offence whereby a corporate body, or a person associated with a corporate body, facilitates the commission of a tax evasion offence.

The Council could face an unlimited fine along with significant reputational damage were it to be found guilty of the offence of tax evasion facilitation.

It would, however, be a defence for the Council, were any associated persons to be found guilty of tax evasion facilitation, if the Council can prove that it had reasonable prevention procedures in place to prevent the criminal facilitation of tax evasion by an associated person.

What is financial malpractice/Irregularity?

- This term is used to describe any actions that represent a serious breach of accounting principles, financial regulations or any of the Council's financial governance arrangements. They do not have to result in a personal gain.
- Irregularity is an action that does not completely follow the agreed standards, though it does not violate them. By itself, a single irregularity is of little consequence, but when many irregularities occur together, they may be signs of hidden fraud or misconduct.

2 CULTURE

- 2.1 The culture of the Council is one of openness and the core values of trust, honesty and accountability support this culture. A strong ethical culture embedded within the Council is a critical defence to combating fraud and corruption.
- 2.2 The Council is committed to making sure that the opportunity for fraud and corruption is minimised and adopts a '**Zero Tolerance**' approach to fraud and corruption.
- 2.3 The prevention or detection of fraud and the protection of the public purse are responsibilities of everyone, both internal and external to the organisation. The Council strives to improve governance and encourage employees, elected Members and the public to be vigilant in the fight against fraud and corruption. Employees and elected Members are encouraged to engage and maintain a healthy sense of scepticism in relation to preventing and detecting fraud. The Council is committed to promoting and communicating its core values and integrity which are intrinsic to the Council in achieving their goals in combating fraud and corruption.
- 2.4 The Council's elected Members and employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud regardless of seniority, rank or status, in the knowledge that such concerns will wherever possible be treated in confidence. The public also has a role to play in this process and should inform the Council if they feel that fraud or corruption may have occurred.
- 2.5 The Council aims to actively and continuously communicate the ethical values and principles it has established and nurtured to all employees, elected Members and the public in order that fraud and corruption is detected.

- 2.6 Concerns must be raised when Members, employees or the public reasonably believe that one or more of the following has occurred, is in the process of occurring or is likely to occur:
- A criminal offence
 - A failure to comply with a statutory or legal obligation
 - Improper or unauthorised use of public or other official funds
 - A miscarriage of justice
 - Maladministration, misconduct or malpractice
 - Endangering an individual's health and/or safety
 - Damage to the environment
 - Deliberate concealment of any of the above
- 2.7 The Council will ensure that any allegations received in any way, including by anonymous letters, emails or telephone calls, will be taken seriously and investigated in an appropriate manner.
- 2.8 The Council will deal firmly with those who defraud the Council or who are corrupt, or where there has been malpractice. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as employees/Members raising malicious allegations) may be dealt with as a disciplinary matter (employees) or through Councillors' Code of Conduct procedures (Members).
- 2.9 When fraud or corruption has occurred due to breakdown in or absence of the Council's system of internal control, Directors will ensure that appropriate control improvements are implemented in order to prevent a re-occurrence.
- 2.10 Internal Audit will liaise with Directors and relevant management to provide advice on the required changes to controls and procedures required to reduce the risks and prevent any re-occurrence.

3 PREVENTION

3.1 The Role of Elected Members

- 3.1.1 As elected representatives, all Members of the Council have a duty to the people of Inverclyde to protect the Council and public money from any acts of fraud and corruption.
- 3.1.2 This is done through the Anti-Fraud and Corruption Policy, compliance with the Councillors' Code of Conduct, the Council's constitutional documents, including Financial Regulations, Standing Orders and relevant legislation.
- 3.1.3 Elected Members sign to the effect that they have read and understood the Councillors' Code of Conduct when they take office. Conduct and ethical matters are specifically brought to the attention of members during induction and include the declaration and registration of interests. The Head of Legal, Democratic, Digital and Customer Services advises Members of new legislative or procedural requirements.

3.2 The Role of the Chief Executive and the Corporate Management Team

- 3.2.1 The Chief Executive and Corporate Management Team have responsibility for leading and managing the organisation, providing both strategic vision and ensuring sound operational management.
- 3.2.2 Inverclyde Council has developed and is committed to continuing with systems and procedures which incorporate efficient and effective internal controls and which include adequate separation of duties. Directors and Heads of Service have a responsibility to ensure these controls are properly maintained and documented.
- 3.2.3 The Council is required to conduct a review at least once a year of the effectiveness of its system of internal control, and publish an Annual Governance Statement with the annual financial statements. As part of the Annual Governance Statement Assurance process, Directors and Chief Officers are required to complete a self-assessment return on the level of compliance with the Local Code of Governance.

3.3 The Role of the Chief Financial Officer

- 3.3.1 The Chief Financial Officer has been designated statutory responsibilities as defined by S95 of the Local Government (Scotland) Act 1973. These responsibilities require every Local Authority to make arrangements for the proper administration of its financial affairs and to ensure that the proper officer of the Authority has responsibility for those affairs.
- 3.3.2 Under the Chief Financial Officer's responsibilities, proper administration encompasses all aspects of local authority financial management including:
- Compliance with the statutory requirements for accounting;
 - Ensuring the Authority's responsibility for ensuring proper administration of its financial affairs;
 - The proper exercise of a wide range of delegated powers;
 - The responsibility for managing the financial affairs of the local authority in all its dealings;
 - The recognition of the fiduciary responsibility owed to local tax payers.
- 3.3.3 Under these statutory responsibilities, the Chief Financial Officer contributes to the fraud and corruption framework for the Council.

3.4 The Role of the Monitoring Officer

- 3.4.1 Under the provisions of the Local Government and Housing Act 1989, Councils have a duty to appoint a Monitoring Officer to ensure the lawfulness and fairness of Council decision making.
- 3.4.2 The Head of Legal, Democratic, Digital and Customer Services has been appointed as the Monitoring Officer and effectively serves as the guardian of the Council's Constitution and the decision-making process.

3.4.3 The Head of Legal, Democratic, Digital and Customer Services is responsible for advising the Council on the legality of its decisions and providing guidance to Members and officers on the Council's Constitution and its powers.

3.4.4 The Chief Executive also works closely with the Monitoring Officer and the Standards Commission to promote and maintain high standards of conduct and probity within the Council.

3.5 The Role of Managers

3.5.1 Managers at all levels are responsible for the communication and implementation of this Policy in their work area. They are also responsible for ensuring that their employees are aware of the Council's corporate policies and procedures, the Council's Financial Regulations and Standing Orders and that the requirements of each are being met in their everyday business activities. In addition, managers must make employees aware of the requirements of the Code of Conduct for Employees through the induction process.

3.5.2 Managers are expected to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities. When they are unsure of the procedures they must refer to the relevant policies held on the intranet and the Whistleblowing Policy which provides a confidential reporting framework.

3.5.3 The Council recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether permanent or temporary posts. The Council's formal recruitment procedure contains appropriate safeguards in the form of written references, the verification of qualifications held and employment history. As in other local authorities, Disclosure Scotland checks are undertaken for all employees and at an enhanced level for employees working or who may have contact with children or vulnerable adults and for officers in posts which have significant financial responsibility or the nature of the job requires a high level of public trust and confidence.

3.6 Responsibilities of Employees

3.6.1 Each employee is governed in their work by the Council's Standing Orders and Financial Regulations, and other policies on conduct (Code of Conduct for Employees, Health and Safety, Acceptable Use of Information Systems Policy and ICT Security policies). Included in the Council's Code of Conduct for Employees are guidelines on gifts and hospitality and codes of conduct associated with professional and personal conduct and conflict of interest. These are issued to all employees when they join the Council or are available to all on the intranet.

3.6.2 Employees are responsible for ensuring that they follow the instructions given to them by management, particularly in relation to the safekeeping of the assets of the Council. For the purposes of this policy, the definition of assets extends to customer information.

3.6.3 Employees are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with management. If for any reason they feel unable to speak to their manager they must refer the matter to one of those named below.

3.6.4 Concerns must be raised in the first instance, directly with the Supervisor/Service Manager/Head Teacher/Head of Establishment or if necessary, anonymously (letter, telephone or on-line form) and via other routes, by the Council's Whistleblowing Policy eg:

- Heads of Service, Directors, the Chief Executive, the Chief Financial Officer or the Council's Monitoring Officer, who will report such concerns to the Chief Internal Auditor or Senior Corporate Fraud Investigator.
- Directly to the Chief Internal Auditor or Senior Corporate Fraud Investigator.
- Confidential Reporting/Whistleblowing Hotline.

3.7 Suppliers, Contractors and External Organisations

3.7.1 The council expects all of its partners that it deals with to act with honesty and integrity. The council will similarly act at all times on the same basis.

3.8 Conflicts of Interest

3.8.1 Both elected members and employees must ensure that they avoid situations where there is potential for a conflict of interest. Such situations can arise for example, with outsourcing/externalisation of services, internal tendering, planning and land issues. Effective separation of duties will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information.

3.9 Role of Internal Audit

3.9.1 Internal Audit within the Chief Executive Directorate plays a vital role in assessing the adequacy and effectiveness of systems and procedures that are in place to prevent and deter fraud and corruption. The Corporate Fraud team within Internal Audit investigates all employee cases of suspected financial irregularity, fraud or corruption, except Benefit fraud investigations (see 3.10 below) in accordance with agreed procedures. Within the Financial Regulations, representatives of Internal Audit are empowered to:

- Enter at all reasonable times any Council premises or land;
- Have access to all records, documents and correspondence relating to any financial and other transactions of the Council, where such access is necessary to investigate the financial propriety of the transaction;
- Require and receive such explanations as are necessary concerning any matter under examination; and
- Require any employee of the Council to produce cash, stores or any other Council property under that employee's control which is relevant to any investigation being carried out.

Internal Audit liaises with management to recommend changes in procedures to reduce risks and prevent losses to the Council.

3.10 Role of the Department for Work & Pensions (DWP)

3.10 The Department for Work & Pensions has the responsibility for conducting Housing Benefit fraud investigations through the creation of the Single Fraud Investigation Service. Arrangements are in place for fraud referrals from the Council to be securely sent to the DWP for investigation.

3.11 The Role of External Audit

3.11.1 Independent external audit is an essential safeguard of the stewardship of public money. This is currently carried out by the Auditors appointed by the Accounts Commission through specific reviews that are designed to test, amongst other things, the adequacy of the Council's financial systems and arrangements for preventing and detecting fraud and corruption and the arrangements designed to limit the opportunity for corrupt practices. The Council is fully committed to implementing changes to working practices that are identified as necessary to improve our controls.

3.12 Co-operation with Others and Data Matching

3.12.1 Arrangements are in place to encourage the exchange of information between the Council and other agencies such as other Local Authorities, DWP, Pensions Fund and the Police etc.

3.12.2 Through the National Fraud Initiative, the Council is committed to exchanging information with other local and national agencies in order to identify and prevent fraud using data matching techniques. Such activity is carried out in full compliance with the Data Protection Act 2018/the UK General Data Protection Regulation and with the Audit Commission's Code of Data Matching Practice.

3.12.3 The Council is also a member of the National Anti-Fraud Network (NAFN) which provides data, intelligence and best practice services for all teams within member organisations. Information received via NAFN alerts is shared with relevant services within the Council.

4 DETERENCE

4.1 Disciplinary Action

4.1.1 Theft, fraud and corruption are serious offences against the Council and employees will face disciplinary action if there is evidence that they have been involved in these activities. Disciplinary action will be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each individual case but in a consistent manner.

4.1.2 Members will face appropriate action under this Policy if they are found to have been involved in theft, fraud or corruption against the Council. Such instances will be referred in the first instance to the Chief Executive and/or appropriate Group Leader.

4.2 The Council has developed a Sanctions Policy in relation to fraud and corruption related to Council Tax Reduction Scheme and Non-Domestic Rates. A copy of this policy is attached at Appendix 1.

5 DETECTION AND INVESTIGATION

- 5.1.1 Internal Audit's Corporate Fraud team plays an important role in the detection of fraud and corruption. Included in the annual plan are reviews of system financial controls and specific corporate fraud reviews.
- 5.1.2 In addition to Corporate Fraud, there are numerous systems and management controls in place to deter fraud and corruption but it is often the vigilance of employees and members of the public that aids detection.
- 5.1.3 In some cases, frauds are discovered by chance or "tip-off" and arrangements are in place to enable such information to be properly dealt with.
- 5.1.4 All suspected irregularities are required to be reported (verbally or in writing) either by the person with whom the initial concern is raised or by the originator to the Chief Internal Auditor or the Senior Corporate Fraud Investigator as per paragraph 3.6.4 (the Council's Whistleblowing Policy).
- 5.2 This process will apply to the following areas:
- a) fraud/corruption by elected member
 - b) internal fraud/corruption
 - c) other fraud/corruption by Council employees
 - d) fraud by contractors' employees
 - e) external fraud (the public)
- 5.3 Cases under (d) or (e) would normally be referred directly to the External Auditor or Police. Cases under (a) in respect of the Councillors' Code of Conduct may be referred to the Standards Commission in addition to the External Auditor and/or the Police.
- 5.4 Depending on the nature of an allegation under (b) to (e), the Chief Internal Auditor will normally work closely with the Director concerned to ensure that all allegations are thoroughly investigated and reported upon. Where appropriate, recoveries of financial losses will be made on behalf of the Council.
- 5.5 A decision to refer a case to the Police will be taken by the Chief Executive and the Monitoring Officer in consultation with the Chief Internal Auditor and the relevant Director where appropriate.
- 5.6 Where Internal Audit's Corporate Fraud investigations indicate improper behaviour by employees, the Council's disciplinary procedures will be used to facilitate a thorough investigation of any allegations.
- 5.7 The Regulation of Investigatory Powers (Scotland) Act 2000
- 5.7.1 The Council may undertake surveillance in order to gather evidence in respect of any allegations of fraud and corruption. All surveillance operations will be undertaken legally, in accordance with the legislation, and where it is proportionate and justified to do so.

6 AWARENESS AND TRAINING

- 6.1 The Council recognises that the continuing success of this Policy and its general credibility will depend in part on the effectiveness of training and awareness for Members and employees.
- 6.2 To facilitate this, the Council supports induction training for employees. For employees involved in internal control systems, this process will highlight their duties and responsibilities in this respect.
- 6.3 In addition, Directors and Service Managers are responsible for communicating this policy to all staff within their relevant Service and ensuring that all staff have read and understood the Policy.
- 6.4 The investigation of fraud, corruption and irregularity centres on the Council's Internal Audit, Corporate Fraud Team. It is essential therefore that employees involved in this work should be properly and appropriately trained to carry out such investigations. Adequate internal audit resources will be made available to ensure that this remains.

7 EQUALITIES

7.1 Consultation and Engagement

This Policy was updated in consultation with the Corporate Management Team.

7.2 Equality Impact Assessment

Equality Impact Assessment available [here](#).

Related Documents

- Financial Regulations
- Standing Orders
- Scheme of Delegation
- Disciplinary and Grievance Procedures
- Councillors' Code of Conduct
- Code of Conduct for Employees
- Registers of Interests
- Registers of Gifts and Hospitality
- Internal Audit Fraud Procedure Guidelines
- Whistleblowing Policy
- Complaints procedures
- Criminal Finances Act 2017 Policy

CORPORATE FRAUD SANCTIONS POLICY FOR COUNCIL TAX REDUCTION SCHEME AND NON-DOMESTIC RATES

Version No 1.2

Produced by:

Inverclyde Council
Municipal Buildings
GREENOCK
PA15 1LX

2024

Inverclyde Council is an Equal Opportunities employer

This document can be made available in other languages, large print, and audio format upon request.

DOCUMENT CONTROL

| Document Responsibility | | |
|--|------------------------|----------------|
| Policy Title | Corporate Group | Service |
| Sanctions Policy – Council Tax Reduction Scheme and Non-Domestic Rates | N/A | Internal Audit |

| Change History | | |
|-----------------------|---------------|--|
| Version | Date | Comments |
| 1.0 | April 2017 | First version of document |
| 1.1 | August 2019 | Updated Summary & Sanction Decision document |
| 1.2 | November 2024 | Updated to new policy format. Review of policy in conjunction with Anti-Fraud and Corruption Policy and changes to job titles. |

| Distribution |
|---|
| Directors, Heads of Service and Intranet. |

| Policy Review | | |
|---------------------------|-------------------------|----------------------------|
| Updating Frequency | Next Review Date | Responsible Officer |
| Four Years | November 2028 | Chief Internal Auditor |

| Policy Review and Approval | | | |
|-----------------------------------|---------------|-------------|----------------------|
| Name | Action | Date | Communication |
| Audit Committee | | | |

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1. Introduction

- 1.1 Inverclyde Council has an Anti-Fraud and Corruption Policy which sets out the framework for the prevention and detection of fraud and corruption.
- 1.2 This document is complementary to that policy and outlines the approach to be followed with regard to the sanctions and prosecutions in relation to the following fraud areas:
 - Council Tax Reduction Scheme
 - Council Tax Fraud (discounts and exemptions)
 - Non-Domestic Rates Fraud
- 1.3 Recoveries of any financial losses to the Council which occur as a result of the above will be pursued regardless of any sanction or prosecution being applied.
- 1.4 Fraud committed in any other area of Council work will be reported to the relevant Director and appropriate action will be discussed with the Monitoring Officer and the Chief Executive in line with the Anti-Fraud and Corruption Policy.

2. AIMS AND OBJECTIVES

- 2.1 In all cases of fraud, local authorities are expected to actively consider applying a sanction or prosecution.
- 2.2 In making the decision as to whether to apply a sanction or prosecution, the appropriate Corporate Fraud Officer shall in each case be fair and consistent and consider each case on its own merits, taking account of evidence available.
- 2.3 When considering the suitability of a case for prosecution, Inverclyde Council will apply two tests – the evidential test and the public interest test:

2.3.1 Evidential Test

This test considers whether:

- There is enough evidence to provide a realistic prospect of conviction; and
- The evidence is reliable and can be used in court.

Where this test is satisfied, Inverclyde Council will consider the public interest test.

2. AIMS AND OBJECTIVES (Continued)

2.3.2 Public Interest Test

Inverclyde Council will consider public interest factors to determine whether to prosecute an offender or consider whether an alternative course of action may be more suitable:

- The seriousness of the offence;
- The duration of the offence;
- The amount overpaid during the period of the offence;
- Whether the offence was planned or is systematic;
- Whether more than one person is involved;
- Previous history and likelihood of recurring conduct;
- Age, physical and mental health of the parties involved;
- Obstruction/lack of co-operation with the investigation;
- Persistent offender;
- Where the alleged offender has failed to attend an interview to give their account of the facts;
- Where the person involved in the fraud was in a position of trust, for example a member of staff;
- Where the prosecution may have a significant deterrent effect; and
- Whether there have been any failings in the administration processes that can be attributed to official error, this also includes unreasonable delay.

3 SANCTION CONSIDERATION

- 3.1 The Corporate Fraud Officer will complete a sanction consideration form in each case where a potential council tax reduction, council tax discount/exemption or non-domestic rates fraud has been established. This will be countersigned by the Chief Internal Auditor and issued to the Revenues and Benefits Manager who will decide based on the evidence whether any overpayment is to be classified as fraudulent. If it is decided that there has been deliberate misrepresentation of circumstances in a case or a deliberate failure to notify a change of circumstance, the Revenues and Benefits Manager will consider the option of reporting the perpetrator(s) to the Procurator Fiscal to consider prosecution.

[Sanction Consideration.xlsx](#)

- 3.2 The final decision on applying a sanction will be made by the Chief Financial Officer after taking account of the factors of the evidential test and the public interest test.

The following sanctions will be considered:

- Issue a warning letter;
- Impose a financial penalty;
- Referral to the Procurator Fiscal; and/or
- Referral to Service/HR (employee fraud) – completion of Summary & Sanction Decision [Summary & Sanction Decision.docx](#)

3 SANCTION CONSIDERATION (Continued)

Warning Letter

This will be issued in circumstances where after taking account of the sanction consideration factors it has been deemed adequate and proportionate to issue a warning letter.

Financial Penalty

In respect of Council Tax, a financial penalty may be levied where further information is requested but not supplied or false information is supplied in relation to the request.

Referral to Procurator Fiscal

The Revenues and Benefits Manager will review each case and if deemed appropriate for prosecution will refer the case to the Chief Financial Officer to authorise a referral to the Procurator Fiscal. The case will then be presented to the Chief Executive and the Council's Monitoring Officer for final approval of the referral.

The Corporate Fraud Officer will then submit an external report to Police Scotland detailing the case summary along with all evidence gathered including all witness statements.

Police Scotland will then consider reporting the circumstances to the Procurator Fiscal through their online reporting procedures. The Procurator Fiscal will subsequently decide on whether to prosecute or not. The Procurator Fiscal may decide to impose a fiscal fine/fiscal warning letter as an alternative to prosecution.

Referral to Service/HR (Employee)

In circumstances where fraud has been established and the employee has been issued with a warning letter or reported to the Procurator Fiscal, the Corporate Fraud Officer will submit a "Summary & Sanction Decision" report to the Service/HR detailing the facts of the investigation to enable the Service/HR to consider any potential disciplinary action deemed appropriate.

4 PUBLICITY

- 4.1 Press releases will be issued in suitable cases where a conviction has been obtained in order to maximise the deterrent effect and raise the level of public fraud awareness.
- 4.2 Consideration will be given to the amounts involved, the nature of the offence, the public interest and the deterrent value of publicising a particular case.

5 EQUALITIES

5.1 Consultation and Engagement

This Policy was updated in consultation with the Corporate Management Team.

5.2 Equality Impact Assessment

Equality Impact Assessment available [here](#).

| | | | |
|-------------------------|--|--------------------|-----------------------|
| Report To: | Audit Committee | Date: | 7 January 2025 |
| Report By: | Chief Financial Officer | Report No: | FIN/85/24/AP |
| Contact Officer: | Alan Puckrin | Contact No: | 712090 |
| Subject: | Best Value Thematic Review – Workforce Innovation | | |

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 On 24 October 2024, the Council considered the Annual Accounts, Annual Audit Report and Best Value Thematic Review which this year covered, “Workforce Innovation – How councils are responding to workforce challenges”. The Council approved the identified actions and remitted the report to the Audit Committee for further consideration.

2.0 RECOMMENDATIONS

2.1 The Committee are asked to consider the contents and actions within the Thematic Review and provide any further feedback to officers.

Alan Puckrin
Chief Financial Officer

3.0 BACKGROUND AND CONTEXT

- 3.1 On 24 October 2024, the Council considered the Annual Accounts, Annual Audit Report and Best Value Thematic Review which this year covered, “Workforce Innovation – How councils are responding to workforce challenges”. The Council approved the actions identified and noted that the Thematic Review would be considered further by the Audit Committee.
- 3.2 The report is attached at appendix 1 and the three actions approved by the Council appear within appendix 1 of that paper and progress against delivery will be monitored via the regular monitoring of delivery of external audit actions.

4.0 PROPOSALS

- 4.1 It is proposed that the Committee review the document and provide feedback to officers on its contents.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation is agreed:

| SUBJECT | YES | NO |
|---|-----|----|
| Financial | | X |
| Legal/Risk | X | |
| Human Resources | | X |
| Strategic (Partnership Plan/Council Plan) | X | |
| Equalities, Fairer Scotland Duty & Children/Young People’s Rights & Wellbeing | | X |
| Environmental & Sustainability | | X |
| Data Protection | | X |

5.2 Finance

There are no financial implications arising from this report.

One off Costs

| Cost Centre | Budget Heading | Budget Years | Proposed Spend this Report | Virement From | Other Comments |
|-------------|----------------|--------------|----------------------------|---------------|----------------|
| N/A | | | | | |

Annually Recurring Costs/ (Savings)

| Cost Centre | Budget Heading | With Effect from | Annual Net Impact | Virement From (If Applicable) | Other Comments |
|-------------|----------------|------------------|-------------------|-------------------------------|----------------|
| N/A | | | | | |

5.3 Legal/Risk

By the Audit Committee independently reviewing the contents of this report it supports strong governance and officer accountability.

5.4 Human Resources

There are no HR issues arising.

5.5 Strategic

The need to develop and support the Council workforce and modernise how the Council delivers its services are strategic priorities of the Council.

6.0 CONSULTATION

6.1 No consultation was required.

7.0 BACKGROUND PAPERS

7.1 None.

Workforce Innovation - how councils are responding to workforce challenges

Best Value thematic work in councils 2023-24

Inverclyde Council

DRAFT

September 2024

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Key messages

The workforce strategy supports the council's priorities and is integral to its transformation plans.

The Council has a digital modernisation plan in place and has started realising workforce benefits through its use of digital technology.

The council promotes remote working as a staff benefit; it needs to demonstrate the impact, of the same, on service performance on a periodic basis.

The council has plans to make good use of apprenticeships and succession planning.

The council has shared some key posts with other councils but has gradually moved away from joint workforce arrangements. The Council is not implementing joint working with other councils on a significant scale.

The council actively monitors progress with its workforce strategy and plans

Scope of the audit

The [2023 Local Government Overview \(LGO\)](#) notes that councils have never faced such a challenging situation. Service demands have increased after the Covid-19 pandemic and funding is forecast to reduce in real terms. Workforce pressures including recruitment in a competitive labour market, employee retention and high sickness absence levels are putting councils under continued pressure.

This report sets out how the council is responding to current workforce challenges through building capacity, increasing productivity and innovation.

The [Accounts Commission's Strategy \(2021-26\)](#) sets out its priorities to focus on inequalities, funding, communities and recovery. The Code of Audit practice sets out the Best Value work required to report on these priorities.

Code of Audit Practice 2020 Best Value reporting requirements

Best Value reporting – extract from the Code

The Accounts Commission's approach to Best Value involves reporting on individual local government bodies and thematically across the local government sector through performance reports:

- As part of their integrated wider-scope annual audit work appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.
- The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council or Integration Joint Board (IJB) at least once over the five-year audit appointment on the body's performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate.
- The Accounts Commission reports nationally on thematic aspects of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

This report covers the thematic aspect of the Best Value audit requirements. The Commission has directed auditors to report on workforce innovation and how councils are responding to workforce challenges. In carrying out the work auditors have considered the following questions:

- How effectively are the council's workforce plans integrated with its strategic plans and priorities?
- How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?
- How effectively is the council using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits?
- What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?
- What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?
- How effectively is the council measuring the impact of its workforce planning approach?

An improvement action plan is included at Appendix 1 of this report. This sets out audit recommendations in key areas, and the council's planned response including responsible officers and dates for implementation.

The coverage of the work is in line with the expectations for council's arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020](#).

Workforce strategy and priorities

The workforce strategy is in place; it supports the council's priorities and is integral to its transformation plans.

Workforce planning involves identifying and addressing future capacity and skills gaps, at operational and leadership levels. It requires strategic thinking, comprehensive workforce data and ongoing consultation and engagement with staff and trades unions.

A council focused on achieving Best Value will have a workforce strategy that sets out expectations on how the local authority's staff will deliver its vision, priorities and values.

To be effective, workforce planning must be integrated across the organisation. Workforce strategies need to support the council in achieving its strategic priorities. They must support other key plans including financial, asset, digital and transformation planning. They need to be under-pinned with detailed workforce plans within services.

This section of the report considers the following question:

How effectively are the council's workforce plans integrated with its strategic plans and priorities?

The overall strategic framework within which the Council operates is outlined in the Strategic Planning and Performance Management Framework. A new Framework was implemented in 2023 and includes the Inverclyde Alliance Partnership Plan 2023/33 (the partnership plan), the Council Plan 2023/28, Committee Delivery and Improvement Plans 2023/26 and the Financial Strategy.

The Partnership Plan is a high-level strategic partnership document setting out the vision and direction for the Inverclyde area, as agreed by all the Inverclyde Alliance partner organisations and communities. The Partnership Action Plans set out the Partnership's actions which will contribute to the achievement of the Alliance priorities.

The 2023-28 Council Plan sets out the vision for the Council as a whole and the ways in which it hopes to improve the lives of, and deliver better outcomes for, the people of Inverclyde. This was approved by the Council in April 2023.

The plan identifies three key themes / priority areas across which work is aimed to be performed (People, Place and Performance). The plan further identifies the outcomes that are planned to be achieved under each of the priority areas.

The priority area relevant to workforce is Performance. Outcomes identified in plan, corresponding to performance are as follows:

- High quality and innovative services are provided, giving value for money.
- Our employees are supported and developed.

The Council has Committee Delivery and Improvement Plans and the Service plans in place. These plans lay down the associated actions at the committee and service level to support the strategic objectives identified under the Council Plan.

The council plan notes that the Council's People and Organisational Development Strategy sets out how they will meet the challenges that the Council will face over the short term to ensure that our workforce is positive, motivated and well managed.

A report titled "People and Organisational Development Strategy 2024 – 2027" was presented to the Policy and Resource Committee dated 26th March 2024. The purpose of this report was to advise the Policy and Resources Committee of progress made against the 2020-23 People and Organisational Development Strategy and seek approval of the 5th edition of the strategy for 2024-27. The strategy was approved by the Policy and Resource Committee at this meeting.

The report noted that the 2024-27 strategy has been developed in conjunction with stakeholders and sets out a number of key workforce and organisational development priorities across the following four themes:-

- Organisational Development (Planning for the Future)
- Employee Skills Development, Leadership, Succession Planning (Employees our most Valuable Resource)
- Employer of Choice (Continuous Improvement)
- Fairness & Equality (Promoting Equality, Dignity & Respect)

The main purpose of the strategy is to ensure that the Council can continue to deliver its core objectives, with an engaged and motivated workforce in a climate of financial and resource constraints, alongside increased service delivery demands.

The report notes the alignment of the strategy with the relevant outcomes included in the Council plan i.e. "High quality and innovative services are provided, giving value for money" and "Our employees are supported and developed".

The report further notes that the stakeholder engagement on this latest version of the strategy included workshops with the Extended Corporate Management Team, Heads of Educational Establishments, Service Managers and feedback from the Employee Opinion Survey. Consultation on the development of this strategy had also taken place with the Trade Unions, the Women's and Staff Disability Forums and the Workforce Planning and Development Group which has representation from all Directorates of the Council. It is also informed by the Workforce Information Activity Report (WIAR), which provides statistical analysis.

The People and Organisational Development Strategy 2024-2027 sets out a number of key workforce and organisational development priorities across the themes of Organisational Development; Employee Skills Development, Leadership, Succession Planning; Employer of Choice and Fairness & Equality. These themes are planned to be supported by key HR Policies and an action plan which has been developed to ensure it supports the delivery and achievement of key service priorities and outcomes.

The strategy document lays down the aims, description of successful outcomes and the proposed actions to achieve these outcomes under each of the key themes.

The strategy document further specifies the delivery and monitoring mechanism in relation to the desired objectives which includes the description of statistical reports, frequency of reporting of these reports and the authorities to which the same are reported. The table below includes the details of the same:

| Statistical Report | Reported To | Frequency |
|--|--|------------------|
| Workforce Information and Activity Report | Heads of Service and Directors | Quarterly |
| | Corporate Management Team | Annually |
| | Policy and Resources Committee | Annually |
| Inverclyde Council Equality Mainstreaming Report | Corporate Management Team | Two years |
| | Policy and Resources Committee | Two years |
| Internal HR and OD process statistics | Relevant illustrative performance indicators will be included in the six monthly reporting to the CMT. | Six monthly |

The Workforce Information and Activity Report is designed to be informative and to encourage participation in organisational development and workforce planning activity. The content includes key information on attendance, performance and workforce demographics and includes a comparison with the previous two years in key areas.

The latest annual Workforce Information and Activity Report corresponding to 2022/23 was presented to the Policy and Resource Committee dated 6 February 2024. The purpose of this report was to advise the Policy and Resources Committee of key workforce information and activity for the year 1 April 2022 to 31 March 2023. This annual report had been provided to the Corporate Management Team in recent years to support workforce planning, through trend analysis and performance against targets, and has been submitted to the Policy and Resources Committee the past three years to provide members with a useful overview of workforce activity and analysis.

The report includes statistical data across a number of areas including:

- Attendance and Performance Appraisal Information
- Employee Demographics
- Sessional Worker Activity – Workforce Planning
- Human Resources Support Activity
- Organisational Development Support Activity
- Health and Safety Activity

As part of our previous best value reporting, we noted that some service workforce plans within Environment and Regeneration are required to be refreshed in order to develop proposals which address wider issues relating to succession planning, due to an ageing profile of some staff groups, staff retention challenges and single person dependencies. We had recommended that workforce plans should be refreshed on a timely basis. The workforce and development plan for this committee has now been developed and is planned to be formally reported as an update to the committee in October 2024.

Digital technology and the workforce

The Council has a plan in place with respect to digital modernisation and has started realising workforce benefits through its use of digital technology.

The LGO notes that digital technology will make councils' future workforces look and work quite differently. In order to achieve the change required, councils need to make good use of digital technology and use the workforce in flexible ways.

Digital technology has a strong bearing on a council's workforce needs. It can be used to re-shape jobs to increase productivity and reduce back-office functions while improving service quality. Technology solutions include online services, customer relationship management systems, mobile digital devices and more recently, artificial intelligence (AI) applications.

Councils need to be innovative in their use of technology and build on new working practices that emerged during the pandemic. In doing so, they must also consider service quality and the needs of people experiencing digital exclusion.

This section of the report considers the following question:

How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?

One of the outcomes identified, as part of the latest Council Plan, under the key theme "performance" is "High quality and innovative services are provided, giving value for money".

The Council has developed three underlying Committee delivery and Improvement plans to support the achievement of the outcomes identified under the Council Plan.

As part of the Policy and Resources Committee Delivery and Improvement Plan 2023/26 the Council identifies "Modernisation of the Council" as a key item to support the performance theme of the Council Plan.

The creation of a Digital Modernisation Project Board (DMPB) was approved in March 2023, chaired by the Chief Executive, to oversee the delivery of the Council's Digital Modernisation Programme. The DMPB meets bi-monthly, and includes representation from the 3 Directorates plus ICT, Legal, Finance and HR, its purpose being to provide support and challenge and ensure that momentum is maintained in the delivery of individual digital modernisation projects. We have inspected evidence of regular meeting of the DMPB which include updates against the ongoing projects as well as details of new proposals related to digital modernisation of the Council.

As part of the approval of the Council's Revenue Budget for 2023/24, on 2 March 2023, it was agreed that £1M of reserves be utilised towards digital modernisation. The Digital Modernisation Programme is intended to comprise projects that seek to implement digital improvements aligned to specific service requirements, but also aligned to wider strategic objectives.

The Policy and Resources Committee Delivery and Improvement Plan 2023/26 identified the following measures to further the Modernisation of the Council Objective:

- Have 4 Digital Modernisation projects approved and implemented.
- Continue delivery of the Council's Digital Strategy to deliver better services for customers and citizens, including through Channel Shift.
- Continue delivery of the Council's ICT Strategy to support the changing face of the Council, including through progression of migration towards a cloud-based service including a hybrid telephony solution.
- Refresh the Council's Digital Strategy and ICT Strategy, to be adopted by Policy and Resource Committee during 2024

Following is an extract of the progress update reported to the Committee dated 26 March 2024, against the above measures:

| Item | Progress Update |
|--|--|
| Have 4 Digital Modernisation projects approved and implemented. | <p>This Committee approved four new projects on 15th August 2023. Procurement action has been completed and project initiation and implementation has begun as below:</p> <ul style="list-style-type: none"> • Freshdesk Service Desk Renewal – Project underway, cloud-based system is in place and configuration and implementation started. Estimated Project Completion June 2024 • Verint CMS Upgrade – Project initiation meetings complete and supplier resource allocated. Estimated project Completion September 2024 • WorkPro Complaints Handling System – Procurement complete – awaiting supplier resource for implementation. • Schools Catering Contract Refresh – On Schedule for completion during Easter Break |
| Continue delivery of the Council's Digital Strategy to deliver better services for customers and citizens, including through Channel Shift. | <p>The Modernisation Programme Board was established in May 2023. A development session with the Improvement Service and front-line managers was held on 29th August 2023 to identify areas for digital improvement. Business Cases have been developed, or are in development, for a number of service proposals.</p> |
| Continue delivery of the Council's ICT Strategy to support the changing face of the Council, including through progression of migration towards a cloud-based service including a hybrid telephony solution. | <p>The ICT Strategy identified 4 key action areas:</p> <ol style="list-style-type: none"> 1. Asset Management Programme & Cloud Migration Strategy; 2. Service Provision; 3. Information Security 4. Procurement Strategy <p>Good progress is being made across all 4 Action Areas, with regular reports progress to this Committee</p> |

| | |
|---|---|
| Refresh the Council's Digital Strategy and ICT Strategy, to be adopted by the Policy and resource Committee during 2024 | Initial discovery workshop with team members and development of wider Digital and Customer Service Strategy held on Feb 28th 2024 |
|---|---|

In the next Policy and Resource committee meeting dated 6 June 2024 the Policy and Resources Committee Delivery and Improvement Plan 2023/26 was reviewed and refreshed to ensure that actions that continue to be priorities carry forward to the next planning year; actions that have been delivered are closed off and new opportunities, challenges and responsibilities are captured.

Following measures were identified, as part of the refresh, under the modernisation of the council objective:

- Report on the progress against the actions identified in the ICT and Digital strategies.
- Develop a Digital and Customer Service Strategy.
- Carry out a Digital Maturity exercise to benchmark the Council's position against peer authorities.
- Consider options to optimise use of Council buildings.

Based on discussion with the Council we understand that following benefits have been realized/ are expected to accrue as a result of the digital modernisation initiatives:

- Workforce benefits have been achieved in terms of efficiencies in reduced employee time spent on administrative tasks as a result of the roll out of electronic forms, which have also provided ease of access to services to the customer. Recent developments in the Human Resource and Organizational Development service include bank mandate, termination, change of circumstances, personal information, interview outcome and Entry to Service. Sickness notification and certification is currently in the testing phase. Vacancy management is in development and planned for testing.
- A new ICT solution for school meals in secondary schools to better meet customer needs and reduce waste is currently being implemented. Enrolments to school is available online, reducing the amount of time previously spent by employees in handling forms manually. An Education Services Digital Strategy is in place, delivering a more flexible support to teaching. Employees can book occupational health appointments online following the introduction of a new electronic system Figtree, reducing time spent for the employee booking the appointment and those handling the request.
- A MS Office 365 Development Group has been established to develop a strategy for the use of 365 in a collaborative and secure fashion.
- Plans are being progressed for the implementation of a new service desk tool which will replace the current ICT service desk model and will provide a 'one stop shop'. Plans are also in place for an extension of the Freedom of Information system to manage complaints as well as an upgrade to the Customer Relationship Management System which will expand the routes for the public to interact with Council services. The proposed move to greater self-service by members of the public in relation to Council Tax and NDR will result in more efficient processes within Finance and Customer Services.

In addition to above we have inspected the KPI data that was reported as part of the Annual Refresh and Performance Summary 2023/24 which provides a snapshot of latest performance as compared to the prior years. Following KPIs demonstrated improved performance over time which may be linked to the Council's digital modernisation activities:

- Society for Innovation, Technology and Modernisation (SOCITM) accessibility score (Council website) – Score has improved from 87 (good) in March 2021 to 95 (Excellent) in March 2024
- % of Freedom of Information and Environmental Information Regulations requests that were responded to within statutory timescales – Score has improved from 80% in March to 93.9% in 2023.

We recommend that a system of overall assessment of the impacts of the digital modernisation initiatives on the service quality and outcomes, to provide greater insight into the achievement of the intended objectives, should be designed and implemented.

Recommendation one

The Employee Health and Wellbeing Survey 2020 and Employee Survey 2022, both sought the views of employees on their experience of hybrid working.

The Council also consults with its Citizens' Panel (1,000 Inverclyde residents) for its views on satisfaction with services (summer 2023 survey). An earlier Panel survey (conducted in 2022) included a dedicated question on digital inclusion, including the preferred methods for contacting the Council and access to the internet.

We have been given to understand that there is continual dialogue with the Unions, in relation to, reaching out to those without PC access.

Flexible working and other innovative staff deployment

The council promotes remote working as a staff benefit; it needs to demonstrate the impact, of the same, on service performance on a periodic basis.

During the pandemic councils needed to make the best use of their existing workforce while continuing to monitor employee wellbeing. Councils continue to look to new ways of working to improve job satisfaction and reduce sickness absence and staff turnover.

Home-working and hybrid working (a combination of office and home-based working) have now become commonplace. Some councils are also considering more radical working practice such as a standard four-day working week. However, whatever the working practice, employers need to ensure that service quality and productivity are maintained.

This section of the report considers the following question:

How effectively is the council using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits?

In May 2023, the Policy and Resources Committee considered and approved the report 'Supporting Employee Recruitment and Retention'. This report highlighted the significant recruitment and retention concerns facing local government at a national and local level and outlined the actions and initiatives currently being progressed to mitigate against these issues and ensure effective delivery of Council services. The Policy and Resources Committee approved proposals on additional work and projects and noted an update report would be presented later in the year.

The update report was presented to the Committee dated 19th September 2023. The purpose of this report was to update the Policy and Resources Committee on recent activity to support employee recruitment and retention and seek approval on a number of related proposals.

The report recommended among other items the approval of the revised Flexible Working Policy. As per the report the revised policy merged existing guidance on flexible working, incorporates hybrid working, complies with the Employment Rights Act 1996 and also accounts for pending legislation with regard to the Employment Relations (Flexible Working) Bill.

The update report also provided an update in relation to reduction in the standard working week. As per the report a working group has been established to explore the reduction in the standard working week from 37 to 35 hours and continuing work to clarifying operational and financial implications.

The report notes that it has been considered under the Corporate Equalities Impact Assessment (EqIA) process and the associated assessment has been published on the Council webpage.

The report further notes that the trade unions are supportive of the proposals outlined in the report.

The report along with the revised flexible working policy was approved at the Policy and Resource committee meeting.

This flexible working policy outlines the range of flexible working options that can be requested at Inverclyde Council and how these requests will be considered, taking into account the demands of the service, customer needs, job role requirements and limitations.

The policy applies to all employees of Inverclyde Council regardless of length of service. Employees may submit two requests in a 12-month period. Additional or earlier requests may be considered in exceptional circumstances.

Based on the approved policy Inverclyde Council offers a variety of flexible working options which are outlined below.

Part-Time Working

Job share

Term-Time Working

Compressed Hours

Homeworker

Hybrid Working

Annualised Hours

Shift/Rota Working

Flexible Hours

Flexible and Phased Retirement

The policy lays down the application and approval process as well as the appeal process in relation to the outcomes of the application.

The policy notes the requirement in relation to the consideration of the service impact and requires that the employees and managers should consider the following before requesting or agreeing to a Flexible Working request:

- Customer/client impact;
- Finance/additional costs;
- Statutory responsibilities;
- Size of team;
- Rotas;
- Known problematic absence levels/holiday periods;
- Nature of work being undertaken;
- Management or support responsibilities;
- The need for managers to be at a place of work to effectively manage;
- Attendance patterns of other employees in teams;
- Impact on the individual employee making the request;
- Exigencies of the service; and
- Practicality of working hours.

The policy further ensures the ongoing consideration of the service quality and outcomes by providing a mechanism in relation to ongoing review and monitoring of the agreed arrangements under the policy. Examples of this include:

- Any changes agreed under the scheme will be subject to at least annual review. Managers will consider if arrangements are still a best fit and to determine if any changes are required.
- Trial periods may be agreed in the first instance, and it is important that a decision is made to either agree to the change or revert to previous way of working at the end of the trial period. An example of a reasonable trial period might be 3 months.
- Where there is a large demand or numerous staff wishing to change their hours/working arrangements but not their contractual (paid) hours, it will be acceptable for managers to agree a rota of arrangements, for example if 4 employees request to move to condensed hours, managers may agree a few months each as an operational but not contractual change.

Consultation with staff in relation to flexible working is evidenced through the presentation of the report summarising the results of the Council wide Employee Survey, carried out in September-October 2022, to the Policy and Resource Committee dated 31 January 2023.

The report notes that the employee Survey was launched on the 18 August 2022 and remained open until the 14 October 2022. Every Council employee at the time was given the opportunity to complete the questionnaire. There was a 42% response rate, with 1,737 returns in total of the questionnaire.

An addition to this survey was the section on Hybrid working, given the ongoing pilot taking place at the Council at that time. 37% of respondents identified that they were working as part of the new hybrid working pattern.

The survey results in relation to hybrid working noted that 93% of the respondents agreed that they have adjusted to new working patterns. The survey also captured the respondents' views on whether they will be working on the new hybrid pattern, challenges faced when working a hybrid working pattern and the benefits of working a hybrid working pattern.

We understand that while consideration of impacts and benefits of hybrid working are in-built into the process for approved cases however, we recommend that an overall assessment of the impact of the new arrangements on service quality and outcomes, to provide greater insight into the achievement of the intended outcomes, should be carried out. We further recommend, while in use, that the documentation of the Council's expectations in relation to informal flexible working arrangements.

Recommendation two

We have inspected evidence of trade union consultation in relation to development of the Hybrid Working Policy.

As part of the 2024/26 Budget, the Council approved a £400,000 net saving to be derived from operating fewer buildings. Part of this is linked to the reduction in the size of the office estate and is over and above the £60,000 saving already generated as part of the first phase of the new ways of working project.

Other examples include the redesign of the school library service, which has resulted in service improvement and delivered savings. Library Assistants are now deployed in schools as part of the overall library service. This was because librarians were becoming increasingly difficult to recruit and there were inefficiencies in running school libraries separate from the central service. Additional Support Needs employees in schools had different remits and job descriptions resulting in inefficiencies in provision. Work was undertaken to review the job description, and the resultant deployment of Additional Support Needs staff also delivered efficiency savings.

In-house training for school technicians has also been developed. This resulted in Inverclyde Council becoming one of the first to achieve Scottish Schools Education Research Centre Accredited status and be approved as a training centre. This has meant that the council has saved 70% in training and associated travel costs.

Developing future skills and capacity

The council has plans in place to make good use of apprenticeships and succession planning.

Councils need to find innovative ways to ensure the workforce capacity and skills they need to deliver services in the future. Training and development opportunities can help to attract and retain employees and ensure skills are in place. Many councils work with their partners to offer apprenticeship schemes or vocational qualifications. Succession planning is also important to develop future leaders and ensure that essential skills are in place.

Jobs can be re-designed to optimise the workforce and improve services. For example generic roles across health and social care disciplines. Leaders need to engage with staff and trade unions over fundamental workforce reform. This is particularly challenging in an environment of potential job losses.

This section of the report considers the following question:

What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?

The Council plan 2023-28 identifies three key themes / priority areas across which work is aimed to be performed (People, Place and Performance). The plan further identifies the outcomes that are planned to be achieved under each of the priority areas.

The priority area relevant to workforce is Performance. Outcome relevant to workforce development under this category is “Our employees are supported and developed”.

The achievement of the objectives and aims under the Council plan are supported by three Committee Delivery and Improvement Plans 2023/26 which are as follows:

- Policy and Resource
- Environment and Regeneration
- Education and Communities.

Actions, aimed towards workforce development, identified as part of these committee plans are as follows:

Environment and Regeneration

Objective

Processes for workforce / succession planning will be improved and the skills gap arising from an ageing workforce addressed.

Actions

Identify the future skills gap within the Services, in key areas.
Develop a training action plan for apprentices / graduates.

As per the update provided to the committee dated 16th May 2024, there was a slippage in the above action and the due date was revised from March 2024 to May 2024. This has now been developed i.e. in May 2024 and planned to be presented as an update to the committee in October 2024.

Policy and Resource

Objective

The skills required to deliver key corporate initiatives will be supported via the implementation of the final year of the People and Organisational Development (POD) Strategy 2020/23 and development of a new Strategy 2024/26.

Actions

Implementation of ongoing Action Plan (2023) including:

- Coaching & Mentoring Scheme
- Achievement of Equally Safe Accreditation
- Updated performance appraisal process

In consultation with key stakeholders, identify and develop new initiatives for the POD 2024/26.

As per the update provided to the committee dated 4th June 2024, the above actions were fully implemented.

The associated committee development and improvement plan was further refreshed with the following actions, aimed towards workforce development, planned for future periods:

Support the achievement of professional qualifications within the workforce and implement an improved approach to mandatory training courses. (Due date 31 March 2025).

The council plan notes that the Council's People and Organisational Development Strategy, developed under the Policy and Resource committee development and improvement plan, sets out how they will meet the challenges that the Council will face over the short term to ensure that our workforce is positive, motivated and well managed.

The People and Organisational Development Strategy 2024-2027 sets out a number of key workforce and organisational development priorities across the themes of Organisational Development; Employee Skills Development, Leadership, Succession Planning; Employer of Choice and Fairness & Equality.

These themes are supported by an action plan which has been developed to ensure it supports the delivery and achievement of key service priorities and outcomes.

One of the key themes, along with associated aims and actions, identified under the above strategy corresponds to "Employee Skills Development, Leadership, Succession Planning (Employees our most Valuable Resource)".

The aims identified under the theme above are as follows:

- Employees are sufficiently trained, qualified and experienced; and
- Our leaders are developed to lead, motivate and inspire to deliver quality services which meet service demands.

Following broad actions are included in the strategy document above to achieve the above aims:

- Developing learning and development programmes;
- Responding to the training needs across the Council;
- Strengthening employee induction, and
- Supporting delivery of service workforce delivery plans.

The above People and Organisational Development Strategy 2024-2027 replace an earlier version of the strategy i.e. 2020-23. A report, “titled People and Organisational Development Strategy 2020-2023 Action Plan 2022/23” was presented to the Policy and Resource committee dated 20 September 2022.

The purpose of the report was to seek agreement from the Policy and Resources Committee on the key actions and initiatives being progressed for 2022/23 to support the Council’s People and Organisational Development Strategy 2020-2023. The key actions, aimed towards “Employee Skills Development, Leadership, Succession Planning”, were as follows:

- Supporting managers with relevant leadership events; and
- Refresh the succession planning process.

As part of an update provided to the committee dated 23 May 2023 the succession planning policy was approved.

Achievement against following initiatives (aimed towards employee recruitment and retention), in relation to 2020-23 strategy, was presented as part of the 2024-27 refresh of the strategy:

| |
|---|
| <p>Undertaking the Workforce Refresh programme to attract new employees into the Council from the local community.</p> <p>This approach received recognition in the 2023 Association for Public Service Excellence awards. It resulted in applications from those aged under 30 increasing by 496 and an extra 94 young workers employed within the Council. All of those newly employed through the programme were Inverclyde residents and 20% were previously unemployed.</p> |
| <p>Promotion of employee recognition schemes such as the Pride of Inverclyde Awards</p> <p>A successful 2023 event was held to recognise employee achievements, with plans underway for the 2024 awards. It provided an opportunity to showcase the work and dedication of employees.</p> |
| <p>Development of a new approach to performance appraisals</p> <p>“Positive Conversations” has been developed and recently launched. Informal feedback to date has been very positive.</p> |
| <p>Development of an internal coaching / mentoring programme for managers</p> <p>The mentoring programme was developed and initiated in early 2024 with a wide range of mentors and mentees engaged in the programme.</p> |
| <p>Developing the approach to corporate induction</p> <p>A face to face corporate induction session for new employees was piloted for 6 months. Of the 69 attendees 99% agreed that they learned something new about the Council. All participants stated that they understand how their work contributes to the aims of the Council Plan, and they understand what is expected of them as a Council employee and what they can expect of the Council as an employer. The corporate induction session is now being mainstreamed.</p> |

Savings and other benefits are reported to the Policy and Resource Committee periodically as part of the finance updates. As per the finance update provided to the committee dated 21 November 2023, following benefits, associated with the workforce measures, were reported:

| Area to be reviewed | Saving/Cost Avoidance/ Pressure/ Service Improvement | Position - October 2023 |
|--|---|--|
| Shared Services with West Dunbartonshire | Cost Avoidance/ Service Improvement | Report due the Joint Committee in autumn 2023 regarding the Internal Audit shared arrangement. Council internal assessment of options completed and preferred option identified by CMT and communicated to employees. Liaison with West Dunbartonshire Council on going to report to Joint Committee and thereafter the December Council |
| New Ways of Working Office Estate Reduction | Saving | Agreed to continue with hybrid working and a Policy approved by the Policy & Resources Committee in September 2023. Following the Levelling Up Fund award and the impact on the campus, the project focus has moved to making best use of the office space and will be led by the Director, Environment & Regeneration, with meetings being scheduled |
| Recruitment & Retention Initiatives | Cost avoidance/ Service Improvement | Various initiatives being progressed/investigated including a new Flexible Working Policy, reduction in the standard working week, development of trainees and payment of university fees, employee benefits and a review of professional fees. The updated Flexible Working Policy and new approach to performance appraisals (Positive Conversations) approved at Policy and Resources Committee in September. A Working Group has been considering the potential implications of a reduction in the standard working week from 37 to 35 hours. Employees have been nominated to undertake further professional qualifications to help with “difficult |

| | | |
|----------------|---|--|
| | | to fill” posts funded from a central earmarked reserve. 2023 Leadership course underway to help with retention and potential promotion. |
| HR & OD Review | Pressure reduction/ Service Improvement | Review focussed on resources/capacity, use of technology, efficiency of processes and user needs/demands. Executive summary reported to August P&R Committee. SMART action plan developed. Actions progressed in relation to efficiencies in the appointment process for new employees, issuing of contracts and upgrading IT systems. Additional permanent Service Manager post in HR+OD part of the Service agreed. A Budget pressure identified and to be progressed via MBWG in October 2023 for additional employee resource. |
| Review of CLD | Saving/ Service Improvement | Audit of workforce completed. High level aims and direction being developed during October/November 2023 |

The Council provides a mixture of both in house and external training opportunities, online and in person, delivered by the OD team and external providers where appropriate. In particular, the Council engages with West College Scotland to deliver a variety of courses as well as supporting apprenticeships through their training Education Services are also part of the Glasgow City Region Education Improvement Collaboration, known as the West Partnership, where training, resources, learning and best practice is shared. The enhancement of practitioner knowledge, understanding and confidence is inherently linked to the collaborative working of the West Partnership.

The Council also engages the expertise of other training providers to deliver bespoke training on corporate issues e.g. Clyde & Co (law firm) to deliver training on Equalities, Web Usability has delivered training on website accessibility.

Informal training and learning is also achieved across the Council through professional networks and attendance at Learning Events such as those hosted by the Improvement Service.

The Council approved a refreshed Redeployment Policy in January 2023 to protect the employment security of staff as far as possible. Trades Unions were involved in the consultation of the refreshed Policy.

The process of agreeing the Council budget is subject to rigorous challenge and review and involves both the Members Budget Working Group and a Joint Budget Group, which included Trades Union representation. Savings proposals relating to the loss of FTEs are subject to Trade Unions consultation.

In February 2024, as part of its consideration of the Budget, a range of options to best support employees impacted by budget savings, including approval for temporary enhancements to the Voluntary Severance Scheme were approved by the Council.

Options appraisals are carried out where a Service Review is undertaken and all the options reported to the appropriate Committee.

Equality Impact Assessments are developed for every budget saving proposal to ensure that that due regard is paid to the potential implications, not only for service users but the workforce too, where it is affected.

Joint workforce arrangements across services and partners

The council has shared some key posts with other councils but has gradually moved away from joint workforce arrangements. The Council is not implementing joint working with other Councils on a significant scale.

Councils should look to work collaboratively with their partners to make the best use of their existing workforces and plan for the particular workforce needs in their areas. They should also work across traditional service department roles within councils to deliver improved services and outcomes.

Examples of this include generic working across health and social care, professional posts or functions shared between councils, and services delivered through empowered communities.

This section of the report considers the following question:

What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?

A shared services model Business Case was developed between Inverclyde Council, West Dunbartonshire Council and East Dunbartonshire Council in 2017. East Dunbartonshire did not pursue participation in the shared service and formally withdrew in January 2022.

The business case was refined in 2018 to develop a shared service for Roads and Transportation. A Shared Service Joint Committee was also set up. The Head of Shared Service commenced in 2019 to strategically lead the Roads and Transportation Services, develop strategic business cases for services shared across wider front line services and to implement the management model of a wider shared service.

The Head of Shared Service's remit was expanded to include Waste, Grounds and Fleet Services in October 2019 for West Dunbartonshire Council and April 2020 for Inverclyde Council. A Shared Internal Audit Manager and a Shared Waste and Fleet Manager were appointed in January and April 2020 respectively with an Interim Grounds management model implemented in May 2021. An independent evaluation of Shared Services was jointly commissioned in October 2022 by West Dunbartonshire Council and Inverclyde Council to consider the future of the shared service model. The evaluation highlights a number of strengths, as well as a number of weaknesses in relation to the current arrangement. The recommendation reached in both authorities was to dissolve the roads, waste, fleet, and grounds areas of shared operation.

Inverclyde Council continues to participate in a Shared Services arrangement with West Dunbartonshire Council in respect of the Chief Internal Auditor post in the short to medium term. As noted from above the Council is gradually moving away from joint workforce arrangements with other councils and not implementing joint working on a significant scale. Although these

were based on detailed analysis, we recommend that Council should continue to explore joint working opportunities to make the best use of the available workforces across the sector.

Recommendation three

The Council has partnership arrangements in place and there are examples of service delivery via other providers that complement in house provision, including, Inverclyde Leisure and Riverside Inverclyde. Partnerships were developed during COVID with Inverclyde Leisure, the Beacon, Your Voice and community organisations.

In addition to this, individual Services work with partners across sectors, examples of which include the Inverclyde Community Development Trust (employability / training & education); provision of homecare services via the third sector; Service Level Agreements with community organisations, community work / consultation supported by Your Voice Inverclyde and CVS Inverclyde; Action for Children deliver wellbeing services to Inverclyde school children; a Debt Recovery Partner is appointed for the recovery of Council Tax and NDR; provision of Occupational Health support for employees and Financial Fitness provide specialist support to clients.

Working partnerships with the third sector support the delivery of strategies, e.g. Attainment Challenge, The Promise and Whole Family Wellbeing. Inverclyde Leisure support the delivery of the Wellbeing Strategy and attend the Active Inverclyde Strategic Group. Food Growing Strategies promote strong working relationships with communities and third sector. The previous Inverclyde Children's Services Plan was fully aligned to the third sector providers Best Start in Life. Work is underway to align the current Children's Services Plan to their third sector interface. The Trauma Informed Strategic Group includes members of the third sector as well as the Police. This has resulted in the ability to share expertise as well as develop a consistency in practice. The Community Safety Hub is a hub involving the Council and partners to address anti-social behaviour and provide early intervention to stop matters escalating. The Hub avoids duplication of effort across partners.

External consultants have been appointed to carry out specific pieces of work where additional expertise is required, such as development of new Local Development Plan, Local Housing Strategy and Equalities training.

As at 31 March 24 the Council had 3,291 Permanent Employees and 1,203 Temporary Employees. This is a 73% / 27% split. Temporary roles often relate to the nature of the funding supporting. Additionally, number of modern apprentices as at 31 March 2024 were reported to be 71.

Measuring the impact of workforce planning

The council actively monitors progress with its workforce strategy and plans.

Councils should monitor the impact of their workforce planning and delivery approaches. This should include cost, service quality and productivity benefits as well as employee wellbeing. This in-turn should inform their workforce planning approach. Councils and their partners should also understand the wider impact of their employment practice on the local economy.

This section of the report considers the following question:

How effectively is the council measuring the impact of its workforce planning approach?

The Council reports on a range of workforce KPIs that enable key stakeholders to form a judgement on the effectiveness of its workforce planning arrangements.

Workforce and service impact related KPIs included in the annual performance report are as follows:

MEASURE

The percentage of Citizens' Panel respondents that agree that the Council is responsive to customer needs

The percentage of Citizens' Panel respondents that are satisfied with Council services

The percentage of the Council's accommodation that is suitable for its current use

Percentage of transactions dealt with through the Council's Customer Service Centre portal that are digital

The gross cost of benefits administration per case

The percentage of benefits processing that was accurate.

The percentage of pest control service requests attended within 5 working days

The percentage of consumer complaints completed within 14 days.

| Indicator | Target 2022/23 |
|---|----------------|
| The percentage of employees that are satisfied in their job (Employee Survey)* | 75% |
| The percentage of employees that understand how their work contributes to the Council's aims (Employee Survey) * | 75% |
| The percentage of employees that agree they feel motivated to do the best job that they can (Employee Survey) * | 75% |
| The percentage of employees that agree that Inverclyde Council is a caring and supportive employer (Employee Survey)* | 75% |
| The gender pay gap | Reduce % |
| The percentage of the highest paid 5% of employees who are women | Maintain % |
| The overall sickness absence rate | 9 days |
| The number of abandoned calls made to the Customer Service Centre <ul style="list-style-type: none"> • revenues and benefits • other council services | 26% 10% |
| The percentage of employee appraisals completed in the year and individual development plans agreed | 90% |

As per the Annual performance report 2022/23 8 out of 10 targets were reported as achieved.

LGBF reporting included as part of the annual performance report provides further insight into the service impacts of the workforce planning. Workforce specific indicators included in the LGBF are reported to the CMT and the Policy and Resource Committee on a periodic basis. Examples of workforce specific indicators included in the LGBF reporting are as follows:

- Sickness absence days (teacher)
- Sickness absence days (non-teacher)
- % of highest paid 5% of employees who are women
- Gender pay gap.

Additionally reporting against the committee development and improvement plans as well as related KPIs are presented to the relevant committees on a periodic basis which includes the workforce related actions and associated KPIs.

Furthermore, the Employee Survey results are also reported to the Policy and Resources Committee.

Periodic reporting is also presented to the Policy and Resource Committee in relation to People and Organizational Development Strategy. As part of the paper, presented to the Policy and Resource Committee, for approval of the People and Organizational Development Strategy 2024-27, an update was also presented to the committee in relation to progress made with respect to actions and priorities within the People and Organisational Development Strategy 2020- 2023.

A report was presented to the Policy and Resource committee, dated 6 February 2024. The purpose of this report was to advise the Policy and Resources Committee of key workforce information and activity for the year 1 April 2022 to 31 March 2023. This report that this information has been provided to the Corporate Management Team in recent years to support

workforce planning and has been submitted to the Policy and Resources Committee the past three years to provide members with a useful overview of workforce activity and analysis.

The Workforce Information and Activity Report is designed to be informative and to encourage participation in organisational development and workforce planning activity. The content includes key information on attendance, performance and workforce demographics.

The People and Organizational Development Strategy 2024-27 document specifies the delivery and monitoring mechanism in relation to the desired objectives which includes the description of statistical reports, frequency of reporting of these reports and the authorities to which the same are reported. Details of this is included in response to Q1 of this document.

In 2023, Inverclyde Council won a national (UK wide) APSE award for Best Workforce Initiative in 2023 for its Workforce Refresh programme.

National LGBF benchmarking data shows that since 2018/19, the Council has almost halved its gender pay gap.

The Employee Survey 2022 has provided the Council with a measure of employee satisfaction. The latest Survey included questions to help assess impact, including recent developments, including hybrid working (93% of respondents replied that they had adjusted well to the new work pattern, 53% said that it had given them a better work/life balance). The results from the survey were considered at a dedicated improvement planning workshop and a Workforce Improvement Plan developed as a result, which is reported to the CMT on a six monthly basis. Amongst the improvements that can be evidenced include the introduction of face inductions, flexible working policy and review of performance appraisals.

Efficiencies and savings that are achieved as a result of new ways of working is included in the annual Delivering Differently update report to the Policy & Resources Committee. Details of the same are included in response to Q4 of this report.

Appendix 1

Improvement Action plan

| Issue/risk | Recommendation | Agreed management action/timing/responsible individual |
|---|--|--|
| <p>1. We understand that a system of overall assessment of the impacts of the digital modernisation initiatives should be developed.</p> <p>Risk: There is a risk in relation to inability to identify any negative consequences on the service quality and outcomes.</p> | <p>We recommend that a system of overall assessment of the impacts (cost, time and quality) of the digital modernisation initiatives should be designed and implemented.</p> | |
| <p>2. We understand that while consideration of impacts of hybrid working are in-built into the process for approved cases however an overall assessment of the impact of the flexible working arrangements on service quality and outcomes needs to be carried out.</p> <p>Risk: There is a risk in relation to inability to identify any negative consequences of the flexible working arrangements on the service quality and outcomes.</p> | <p>We recommend that an overall assessment of the impact of the new flexible arrangements on service quality and outcomes, to provide greater insight into the achievement of the intended objectives, should be carried out. We further recommend, while in use, the documentation of the Council's expectations in relation to informal flexible working arrangements.</p> | |
| <p>3. The Council is gradually moving away from joint workforce arrangements with other councils and not implementing joint working on a significant scale.</p> <p>Risk: There is a risk in relation to inability to make the best use of the existing workforces and to efficiently plan for the particular workforce needs in the areas.</p> | <p>We recommend that Council should continue to explore joint working opportunities to make the best use of the available workforces across the sector.</p> | |

| | | | |
|-------------------------|--|--------------------|-----------------------|
| Report To: | Audit Committee | Date: | 7 January 2025 |
| Report By: | Lynsey Brown Head of Legal, Democratic, Digital & Customer Services | Report No: | LS/089/24 |
| Contact Officer: | Deborah Clark Corporate Risk Adviser | Contact No: | 01475 712137 |
| Subject: | Corporate Risk Register | | |

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to present the latest Corporate Risk Register to the Audit Committee for its consideration and highlight key risk management developments since the last report. The Corporate Risk Register highlights the most significant corporate risks facing the Council, and the key actions being taken by the Council in response to them. Following the Committee's consideration the Corporate Risk Register will then be presented to the Policy & Resources Committee, so that it can also consider it.
- 1.3 There are currently 10 key corporate risks which sit above the Council's currently defined acceptable risk boundary for consideration by the Committee. There are also a further 3 lower rated risks which are also included in the Corporate Risk Register.
- 1.4 Mitigations are in place for each risk which are reviewed on an ongoing basis by the Corporate Risk Management Group and responsible officer(s).

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Audit Committee:
- (i) consider, provide feedback on and note the position on the most significant corporate risks facing the Council, and the key actions being taken by the Council in response to them; included in the Corporate Risk Register in Appendix 1 to this report.
 - (ii) note that the Corporate Risk Register will be reported to the February 2025 meeting of the Policy & Resources Committee.

Lynsey Brown
Head of Legal, Democratic, Digital & Customer Services

3.0 BACKGROUND AND CONTEXT

- 3.1 Strategic risks in relation to the implementation of the Council Plan are monitored by the Corporate Risk Management Group and the Corporate Management Team.
- 3.2 The Corporate Risk Register details the most significant Strategic risks facing the Council, and the key actions being taken by the Council in response to them. Risk registers have also been developed at Committee, Directorate, Service and project level.
- 3.3 Following a review of the format of the risk registers, a new approach has been taken to separate the information on the risk into the respective component parts. These are: risk event, causes, consequences and risk category. Current mitigating actions and future mitigating actions are also separated. It is considered that this better enables the key aspects of the risk to be highlighted and current and future mitigations to be identified.

The information from the existing Corporate, Committee and Service level risk registers has been transferred onto the Council's performance management system Ideagen (formally called Pentana), training has been given to risk owners and updates to the risks are now completed within the system. An extract from the system has been generated onto a report which is included in Appendix 1.

- 3.4 Following the review of the risk register format, an interactive workshop took place involving representation from all service areas, to review the Corporate Risk register against the Council's key themes of People, Place and Performance. The existing risks were validated as still accurate, and the discussion resulted in the creation of one new risk, which falls below the acceptable risk boundary. Following further CMT review one additional new risk was created (CRR13 in the Appendix).
- 3.5 To refresh the understanding of Elected Members' knowledge of risk management and introduce the topic of risk appetite, a training session was delivered by the Corporate Risk Adviser in September 2024. Following the training and agreement of Elected Members, further work will be completed during 2025 to develop risk appetite statements for the Council.
- 3.6 It is proposed that, in accordance with the updated Risk Management Strategy, the Corporate Risk Register should also be presented to the Policy & Resources Committee in February 2025, to ensure that Members have sufficient oversight on the Council's current key strategic risks. The annual governance statement presented to Audit Committee will also contain the Corporate Risk Register.

4.0 PROPOSAL

- 4.1 The Audit Committee is asked to consider and provide feedback on the Corporate Risk Register.
- 4.2 The Audit Committee is also asked to note that the Corporate Risk Register will be reported to the February 2025 meeting of the Policy & Resources Committee.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

| SUBJECT | YES | NO |
|---|-----|----|
| Financial | | ✓ |
| Legal/Risk | ✓ | |
| Human Resources | | ✓ |
| Strategic (Partnership Plan/Council Plan) | ✓ | |
| Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing | | ✓ |
| Environmental & Sustainability | | ✓ |
| Data Protection | | ✓ |

5.2 Finance

Whilst there are no direct financial implications arising from this report, there may be resource implications associated with managing individual risks. Effective management of risks is part of good financial management and failure to manage them appropriately may have a range of financial consequences.

One off Costs

| Cost Centre | Budget Heading | Budget Years | Proposed Spend this Report | Virement From | Other Comments |
|-------------|----------------|--------------|----------------------------|---------------|----------------|
| N/A | | | | | |

Annually Recurring Costs/ (Savings)

| Cost Centre | Budget Heading | With Effect from | Annual Net Impact | Virement From (if Applicable) | Other Comments |
|-------------|----------------|------------------|-------------------|-------------------------------|----------------|
| N/A | | | | | |

5.3 Legal/Risk

Having an up-to-date Corporate Risk Register allows the overall management of risk to support the Council's delivery of the Council Plan. Alongside Committee Risk Registers, the Corporate Risk Register provides a clear understanding of the Council's risk profile, and the work required across all service areas to ensure action is taken to mitigate the risk.

5.4 Human Resources

There are no Human Resource implications arising from this report.

5.5 Strategic

This report helps ensure strong governance to ensure the Council Plan 2023-28 is delivered in relation to:

Theme 3 – Performance, with the Council seeking to provide high quality and innovative services that deliver value for money.

5.6 Equalities, Fairer Scotland Duty & Children/Young People

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

| |
|---|
| |
| X |

YES – Assessed as relevant and an EqIA is required.

NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

| |
|---|
| |
| X |

YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.

NO – Assessed as not relevant under the Fairer Scotland Duty.

(c) Children and Young People

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

| |
|---|
| |
| X |

YES – Assessed as relevant and a CRWIA is required.

NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

5.7 Environmental/Sustainability

Has a Strategic Environmental Assessment been carried out?

| |
|---|
| |
| X |

YES – Assessed as relevant and a Strategic Environmental Assessment is required.

NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.8 Data Protection

Has a Data Protection Impact Assessment been carried out?

| |
|---|
| |
| X |

YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.

NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

6.0 CONSULTATION

6.1 The review of the format of the risk register information and the draft Corporate Risk Register have been presented to the Corporate Risk Management Committee and Corporate Management Team, and feedback has been taken into consideration in producing this draft.

7.0 BACKGROUND PAPERS

7.1 Corporate Risk Register (attached).

Latest Corporate Risk Register

| Risk Code | Risk Title | Risk Owner | Risk Description | Potential Causes | Potential Consequences | Impact | L'hood | Risk Score | Last reviewed | Current mitigation | Future mitigation |
|-----------|---|----------------|--|---|--|--------|--------|------------|---------------|---|--|
| CRR01 | Significant budgetary pressures | Alan Puckrin | The risk is that the Council will have insufficient financial resources to effectively deliver its services, key projects and ultimately achieve its strategic outcomes | <ul style="list-style-type: none"> • SG Financial Settlements not keeping pace with inflation or demographic pressures • Ring Fencing • Legislative pressures • Real term reductions in Capital grant whilst assets require significant investment | <ul style="list-style-type: none"> • Service reductions • Potential for compulsory redundancies • Impact on delivery of key projects • Council Strategic Priorities not delivered | 4 | 4 | 16 | Dec 2024 | 10 year financial strategy | Annual refresh of savings options and workstreams |
| | | | | | | | | | | Monitoring and reporting of Treasury / Capital Management strategy | Development of a savings strategy |
| | | | | | | | | | | Budget setting and monitoring | |
| | | | | | | | | | | Debt collection policies | |
| | | | | | | | | | | CMT review of savings delivery and key financial data | |
| | | | | | | | | | | Corporate Asset Management Strategy | |
| | | | | | | | | | | Embedded budget process with Trades Unions | |
| | | | | | | | | | | Sharing of best practice with Directors of Finance section | |
| CRR13 | High level of children and families with complex packages of care and high demand for external residential placements | Jonathan Hinds | The risk is the increase in volume and complexity of children who require longer term, high-cost care packages to appropriately meet their needs | <ul style="list-style-type: none"> • Complexity of needs have changed and continue to generate higher demand on services • Has been exacerbated by ongoing impact of Covid 19 pandemic • Change in demographics • Levels of vulnerabilities | <ul style="list-style-type: none"> • Overspend in HSCP budget • Limited workforce capacity, vacancy rate and staff experience • High reliance on partner providers • Limited capacity of third and independent sector partner providers | 4 | 4 | 16 | Nov 2024 | Monthly meetings with operational and finance managers to review Children's placements and packages of care | |
| | | | | | | | | | | IJB Financial strategy | |
| | | | | | | | | | | Redesign of Children Services | |
| CRR02 | Inappropriately resourced or resilient workforce | Morna Rae | The risk is that there is a failure to ensure there is an appropriate resourced and resilient workforce in place to meet future organisational needs to effectively execute the 23/28 Council Plan | <ul style="list-style-type: none"> • Skillset availability - smaller pool to draw from with national shortages in some professions e.g. planning officers, environmental health • Lack of upskilling and development of workforce, particularly with specific skill sets where there are identified gaps • Aging workforce • Pay disparity between other local authorities • Perception and attractiveness of working for the council and location fails to attract new recruits • Expectations of terms & conditions, particularly from candidates moving from the private sector fail to attract new staff • Competition for candidates where preferred candidate accepts a different post • Inconsistent approach to succession planning • Increasing sickness absence • Reduction in apprenticeship posts available to fund through Fair Work First | <ul style="list-style-type: none"> • Single points of dependency or failure within workforce • Capacity stretch on existing workforce • Disengagement, morale issues with existing workforce • Impact on quality or continuity of service delivery • Missed regulatory or reporting deadlines • Lack of capacity to develop or improve a new idea / project • Reputational impact | 3 | 4 | 12 | Oct 2024 | Accessible platforms used to advertise roles | Conditions of Service & Pay & Grading Review |
| | | | | | | | | | | Additional promotion and recruitment activities used for advertising certain roles | Induction Training (Mandatory Training) - Inverclyde Council |
| | | | | | | | | | | Modern apprenticeship and graduate recruitment programme | Succession & Workforce Planning |
| | | | | | | | | | | Disability Confident Scheme | |
| | | | | | | | | | | Positive Conversations with staff to identify aspirations and training needs | |
| | | | | | | | | | | External training opportunities through local college | |
| | | | | | | | | | | Inhouse training opportunities | |
| | | | | | | | | | | Opportunities for paid professional qualifications | |
| | | | | | | | | | | Succession and workforce planning | |
| | | | | | | | | | | Increased access to absence monitoring information | |
| | | | | | | | | | | Investment in employee wellbeing and engagement | |
| | | | | | | | | | | Armed Forces Covenant | |

| Risk Code | Risk Title | Risk Owner | Risk Description | Potential Causes | Potential Consequences | Impact | L'hood | Risk Score | Last reviewed | Current mitigation | Future mitigation |
|-----------|--|-----------------|---|--|--|--------|--------|------------|---------------|--|---|
| CRR03 | Council assets are not fit for purpose | Stuart Jamieson | The risk is that the Council's assets and facilities do not fully meet the needs of its existing and future service users and employees which impacts on the delivery of services | <ul style="list-style-type: none"> Investment levels required to maintain assets outstrips current budget Old assets cannot be replaced Uncoordinated or unclear approach to Corporate asset management | <ul style="list-style-type: none"> Serious injury or fatality of staff or third party Impacts on ability to deliver services | 3 | 4 | 12 | Dec 2024 | Corporate Asset Management Strategy | Asset Management Strategies |
| | | | | | | | | | | RAAC Management Strategy and Remediation Assessment | Review and Refresh of Strategies |
| | | | | | | | | | | Operational Estate Capital Programme | |
| | | | | | | | | | | Property and Land Disposal | |
| | | | | | | | | | | Asset Rationalisation Programme Board | |
| CRR04 | ICT infrastructure is not innovative or does not fit end user needs | Lynsey Brown | The risk is that there is a failure to keep pace with changing technology and deliver new systems that support service delivery | <ul style="list-style-type: none"> Lack of IT skills Lack of capacity Failure to keep up to date with changes in technology | <ul style="list-style-type: none"> Impact on quality and continuity of service delivery Poor customer service experience Inability to successfully deliver on key projects Impacts on retention and attraction of staff | 3 | 4 | 12 | Dec 2024 | Digital Modernisation Programme | Digital Maturity Exercise |
| | | | | | | | | | | Microsoft 365 Development Group | |
| | | | | | | | | | | Customer & Digital Modernisation Saving Workstream | |
| CRR05 | Net Zero targets are not met | Stuart Jamieson | The risk is that there is a failure to reduce the Council's carbon footprint in line with Council and national targets | <ul style="list-style-type: none"> Funding issues to implement initiatives Capacity to be involved in relevant projects | <ul style="list-style-type: none"> Reputational impact Lack of resources to deliver net zero Breach of regulatory duties Increased costs in operation of estate and delivery of services | 3 | 4 | 12 | Dec 2024 | Net Zero Strategy and Action Plan | |
| | | | | | | | | | | Grant Funding | |
| | | | | | | | | | | Local Heat and Energy Efficiency Strategy and Delivery Plan | |
| | | | | | | | | | | Annual Public bodies Climate Change reporting | |
| | | | | | | | | | | Additional funding from Scottish Government | |
| CRR08 | Lack of resource to meet growing ASN needs | Michael Roach | The risk is that the Council does not have the capacity or service provision to meet the changing and increasing complex ASN needs for young people | <ul style="list-style-type: none"> ASN needs change beyond expectations Required provision exceeds current capacity | <ul style="list-style-type: none"> Reduction in quality or continuity of service provision Parents / guardians of ASN children raise court action ASN tribunal Financial costs of court fees and subsequent expenses if tribunal is successful Reputational impact Further spend may be required on adapting or building physical assets or changes to existing staffing structures to meet need | 3 | 4 | 12 | Dec 2024 | Workforce plan | Review of ASN provision |
| | | | | | | | | | | Review of ASN provision and related staffing | Officers seeking clarity on additional funding from Scottish government for ASN |
| | | | | | | | | | | Regular reporting and monitoring for children with complex needs | |
| CRR06 | Major partner or supplier failure | Stuart Jamieson | Major partner or supplier failure which then requires financial support or the Council to step in to manage the services or project fails | <ul style="list-style-type: none"> Poor selection process Poor quality or small pool of suppliers / partner Services provided are ceased Reduction in National Insurance threshold and increase in contributions becomes unsustainable | <ul style="list-style-type: none"> Impact on quality and/or resilience of service delivery Financial impact to source new or more expensive options Reputational impact | 4 | 3 | 12 | Dec 2024 | Tender process | Procurement Strategy |
| | | | | | | | | | | Financial checks | |
| | | | | | | | | | | Contract Strategy | |
| | | | | | | | | | | Committee reporting | |
| | | | | | | | | | | H&S vetting | |
| | | | | | | | | | | Governance meetings in place | |
| CRR07 | Regulatory requirements on Information Governance are not adhered to | Lynsey Brown | There is a risk that the Council fails to meet its legal and regulatory duties around information governance matters, including Data Protection/GDPR, | <ul style="list-style-type: none"> Lack of understanding of regulations Failure to keep updated with changes in regulations or new regulations | <ul style="list-style-type: none"> Fines and penalties Potential legal action Reputational impact | 4 | 3 | 12 | Dec 2024 | Information Governance controls | |
| | | | | | | | | | | Information Governance policies | |
| | | | | | | | | | | Digital Modernisation Programme | |

| Risk Code | Risk Title | Risk Owner | Risk Description | Potential Causes | Potential Consequences | Impact | L'hood | Risk Score | Last reviewed | Current mitigation | Future mitigation |
|-----------|--------------|--------------|--|---|---|--------|--------|------------|---------------|--|-------------------|
| | | | Freedom of Information and Records Management | <ul style="list-style-type: none"> Lack of capacity to deal with Information Governance | | | | | | <ul style="list-style-type: none"> Committee reporting Information Governance group | |
| CRR09 | Cyber attack | Lynsey Brown | Risk that the Council's ICT systems, and the data held on them, is subject of a successful security attack | <ul style="list-style-type: none"> Staff error Ineffective security systems Out of date or unsupported software Unable to keep one step ahead of cyber actors | <ul style="list-style-type: none"> Personal or sensitive data could be compromised Impact on continuity of service delivery Potential fines ICO reporting requirements Reputational impact | 4 | 3 | 12 | Dec 2024 | <ul style="list-style-type: none"> PSN certification ICT disaster recovery plan Information Governance controls Information Governance group Key supplier security Cyber defence Annual cyber security report Compulsory elearning | |