

# Governance, Risk and Best Value Committee

10.00am, Tuesday 25 September 2018

## Internal Audit Reports – Drivers Health and Safety and Resilience

Item number	7.3
Report number	
Executive/routine	
Wards	
Council Commitments	

### Executive Summary

The purpose of this paper is to present the outcomes of the final two Internal Audit (IA) reviews (Drivers Health and Safety and Resilience) that support the 2017/18 Internal Audit opinion presented to the Committee in July 2018.

Both reviews identified some significant control weaknesses that could adversely impact the Council's ability to confirm that all Council employees and agency workers engaged by Council services remain legally and medically fit to drive; and the ability of the Council to recover critical services in the event of a future major incident.

3 High and 5 Medium rated findings were raised in the Drivers Health and Safety review; with a further 2 High; 2 Medium; and 1 Low in the Resilience review.

Management actions and implementation dates have been agreed and will be monitored as part of the ongoing IA follow-up process to ensure that agreed management actions are implemented and the risks identified mitigated effectively.

## Internal Audit Reports – Drivers Health and Safety and Resilience

### 1. Recommendations

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- 1.1 The Committee is requested to note:
  - 1.1.1 the outcomes of the Drivers Health and Safety and Resilience reviews;
  - 1.1.2 the Council wide risks associated with the findings raised; and
  - 1.1.3 that agreed management actions will be monitored as part of the IA follow-up process.

### 2. Background

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#### **Drivers Health and Safety**

- 2.1 Driving at work is heavily regulated by the Drivers and Vehicles Standards Agency (DVSA); the Health and Safety Executive; and the Department for Transport.
- 2.2 The Council has significant number of employees who are required to drive for their role, with most of these drivers in Place. As at 1 March 2018, Fleet Services had issued a total of 3,872 driving permits.
- 2.3 The fatal bin lorry incident in Glasgow in December 2014 that killed 6 and injured a further 15 members of the public reinforced the Council's ongoing responsibility to ensure that all permanent and agency employees who are required to drive to fulfil the requirements of their role are both legally and medically fit to drive.
- 2.4 In addition to its permanent staff, the Council also uses temporary drivers from external agencies. Since December 2017, Pertemps has been the principal supplier of agency employees. Additionally, 'grey fleet' drivers drive their own vehicles for business purposes and claim mileage and other related expenses. During the period 1 February 2017 to 31 January 2018, 1,900 employees had driven 2.27M miles in their own vehicles and had claimed £1.03M in mileage expenses.
- 2.5 The objective of the review was to assess the adequacy of the Council's driving policy; supporting procedures and guidelines; and the design adequacy and operating effectiveness of key controls established to ensure ongoing compliance with applicable legislation, ensuring that all Council employees and agency staff are, and remain, legally and medically fit to drive.

## **Resilience**

- 2.6 The Council's Business Plan or "Programme for the Capital" includes an aim to have 'a resilient city, where citizens are protected and supported with access to sustainable and well-maintained facilities'.
- 2.7 Ensuring that both statutory and critical services can be effectively recovered in the event of a disaster, is a key Council priority. Additionally, there is a legislative requirement for the Council to establish Business Continuity Management (BCM) arrangements under the Civil Contingencies Act (CCA) 2004.
- 2.8 Consequently, it is vital that the Council has identified and prioritised recovery of critical services by completion of business impact assessments (BIAs), and can demonstrate that adequate and effective resilience plans have been established for these services; are regularly tested; with lessons learned incorporated into ongoing resilience activities.
- 2.9 It is also essential to ensure that third party suppliers involved in delivery of critical services (including e.g. third-party technology systems suppliers) can demonstrate their ability to recover quickly and effectively. Consequently, BIAs and resilience plans should include details of supplier recovery arrangements, with (at least) annual assurance provided by third parties that they remain effective.
- 2.10 Effective citizen and employee communications are also critical elements of Resilience arrangements, and it is essential that customer communication plans and employee emergency call trees are maintained and tested.
- 2.11 Our review assessed the adequacy of design and operating effectiveness of the key resilience controls established to ensure that the Council is able to provide an appropriate level of service in the event of a major incident that renders Council buildings; employees and / or systems non-operational.

## **3. Main report**

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### **Drivers Health and Safety**

- 3.1 Review of the Council's key Drivers Health and Safety controls identified a number of significant and systemic control weaknesses. Consequently, 3 High and 5 Medium rated findings were raised.
- 3.2 The first High rated finding reflects the need to finalise; approve; and publish the current draft Driving policy, ensuring that it is supported by driving procedures across Service Areas that are consistently designed and effectively applied.
- 3.3 Control gaps in relation to the design and consistent application of both pre-employment and in service driver legal and medical checks – especially for drivers of heavy goods vehicles (HGVs) are covered in the second High rated finding. This finding highlights concerns that knowledge of driving rules and safety standards is not consistently tested as part of the selection process; identified pre-recruitment checks that were completed post start date; and confirmed that whilst pre-

employment health checks are adequately designed to meet statutory obligations, they do not include obtaining independent confirmation from GPs in relation to the applicant or employee's medical ability to drive.

- 3.4 The report also notes that the Corporate Policy and Strategy Committee decided (in August 2017) that employee drug and alcohol testing would not be implemented as the existing Alcohol, Drug and Substance Misuse policy was considered fit for purpose.
- 3.5 The third High rated finding reflects the need to define and implement a control framework for grey fleet drivers, to ensure that all employees driving personal vehicles for Council business are also legally and medically fit to drive in line with Health and Safety legislation and guidance.
- 3.6 The five Medium rated findings highlight control gaps in relation to ongoing assessments of and delivery of training to the full population of vocational drivers; cancelling driver permits and fuel cards for leavers; ensuring ongoing compliance with driving hours regulations; and fully recording and addressing driving incidents and complaints.

### **Resilience**

- 3.7 Thankfully, none of the recent resilience incidents have resulted in any unavoidable loss of service. However, the review identified some significant control weaknesses that could adversely impact the Council's ability to recover in the event of a future major incident, as the full population statutory and critical services provided by the Council have not been identified, and are not supported by fully adequate, effective and up to date resilience plans (including resilience arrangements of third party service and technology providers) that are regularly reviewed and tested. Consequently, two High; two Medium; and one Low rated findings have been raised.
- 3.8 The first High rated finding reflects that the Health and Social Care Partnership is not currently included within the Council's Resilience framework, and that there is a lack of clarity in relation to Directorate/Divisions and Resilience team operational resilience responsibilities. As a result, the Resilience team have become involved in delivery of service area resilience planning activities. Consequently, resilience activities are not being performed in line with the established resilience management framework.
- 3.9 The second High rated finding reflects the need to prioritise and complete Business Impact Assessment (BIAs) and resilience plans across the Council, as only 31% of the full population of BIAs was complete as at 28 February 2018, and only a limited number of service area resilience plans (which themselves require to be updated) have been established. Additionally, completed BIAs do not capture details of critical services and technology systems (shadow IT) provided by third party suppliers, or consider the adequacy of their resilience arrangements and their potential impact on the Council's ability to recover. This finding also highlights the need to establish a Council-wide emergency call tree to ensure that all employees can be contacted in

the event of a major incident. Currently, reliance is placed on Directorates/Divisions to ensure that all employees can be contacted appropriately.

- 3.10 The Medium and Low rated findings raised highlight the need for ongoing maintenance of Council wide resilience plans; delivery of resilience training; and ensuring lessons learned from completion of resilience exercises are communicated and addressed.

#### **4. Measures of success**

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- 4.1 Appropriate management actions have been agreed and will be implemented to address the risks identified in relation to Drivers Health and Safety and Resilience.

#### **5. Financial impact**

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- 5.1 Not applicable.

#### **6. Risk, policy, compliance and governance impact**

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- 6.1 A total of 5 High; 7 Medium; and 1 Low rated findings have been raised reflecting the control gaps identified.

#### **7. Equalities impact**

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- 7.1 Not applicable.

#### **8. Sustainability impact**

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- 8.1 Not applicable.

#### **9. Consultation and engagement**

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- 9.1 The Executive Director of Resources; Executive Director of Place; Head of Human Resources; Head of Place Management; Head of Strategy and Insight; and the Democracy, Governance and Resilience Senior Manager have been consulted and engaged.

## 10. Background reading/external references

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- 10.1 [Workplace Policy on Alcohol Drug and Substance Misuse Paper to Corporate Policy and Strategy Committee 8 August 2017](#)
- 10.2 [Corporate Policy and Strategy Committee Meeting Minutes 8 August 2017](#)

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## 11. Appendices

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Appendix 1: Internal Audit Report – Council Wide Drivers Health and Safety

Appendix 2: Internal Audit Report Resilience

# Appendix 1

## ***The City of Edinburgh Council*** **Internal Audit**

Council wide Drivers Health and Safety Audit

Final Report

2 August 2018

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This internal audit review is conducted for the City of Edinburgh Council under the auspices of the 2017/18 internal audit plan approved by the Governance, Risk, and Best Value Committee in March 2017. The review is designed to help the City of Edinburgh Council assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Although there is a number of specific recommendations included in this report to strengthen internal control, it is management's responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the City of Edinburgh Council. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and elected members as appropriate.



# 1. Background and Scope

## Background

The fatal bin lorry crash in Glasgow in December 2014 that killed 6 and injured a further 15 members of the public reinforces the City of Edinburgh Council's (the Council's) ongoing responsibility to ensure that all permanent and agency employees who are required to drive to fulfil the requirements of their role are both legally and medically fit to drive.

Following the Fatal Accident Inquiry into the Glasgow bin lorry crash (December 2015), the Sheriff published recommendations for drivers; doctors; Glasgow City Council; and the DVLA to prevent reoccurrence of a similar event. These recommendations can be viewed at [FAI Sheriff Determination](#)

Additionally, driving at work is regulated by the following legislation:

- Road Traffic Act;
- The Road Vehicles (Construction and Use) Regulations;
- The Health and Safety at Work etc. Act 1974; and
- Transport Act 1968

The Drivers and Vehicles Standards Agency (DVSA) is responsible for enforcing applicable domestic; and European requirements for driving as part of employment which specify daily allowable driving and working hours limits; and the requirement for employers to monitor mobile working hours.

These requirements also include specific requirements for drivers of passenger carrying vehicles that cover breaks and continuous driving; length of working day; and daily and fortnightly rest periods.

The 'Driving at work - Managing work-related road safety checklist' published jointly by the Health and Safety Executive and Department for Transport also requires that all drivers are adequately trained, with priority given to highest risk drivers, for example, those with high annual mileage; poor accident records; or those new to the job.

Additionally, the Driver and Vehicle Standards Agency (DVSA) requires professional drivers to complete 35 hours of training every 5 years to maintain their Certificate of Professional Competence.

As part of the DVLA professional driving licence application process, applicants are required to submit a medical examination report (D4) completed by a Doctor and Optician. The same documentation is required to support renewal applications, completed every 5 years once the driver has reached 45 years of age.

The Council has significant number of employees who are required to drive for their role, with most of these drivers in Place.

Every Council driver should have a Driving Permit, issued by Fleet Services, before they can drive Council vehicles. Prior to issuing permits to new employees, checks are performed to assess the eligibility; and compliance history of the potential candidates.

As at 1 March 2018, Fleet Services had issued a total of 3,872 driving permits.

All new Council employees, including drivers, are required to complete an Occupational Health Questionnaire. This includes medical history and lifestyle questions to determine fitness to work. The current Driving Permit procedure also requires drivers to notify their line managers and Fleet Services of any health concerns that could compromise their ability to drive. When employees return from

sickness absence line managers are required to perform a return to work interview and file a fit note for a sickness absence of 8 days or more.

The Council also uses temporary drivers from external agencies. Since December 2017, Pertemps has been the sole supplier of agency employees.

The Council also has a population of 'grey fleet' drivers who drive their own vehicles for business purposes and claim mileage expenses. During the period 1 February 2017 to 31 January 2018, 1,900 employees had driven 2.27M miles in their own vehicles and had claimed £1.03M mileage expenses.

To register a personal vehicle for business use, employees are required to complete a registration form; provide valid documentation such as their Driving Licence; insurance and MOT certificates; and evidence of road tax payment to their line manager, who reviews these documents and authorises the registration form. Line Managers are expected to perform an annual review of these documents to confirm their ongoing validity.

The HR Compliance project team recently performed a one-off exercise to validate registered grey fleet driver documents for drivers who had claimed mileage expenses in the last year. This work was ongoing at the time of our review and management has advised that, as at 13 June 2018, documents for 965 grey fleet users (52% of the full population registered) had been validated.

The Council also has an established policy covering alcohol, drugs and substance misuse and drug and alcohol and an employee code of conduct that prohibits alcohol and drugs consumption in the workplace; specifies that Employees have a responsibility to check whether any prescription or over the counter medication they are taking has the potential to impair their ability to carry out their work in a safe manner; and enables employees who are unfit to undertake their contractual duties due to the consumption of alcohol or drugs to be sent home.

### **Scope**

Our work was performed as at 31 March 2018, and objective of the review was to assess the adequacy of the Council's driving procedures; driving policy; supporting guidelines; and the design adequacy and operating effectiveness of key controls established to ensure ongoing compliance with applicable legislation, ensuring that all Council employees and agency staff are and remain legally and medically fit to drive.

Please refer [Appendix 2](#) for the detailed terms of reference.

## 2. Executive summary

### Total number of findings

Critical	-
High	3
Medium	5
Low	-
Advisory	-
<b>Total</b>	<b>8</b>

### Summary of findings

Our review of the Council's key controls established to ensure that all Council and agency employees remain legally and medically fit to drive; whilst ensuring ongoing compliance with applicable legislation, identified a number of significant and systemic control weaknesses.

Consequently, 3 High and 5 Medium rated findings have been raised.

Given the increased focus on driver and pedestrian health and safety following the fatal Glasgow bin lorry crash in December 2014, and the subsequent recommendations from the fatal accident inquiry in December 2015, it is important that these control gaps are addressed.

Our first High rated finding reflects that the current draft Driving policy has not been finalised; approved and published. Additionally, whilst some driving procedures are in place across Service Areas, they are not consistently designed or effectively applied.

We established a number of significant control gaps in relation to the design and consistent application of both pre-recruitment and ongoing driver legal and medical checks – especially for drivers of heavy goods vehicles (HGVs). Our main concerns are that knowledge of driving rules and safety standards is not consistently tested as part of the selection process; a number of these checks are often completed post start date; and that whilst pre-employment health checks are adequately designed to meet statutory obligations, they do not include obtaining independent confirmation from GPs in relation to the applicant or employee's medical ability to drive.

The Council's Corporate Policy and Strategy Committee decided (in August 2017) that employee drug and alcohol testing would not be implemented, and that the existing Alcohol, Drug and Substance Misuse policy was fit for purpose (refer: Corporate Policy on Alcohol Drug and Substance Misuse and Corporate Policy and Strategy Meeting Minutes 8 August 2017). Whilst neither the paper presented to the Committee or the policy make specific mention of the risks associated with Drivers, management has confirmed that the population of Council drivers are included in this decision. The paper presented also noted that the Corporate Leadership team (CLT) had agreed in principal to random testing for 'High Risk Roles' and that further work was being undertaken to identify these roles. Management has advised that this has not progressed following a decision not to progress with a testing regime.

Our third High rated finding reflects the need to define and implement a control framework for grey fleet drivers, to ensure that all employees driving personal vehicles for Council business are also legally and medically fit to drive in line with the requirements of Health and Safety legislation and guidance.

We did notice well designed system based controls in HR that prevent grey fleet mileage claims from being processed unless the vehicle has been registered.

Our five Medium rated findings highlight control gaps in relation to ongoing assessments of and delivery of training to the full population of vocational drivers; cancelling driver permits and fuel cards for leavers; ensuring ongoing compliance with driving hours regulations; and fully recording and addressing driving incidents and complaints.

Further detail is provided at [Section 3](#) below.

## 3. Detailed findings

### 1. Driving Policy and Procedures

Findings	
<p>The draft Driving Policy and supporting draft driving policy toolkit dated 31<sup>st</sup> August 2017 has not been finalised and published.</p> <p>There is also no established Council wide framework to support consistent recruitment and ongoing management of both professional and grey fleet drivers.</p>	
Business Implication	Finding Rating
<ul style="list-style-type: none"> <li>Existing procedures supporting recruitment and ongoing management of drivers are not aligned with the draft policy and may not be compliant with applicable legal and regulatory requirements; and</li> <li>Lack of awareness among Service Areas and Line Managers regarding procedures to be applied to ensure that drivers remain legally and medically fit to drive.</li> </ul>	<div>High</div>
Action plans	
Recommendation	Responsible Officer
<ol style="list-style-type: none"> <li>The Driving Policy and the supporting Policy Toolkit should be reviewed (considering any relevant recommendation from the Glasgow bin lorry fatal accident inquiry); finalised and subsequently approved by the Corporate Leadership Team and relevant Executive Committee;</li> <li>The policy should be reviewed and approved, and updated with legislative and supporting procedural changes;</li> <li>Operating procedures covering both recruitment and ongoing management of drivers (including grey fleet and agency employees) that are aligned with policy requirements should be prepared;</li> <li>Once approved, the Policy and supporting procedures should be circulated to, and implemented by, all Service Areas; and</li> </ol>	<p>Katy Miller, Head of HR with support from Fleet Services and Corporate Health and Safety.</p>

5. A proactive blended learning approach should be developed for all employees and line managers and employees to ensure ongoing awareness of the Driving policy, with evidence of learning retained.	
<b>Agreed Management Action</b>	<b>Estimated Implementation Date</b>
<ol style="list-style-type: none"> <li>1. The Driving Policy and the supporting Policy Toolkit will be reviewed and updated to include relevant recommendation(s) from the Glasgow bin lorry Fatal Accident Inquiry and any recent legislative changes. The policy will be approved by the Corporate Leadership Team, the Corporate Policy and Strategy Committee; communicated to all Council employees and published on the Orb.</li> <li>2. The policy will be reviewed as the need arises to reflect any legislative or procedural changes; approved by the Corporate Leadership Team and the Corporate Policy and Strategy Committee; communicated to all Council employees and published on the Orb.</li> <li>3. Operating Procedures, aligned with driving policy requirements, for recruitment and ongoing management of drivers (including grey fleet and agency employees) will be prepared and issued across all service areas for implementation</li> <li>4. An awareness raising/learning campaign will be developed in conjunction with key stakeholders as part of the implementation plan for the new Driving Policy.</li> </ol>	<ol style="list-style-type: none"> <li>1. Review and consultation will be undertaken between Jul-Nov 18. Report to CLT-Nov 18 Finance and Resources 7 Dec 18</li> <li>2. N/A</li> <li>3. and 4, 31 December 18</li> <li>4. December 2018 through to January 2019.</li> </ol>

## 2. Pre-employment and ongoing checks – Council Drivers

### Findings

#### Interview documentation and references

Review of interview notes for a sample of 5 new joiners and three internal transfers to roles with driving responsibilities confirmed that there was no evidence of assessment of the candidate's knowledge of driving rules and safety standards. Notably:

- There was no evidence of assessments in the interview notes for all 5 new employees;
- Evidence was recorded in the interview notes for one internal transfer;
- No interview notes were available for one internal transfer; and
- The employee file for the third internal transfer could not be located by HR

Additionally, reference requests were issued 3 days after the joining date for 1 of the sample of 5 new joiners and there is no evidence of their fit to work assessment on the employee file.

This contradicts one of the 19 recommendations made by Sheriff John Beckett QC, following the Glasgow bin lorry crash inquiry, which was: '*Glasgow City Council, when employing a driver, should not allow employment to commence before references sought have been received.*'

#### Driving Licence Checks

Currently, the driving checks required to support issue of driving permits to new employees are completed by Fleet Services after a new driver has been offered employment or they have joined the Council.

### Health Assessments

Whilst the Council currently meets its statutory obligations for pre employment medical checks for all new HGV drivers and HGV driver checks at five yearly intervals from age 45 onwards through pre employment questionnaires and follow-up occupational health assessments (where appropriate), there is currently no established requirement within the Council to obtain medical reports from GPs confirming the applicant or employee's current and historic medical ability to drive.

Additionally, there is no established procedure for completion of ongoing driver medical assessments, for other Council vocational drivers.

One of the 19 recommendations made by Sheriff John Beckett QC following the Glasgow bin lorry crash inquiry was: *'Glasgow City Council should carry out an internal review of its employment processes with a view to ascertaining potential areas for improvement in relation to checking medical and sickness absence information provided by applicants, for example by having focussed health questions within reference requests for drivers and obtaining medical reports in relation to health related driving issues from applicants' GPs.'* Whilst this is not a formal legal requirement, the recommendation should be considered as 'best practice'.

During the year 2017-18, 69 Council drivers had recorded sickness absences of 8 or more days. Review of a sample of 5 confirmed that no fit note was available and no return to work interview had been performed for 2 of these drivers to confirm that they were medically fit to drive.

Business Implication	Finding Rating
<ul style="list-style-type: none"> <li>Candidates are recruited and on boarded who are not legally or medically fit to drive; and</li> <li>Health and Safety and reputational risk in the event of a significant incident where the driver is not legally or medically fit to drive following a return to work after sickness absence</li> </ul>	<div>High</div>

### Action plans

Recommendation	Responsible Officer
<ol style="list-style-type: none"> <li>Knowledge of the driving rules and safety standards should be adequately assessed as part of the selection process, with the outcomes recorded and retained by recruiting managers;</li> <li>An appropriate risk based decision should be made in relation to the extent of onboarding and ongoing driver legal and medical checks to be performed for both Council and agency employees. This decision should consider the recommendations from the outcomes of the Glasgow bin lorry fatal accident; and relevant legislative requirements; The decision should be approved by the Corporate Leadership Team and relevant Executive Committee; with the draft Driving policy updated and supporting procedures developed and implemented across the Council;</li> <li>Final employment offers should only be made once all pre-recruitment checks (including driving eligibility and medical checks) have been satisfactorily completed.</li> </ol>	<ol style="list-style-type: none"> <li>to 5 Katy Miller, Head of HR</li> </ol>



<p>Pre-recruitment checklists (which includes references, fit to work assessment etc.) should be completed by recruiting managers and provided to HR for review before the employment contract is issued;</p> <p>4. The draft Driving policy should be updated to include the requirement for line managers to discuss possible alternative working options, when a professional driver reports health concerns that could impact their ability to drive; and</p> <p>5. Line Managers should also be reminded that they should not allow any driver to drive prior to completing a return to work interview following sickness absence.</p>	
<b>Agreed Management Action</b>	<b>Estimated Implementation Date</b>
<p>1. The selection process will be updated to include adequate assessment of the candidates' knowledge of the driving rules and safety standards, with line managers advised that they are required to obtain evidence of this assessment;</p> <p>2. Potential options in relation to enhanced pre-employment screening medical checks will be investigated for specific categories of drivers. This will consider the recommendations from the Glasgow bin lorry fatal accident inquiry and benchmark against existing practice in other organisations.</p> <p>3. The recruitment procedure will be update to state that a pre-recruitment checklist, which will also include driving eligibility checks, must be completed signed by the recruiting manager and provided to HR before an employment contract is issued.</p> <p>4. The draft Driving Policy Toolkit will be updated to include the requirement for line managers to discuss possible alternative working options, when a professional driver reports health/medical concerns impacting their ability to drive; and</p> <p>5. Line Managers will be reminded to not allow any driver to drive prior to completing a return to work interview following a significant sickness absence where the condition could impact the employee's ability to drive safely.</p>	<p>1. 30 September 2018</p> <p>2. 31 March 2019</p> <p>3. 30 September 2018</p> <p>4. 7 December 2018</p> <p>5. 31 October 2018</p>

### 3. Grey Fleet Drivers

#### Findings

##### Driving permits

Driving permits are currently not issued to grey fleet drivers. Grey fleet user registration forms are only submitted to HR to support mileage claim reimbursements.

This contradicts the requirements of the draft driving policy which states that it is a responsibility of the Fleet Services to *'Manage **all** staff who drive on behalf of the Council through a Driver permit and licence checking scheme'* and the draft Driving Policy Toolkit states, *'All Authorised Car Users will be required to have a Council Drivers Permit'*.

##### Grey Fleet registrations

Line managers are expected to review employee driving documents annually to confirm their ongoing validity, and reauthorise the employee's grey fleet registration.

A sample of 25 grey fleet users were selected (based on mileage claims) and confirmation requested from line managers that they had performed the necessary annual checks. This highlighted that most line managers were not aware of this annual requirement and only checked employee driving documentation at the point of initial registration. Specifically:

- a) 14 line managers did not perform an annual review of driving documents;
- b) 2 line managers confirmed that they check the documents annually, but could not provide any supporting evidence;
- c) Line Managers could not be established for 2 of the employees in the sample; and
- d) Responses were not received from 7 line managers.

Review of a sample of 25 grey fleet drivers who had claimed business mileage in the last 12 months to confirm that they were registered grey fleet drivers established that:

- 11 registrations had been destroyed as the vehicles were registered more than five years ago;
- 2 registrations could not be located by HR; and
- 9 users had registered their vehicles after the date of first use specified on the registration form, with an average delay of 25 days and maximum delay of 126 days between first use and completion of registration documents.

Business Implication	Finding Rating
<ul style="list-style-type: none"> <li>• Grey fleet drivers using personal vehicles for Council business may not be legally and medically fit to drive;</li> <li>• Potentially adverse reputational impact in the event of a significant incident when employees are driving for business purposes; and</li> <li>• Inability to monitor completeness of registrations and completion of ongoing line manager checks if the full population of grey fleet is not recorded and maintained.</li> </ul>	<div style="background-color: red; color: black; padding: 10px; width: 100px; margin: 0 auto;">High</div>

Action plans	
Recommendation	Responsible Officer
<ol style="list-style-type: none"> <li>1. A decision should be made regarding the requirement for grey fleet drivers to hold a valid Council driving permit, and the draft Driving policy updated to reflect this. If it is decided that grey fleet drivers will <b>not</b> move to driving permits, <b>then the following agreed actions will be implemented:</b></li> <li>2. The policy should also be updated to prohibit the use of private vehicle for Council business, without prior registration, unless authorised by the Head of Service in exceptional circumstances.</li> <li>3. The requirement for line managers to review grey fleet driving documentation annually, and retain evidence of this check, should be reinforced; and</li> <li>4. Details of the full population of grey fleet drivers should be centrally maintained, and sample checking implemented to confirm that line managers have reviewed driving documents annually.</li> </ol>	<ol style="list-style-type: none"> <li>1. Katy Miller, Head of HR with support from Gareth Barwell, Head of Place Management</li> <li>2. and 3 Katy Miller, Head of HR</li> <li>4. Gareth Barwell, Head of Place Management</li> </ol>



Agreed Management Action	Estimated Implementation Date
<p>1. The requirement for grey fleet drivers to hold a driving permit will be discussed and decided, and the draft Driving policy updated.</p> <p>If the decision is made that all drivers must hold a permit, a process will be established to ensure that all grey fleet drivers are issued with driving permits and their details recorded and maintained on the system operated by Fleet, and annual checks on eligibility to drive performed.</p> <p>The Driving policy will also be updated to prohibit use of private vehicles for Council business, without either a permit or prior grey fleet registration, unless authorised by the Head of Service in exceptional circumstances.</p> <p><b>If it is decided that grey fleet users will not be required to hold driving permits then actions 2 and 3 below will be implemented</b></p> <p>2. Line Managers will be reminded annually to review the documentation for their grey fleet drivers; retain evidence of this check; and confirm with HR that the check has been performed;</p> <p>3. A one-off exercise is being completed centrally to validate the documents of all grey fleet users who have claimed mileage during last 12 months. Users with invalid documents will be removed from the grey fleet registration database and the mileage claim system; and</p> <p>4. Details of the full population of grey fleet drivers should be centrally maintained, and sample checking implemented to confirm that line managers have reviewed driving documents annually.</p>	<p>1. 7 December 2018</p> <p>Dates for 2, 3, and 4 will be agreed if it is decided that grey fleet users will not be required to hold driving permits.</p>

#### 4. Driving Assessments and Training

##### Findings

##### Driving Assessments

There are currently no centralised driving assessment and training processes established across the Council to ensure consistent completion of periodic driving assessments and delivery of ongoing training.

There are Royal Society for the Prevention of Accidents (RoSPA) certified driving assessors in some service areas such as Waste and Road Services, who conduct driving assessments for their drivers.

Review of a sample of 20 heavy goods vehicle (HGV) drivers to establish whether driving assessments had been performed confirmed that:

- no evidence could be provided to support completion of driving assessments for 12 drivers
- 1 assessment had been completed in 2017
- 3 assessments were completed in 2016;
- 3 assessments were completed in 2015; and
- 1 driver was an agency employee who no longer works with the Council.

##### Training

The Council currently assesses competence of, and provides training for, HGV drivers. There is no established process to assess competence and deliver training to other existing and newly recruited vocational drivers.

We reviewed a sample of 20 training records for drivers with HGV licences to confirm that mandatory training had been completed and noted that:

- 12 HGV drivers had recently received training;
- training records for 3 drivers could not be located by Fleet Services;
- 2 were agency drivers and no training was provided to them; and
- 3 were no longer applicable as they no longer drive HGV vehicles or had completed their mandatory training in a previous role.

Business Implication	Finding Rating
<ul style="list-style-type: none"> <li>• Potential non-compliance with legislative training requirements;</li> <li>• Potential increase in the number of driving incidents and customer complaints; and</li> <li>• Adverse reputational impact in the event of a significant driving incident.</li> </ul>	<div data-bbox="1204 696 1434 810">Medium</div>
Action plans	
Recommendation	Responsible Officer
<ol style="list-style-type: none"> <li>1. An appropriate risk based decision should be made and implemented in relation to the extent of ongoing assessment checks to be performed and delivery of training to all vocational Council drivers. This decision should consider relevant legislative and professional competence requirements. The decision should be approved by the Corporate Leadership Team and relevant Executive Committee; with the draft Driving policy updated and supporting procedures developed and implemented across the Council;</li> <li>2. An assessment of the capacity of existing RoSPA certified driving assessors should be performed to confirm whether they can support completion of Council wide driving assessments and delivery of training in line with the policy. If this is not sufficient, management should consider whether additional resources are required or, alternatively procure these services externally;</li> <li>3. A review of completion of HGV drivers training should be performed, and any gaps immediately addressed.</li> </ol>	Gareth Barwell, Head of Place Management
Agreed Management Action	Estimated Implementation Date
<ol style="list-style-type: none"> <li>1. A risk based decision, considering relevant legislative and professional competence requirements, will be made and implemented for the extent of performing driving assessments and training delivery to Council's vocational drivers;</li> <li>2. The decision will be approved by the Corporate Leadership Team and the Corporate Policy and Strategy Committee; and the draft Driving policy and supporting procedures will be updated and implemented;</li> </ol>	<ol style="list-style-type: none"> <li>1. and 2, 29 March 2019</li> <li>3. 7<sup>th</sup> January 2019</li> <li>4. 1<sup>st</sup> February 2019</li> </ol>

3. Capacity of existing RoSPA certified driving assessors will be assessed to confirm if they can support Council wide driving assessments. If the existing capacity is not sufficient, a business case will be prepared to either recruit competent certified driving assessors or alternatively procure these services externally; and
4. A review of completion of HGV drivers training will be performed, and any gaps noted will be addressed.

## 5. Management and use of Driver Permits and fuel FOB cards

### Findings

There is currently no established process to ensure that the Council vehicles are provided only to authorised drivers with a Council driving permit as no documents are checked when the vehicle keys are given to drivers at the Russell Road depot.

Additionally, there is no established process to ensure that Fleet Services is informed of all Council and Agency drivers who have left the Council. Consequently:

- Driving Permits are not cancelled and Fuel FOBs are not returned before they leave; and
- The annual Driving Licence check is performed on leavers' licences.

### Business Implication

- Potential theft and unauthorised use of Council vehicles, including but not limited to any criminal use by former Council and agency employees;
- Misuse of Council driving permits and fuel FOBs by former Council and agency employees; and
- GDPR breach resulting in financial penalties and reputational damage.

### Finding Rating

**Medium**

### Action plans

#### Recommendation

1. A list of all Council and agency drivers who have left the organisation should be provided to Fleet Services by HR monthly;
2. Cancellation of driving permits and return of fuel FOB should be included in the leavers checklist for completion by line managers;
3. Fleet Services should cancel the leaver's driving permit and the line manager should recover the fuel card and return to Fleet Services on the driver's last working day (where practical); and
4. Fleet Services should remove all leavers from their database and no DVLA check should be performed on their licences.
5. Fleet Services should develop a process to ensure that Council vehicles are only handed over to authorised drivers.

#### Responsible Officer

1. and 2 Katy Miller,  
Head of HR
3. to 5 Gareth Barwell,  
Head of Place  
Management

#### Agreed Management Action

#### Estimated Implementation Date

1. A procedure to provide Fleet Services with monthly leavers details will be developed and implemented;	1. and 2, 30 September 2018
2. Cancellation of driving permits and return of fuel FOB will be included in the leavers checklist for completion by line managers;	3. 1 April 2019
3. On a driver's last working day, the line manager will recover the leavers driving permit and fuel FOB and return those to Fleet Services, driving permits will be cancelled and destroyed, with details removed from the system;	4. 1 February 2019
4. Fleet Services will perform an exercise to remove all historic leavers from their database and advise the external third party who performs the annual licence checks to ensure that no subsequent checks are performed on former employees; and	5. 1 December 2018
5. Fleet Services will develop and implement a process to ensure that the vehicles are only handed over to the authorised drivers at its depots and workshops.	

## 6. Ongoing compliance with driving hours regulations

### Findings

The Council's Fleet Services Compliance Team run a weekly exception report on the FTA Vision system, detailing all driving hours infringements. This is then shared with line managers who are expected to discuss it with the relevant drivers.

We were unable to establish whether line managers proactively monitor the system to identify exceptions, or whether they rely on production of the weekly exception reports by the Compliance team.

Review of a sample of 22 driving hours infringements included in the weekly exception reports over a period of 5 weeks highlighted that:

- 2 line managers did not receive the reports and were unable to discuss with the drivers;
- Line managers for 3 Council and 5 agency employees confirmed that driving infringement are produced from FTA Vision; discussed with and signed by drivers, but could not provide any evidence of this sign-off; and
- 12 line managers did not respond to our request to confirm receipt and review of the exception reports.

### Business Implication

- Potential non-compliance with the requirements of the Operator Licencing and Transport Act 1968; and
- Increased driving hours leading to fatigue and a potential safety risk for commuters and residents/visitors to Edinburgh and the surrounding area.

### Finding Rating

**Medium**

### Action plans

### Recommendation

### Responsible Officer

<ol style="list-style-type: none"> <li>1. Fleet Services should remind all line managers that it is a legislative requirement to monitor and discuss driving infringements report with all drivers (including agency employees). They should also be reminded that they should access FTA vision directly to monitor team driving hours;</li> <li>2. The requirement for line managers to monitor driving hours should be included in the draft Driving Policy and supporting procedures;</li> <li>3. All drivers should be reminded (at least annually) of the requirement to disclose any additional driving hours not recorded on their tachograph cards as required per the Council's Employee Code of Conduct;</li> <li>4. Fleet Services should regularly review and update their population of line managers (including line management responsibilities for agency drivers) to ensure that it is complete and accurate;</li> <li>5. Fleet Services should request confirmation from Line Managers that they have discussed the infringements report with the relevant drivers, with details of the actions to be taken; and</li> <li>6. Failure to respond should be escalated to the Head of Service for action.</li> </ol>	<ol style="list-style-type: none"> <li>1. Gareth Barwell, Head of Place Management</li> <li>2. and 3 Katy Miller, Head of HR</li> <li>4. to 6 Gareth Barwell, Head of Place Management</li> </ol>
Agreed Management Action	Estimated Implementation Date
<ol style="list-style-type: none"> <li>1. A communication will be issued to line managers of all the drivers reminding them of the legislative requirement to monitor and discuss driving infringements report with their drivers (including agency employees). They will also be reminded and encouraged to access the FTA vision directly to monitor their team members driving hours.</li> <li>2. The requirement for line managers to monitor driving hours will be included in the Driving Policy and supporting procedures.</li> <li>3. An annual communication will be issued to all drivers reminding them of the requirement to disclose any additional driving hours that are not recorded on tachograph cards;</li> <li>4. Fleet Services will reconcile its records of Council/agency drivers and their line managers with HR records on a quarterly basis to ensure that it is complete and accurate; and</li> <li>5. and 6 In the email where infringements report is shared with line managers, Fleet Services will include the requirement for Line Managers to confirm that they have discussed the infringements report with the relevant drivers along with details of the actions to be taken. Responses will be monitored and failure to respond will be escalated to the Head of Service for action.</li> </ol>	<ol style="list-style-type: none"> <li>1. 1 December 2018</li> <li>2. and 3, 7 December 2018</li> <li>4. 1 February 2019</li> <li>5. and 6, 1 March 2019</li> </ol>

## 7. Driving Incidents – complaints reporting and resolution

### Findings

We noted that Council vehicles currently display the Council's website address. Good practice recommends that a specific complaints web address/contact helpline should be clearly displayed on vehicles to encourage residents and visitors to report any unsafe driving incidents.

Review of the status of customer complaints related to driving incidents and behaviours on the Confirm and Capture complaints management systems established that a significant volume of complaints are not being closed on the systems by their target resolution date, and identified a total of 43 open complaints that had missed their target resolution dates. Specifically:

#### Capture system

- whilst 254 driving incident complaints were closed during 2017-18, only 110 (43%) of these were closed in the system on time;
- 144 complaints (57%) were closed after their target resolution date, with 101 (70%) closed within 0-10 days after their target resolution date, and the balance closed later.
- there are currently 27 open driving incident complaints, aged between 57 to 407 days post their target resolution date; and
- 85%(23) of those complaints are outstanding for more than 90 days post target resolution date and 37%(10) complaints for more than 240 days.

#### Confirm System

- There are 16 open driving incident complaints relating to Waste Services aged between 3 to 328 days after their target resolution date; and
- 75%(12) of those complaints were outstanding on the system for more than 60 days after their target resolution date and 38% (6) complaints for more than 120 days.

Please refer [Appendix 3](#) for further detail on open and closed driving incident complaints.

### Business Implication

Increased customer dissatisfaction among customers if complaints are not addressed and delayed/no action on customer complaints causing rise in the unsafe driving incidents and behaviours

### Finding Rating

**Medium**

### Action plans

#### Recommendation

1. The draft Driving policy should be updated to reflect the requirement for service areas to ensure that all open complaints are resolved and closed on the systems in a timely manner;
2. Service Areas should ensure that all resolved complaints are closed on the systems; that open complaints are addressed in a timely manner with their progress recorded on the systems; and customers kept informed; and
3. The Council's Complaints web page; email address and contact helpline should be clearly displayed on Council vehicles to encourage

#### Responsible Officer

1. and 2 Katy Miller, Head of HR
3. Gareth Barwell, Head of Place Management

reports of any unsafe driving incidents and positive driving behaviours.	
<b>Agreed Management Action</b>	<b>Estimated Implementation Date</b>
<p>1. and 2 The draft Driving policy and supporting Toolkit will be updated to include the requirement for Head(s) of Service to review all overdue complaints on the systems monthly and obtain confirmation as to why they have not been closed on time</p> <p>Where the complaints remain open, they will need to ensure that all necessary actions required to resolve and close the complaints are being taken, with the system updated to reflect the current position and the complainant informed; and</p> <p>3. The Council's Complaints web page; email address and contact helpline will be displayed on Council vehicles.</p>	<p>1. and 2, 7 December 2018</p> <p>3. 1 December 2019</p>

## 8. Recording and addressing driving incidents

### Findings

As per the Council Health and Safety (H&S) policy and procedures, all accidents, incidents, and near miss events should be reported by employees (drivers) to their line managers who should record them on the H&S SHE system.

Line managers are also required to report the driving incident to the Corporate Transport Network team (Fleet Services) as per Fleet Services' Driving Permit and Drivers Handbook. A total of 342 driving incidents were reported to this team during 2017-18.

Of the 342 driving incidents reported to Fleet Services only 30 had been recorded on SHE.

Additionally, there is currently no analysis of the root cause of recorded driving incidents performed across service areas, and no consolidated reporting of the full population of driving incidents across the Council.

### Business Implication

- Increased volumes of driving incidents with recurring root causes that are not addressed; and
- Corporate Health and Safety reporting could be understated if incidents are not recorded on the SHE system.

### Finding Rating

**Medium**

### Action plans

#### Recommendation

- The requirement for line managers to record all driving incidents (including grey fleet) on SHE should be reinforced in the Driving policy;
- A monthly reconciliation should be performed between the incidents reported to Fleet Services and those recorded on SHE;

#### Responsible Officer

- Katy Miller, Head of HR
- Gareth Barwell, Head of Place Management, with support from



<p>3. Quarterly analysis of driving incidents/ accidents should be performed and provided to Service Areas with a request to ensure that key themes are incorporated into training; and</p> <p>4. Six monthly reporting on the volume and nature / root causes of driving incidents across the Council should be provided to the Corporate Leadership Team, together with relevant actions taken.</p>	<p>Corporate Health and Safety</p> <p>3. And 4 Gareth Barwell, Head of Place Management,</p>
Agreed Management Action	Estimated Implementation Date
<p>1. The Driving policy and supporting toolkit will be updated to reflect the requirement to report all driving incidents to the Corporate Transport Network team and record them on SHE; A communication will also be issued to line managers reminding them to record all driving incidents on SHE;</p> <p>2. A monthly reconciliation between the incidents reported to Fleet Services and those recorded on SHE will be performed, with line managers advised re any gaps on the SHE system that need to be addressed;</p> <p>3. Quarterly analysis of driving incidents will be performed and provided to Service Areas with a request that any recurring themes or root causes are incorporated into ongoing driver training; and</p> <p>4. Six monthly reporting will be provided to the Corporate Leadership Team together with details of relevant actions taken.</p>	<p>1. 31 December 2018</p> <p>2. 1 April 2019</p> <p>3. 1 February 2019</p> <p>4. 1 October 2019</p>



# Appendix 1 - Basis of our classifications

Finding rating	Assessment rationale
<b>Critical</b>	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Critical</b> impact on operational performance; or</li> <li>• <b>Critical</b> monetary or financial statement impact; or</li> <li>• <b>Critical</b> breach in laws and regulations that could result in material fines or consequences; or</li> <li>• <b>Critical</b> impact on the reputation or brand of the organisation which could threaten its future viability.</li> </ul>
<b>High</b>	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Significant</b> impact on operational performance; or</li> <li>• <b>Significant</b> monetary or financial statement impact; or</li> <li>• <b>Significant</b> breach in laws and regulations resulting in significant fines and consequences; or</li> <li>• <b>Significant</b> impact on the reputation or brand of the organisation.</li> </ul>
<b>Medium</b>	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Moderate</b> impact on operational performance; or</li> <li>• <b>Moderate</b> monetary or financial statement impact; or</li> <li>• <b>Moderate</b> breach in laws and regulations resulting in fines and consequences; or</li> <li>• <b>Moderate</b> impact on the reputation or brand of the organisation.</li> </ul>
<b>Low</b>	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Minor</b> impact on the organisation's operational performance; or</li> <li>• <b>Minor</b> monetary or financial statement impact; or</li> <li>• <b>Minor</b> breach in laws and regulations with limited consequences; or</li> <li>• <b>Minor</b> impact on the reputation of the organisation.</li> </ul>
<b>Advisory</b>	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>

# Appendix 2 – Terms of Reference

## Terms of Reference – Council wide Drivers Health and Safety Audit

To: Stephen Moir, Executive Director, Resources  
Paul Lawrence, Executive Director, Place  
Alistair Gaw, Executive Director, Communities and Families  
Michelle Miller, Interim Chief Officer Health and Social Care Partnership

From: Lesley Newdall, Chief Internal Auditor

Date: 2 April 2018

Cc: Katy Miller, Head of Human Resources  
Gareth Barwell, Head of Place Management

This review is being undertaken as part of the 2017/18 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2017.

### Background

The fatal bin lorry crash in Glasgow in December 2014 which killed 6 and injured a further 15 members of the public reinforces the City of Edinburgh Council's (the Council's) ongoing responsibility to ensure that all permanent and agency employees who are required to drive to fulfil the requirements of their role are both legally and medically fit to drive.

Additionally, driving at work is regulated by the following legislation:

- Road Traffic Act
- The Road Vehicles (Construction and Use) Regulations
- The Health and Safety at Work etc. Act 1974

Work related road traffic accidents and fatalities are investigated by the Police. In some cases, there could also be involvement from the Health and Safety Executive.

The Drivers and Vehicles Standards Agency (DVSA) is responsible for enforcing applicable GB domestic and European requirements for driving as part of employment which specify that:

- Drivers must not drive for any more than 10 hours in one day;
- Drivers must not be on duty for any more than 11 hours in one working day;
- Employers must monitor mobile workers' working time to ensure that limits are not exceeded, and must record working time and maintain the records for at least 2 years.

The requirements also include specific requirements for drivers of passenger carrying vehicles that cover breaks and continuous driving; length of working day; and daily and fortnightly rest periods.

The Council currently employs a significant number of employees who have driving as a key requirement of their role, with the majority of these drivers in Place. The Council also has a grey fleet where council employees drive their own vehicles for work and claim mileage expenses.

During the period of 12 months between 01 February 2017 and 31 January 2018, 1900 employees have driven 2.27 million miles in their own vehicles and have claimed £1.03 million as mileage expenses. As on 01 March 2018, the Fleet Services has issued a total of 3,872 number of driving permits.

## Scope

The objective of this review is to assess the adequacy of the Council's driving procedures Council's driving policy and supporting guidelines and the design adequacy and operating effectiveness of key controls established to ensure ongoing compliance with applicable legislation, ensuring that all Council employees and agency staff are and remain legally and medically fit to drive.

## Limitations of Scope

The use of other small vehicles such as forklift trucks, mobile ride on vehicles etc. is excluded from the scope of this review.

## Approach

Our audit approach is as follows:

- Obtain and review the Council's driving policy and supporting guidance;
- Obtain an understanding of recruitment and on boarding processes (for permanent and agency staff) for roles where driving is involved;
- Obtain an understanding of the processes established to assess whether drivers remain legally and medically fit to drive on an ongoing basis;
- Obtain an understanding of the processes supporting recording of driving hours across Service Areas, including retention of records;
- Confirm whether the key risks associated with these processes are being effectively managed;
- Confirm that adequate controls have been implemented; and
- Test the operating effectiveness of the key controls.

The sub-processes and related control objectives included in the review are:

Sub-process	Control Objectives
Policy and Guidance	<ul style="list-style-type: none"><li>• The Council has a documented and approved driving policy that clearly articulates a) requirements and process for issuance of drivers permits and b) checks performed for drivers and other employees, who drive for work, when they join and also on an ongoing basis;</li><li>• An appropriate policy owner has been established, the roles and responsibilities of various stakeholders have been clearly defined and the policy has been approved by the relevant Council committees;</li><li>• There are clear policies, arrangements and defined roles and responsibilities for checks to be performed when agency staff are recruited into driving roles;</li><li>• Responsibilities for driving checks have been communicated to all agencies used by the Council; and</li><li>• Clear and effective guidance has been prepared and issued across all Service Areas to support ongoing policy compliance.</li></ul>
Drivers recruitment on-boarding and leaving	<ul style="list-style-type: none"><li>• The relevant driving licence/certificate requirements and expected knowledge of driving safety standards are specified in job adverts;</li><li>• The interview process includes assessment of knowledge of necessary driving rules and driving safety standards;</li><li>• Appropriate background and criminal checks are performed to ensure the successful candidate has no inappropriate driving convictions;</li><li>• Where relevant to the role, successful candidate(s) is required to i) provide evidence of Protecting Vulnerable Groups (PVG)</li></ul>

	<p>certification, ii) disclose if they have any unspent convictions and iii) disclose spent convictions for offences on the always disclose list;</p> <ul style="list-style-type: none"> <li>• A health test is performed on the successful candidate to ensure they don't have any significant health conditions or use medication that could compromise their ability to safely drive vehicles;</li> <li>• All applicable pre recruitment checks are completed for both permanent and agency staff, before an offer of employment is made: Checks include: DVLA driving eligibility checks, CPC (Certificate of Professional Competence) and associated training requirements, international driving licence checks, driving assessments, assessment of driving safety standards including drivers smart card data, confirmation of existing health conditions including results of fitness to drive tests;</li> <li>• Where the employees register their private vehicle for business use, valid driving licence, MOT, insurance and other requirements are checked before issuing the drivers permit;</li> <li>• There are controls in the employees' mileage claim reimbursement process to ensure that the drivers claiming mileage for use of own vehicles had been issued a valid driving permit by the council;</li> <li>• Newly recruited drivers and existing drivers, identified with new or increased risk exposure, are provided with relevant training and guidance to ensure that they comply with the road safety standards with training records maintained;</li> <li>• When a driver is no longer required to drive a council vehicle, as a result of leaving/retirement/end of contract/ job rotation/suspension, there is a process to ensure that their drivers permit is returned and cancelled; and</li> <li>• There are established controls to ensure that council vehicles are only provided to drivers who are authorised to drive by their service area managers and who have a valid driving permit.</li> </ul>
Regular review and monitoring	<ul style="list-style-type: none"> <li>• A fit to drive assessment is regularly performed for all drivers and specifically for drivers returning after sickness absence, to ensure that they don't have any new health conditions which may compromise their ability to safely drive the vehicle;</li> <li>• The pre-employment and annual fit to drive assessments are sufficiently robust to identify any underlying health conditions that may not be identified or disclosed at a medical appointment (other than the individual's GP); and</li> <li>• Compliance team within Fleet Services performs adequate checks to ensure that the necessary legislation(s) is(are) complied with, especially around the shift patterns and recording and monitoring of working times;</li> <li>• There are established procedures to ensure that the compliance team are aware of drivers' working time commitments on other jobs;</li> <li>• There is an established self-declaration process where drivers can voluntarily declare their inability to drive due to physical/mental conditions or any other safety concerns. They are then engaged to discuss alternative short or long-term options in relation to their employment;</li> </ul>

	<ul style="list-style-type: none"> <li>• Where a concern is identified regarding ability to drive, there is an established process to ensure that the driving is prohibited, with the affected employees consulted to discuss alternative employment options;</li> <li>• There are documented arrangements for alternative options, where the drivers are no longer fit to drive.</li> <li>• There are established controls to ensure that no driver drives under the influence of drugs/ alcohol with spot checks performed. Where any violation is noted, there are formal procedures to deal with those violations; and</li> <li>• There are procedures in place to ensure that all the council vehicles are duly insured and the necessary insurance requirements are complied with.</li> </ul>
Complaints and Accidents	<ul style="list-style-type: none"> <li>• A contact helpline number/email is clearly displayed on all Council vehicles to enable citizens to report any unsafe driving incidents;</li> <li>• There is a clearly documented and approved process to deal with all complaints received, with management information collated and reported to Service Areas for review and action where appropriate; and</li> <li>• There is a clearly defined and documented process for recording accidents and near-miss events, with appropriate action taken to prevent recurrence.</li> </ul>

### Internal Audit Team

Name	Role	Contact Details
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### Key Contacts

Name	Title	Role	Contact Details
Katy Miller	Head of Human Resources	Review Sponsor	0131 4695522
Grant Craig	People Support Manager (HR)	Key Contact	0131 5297585
Gareth Barwell	Head of Place Management	Key Contact	0131 5295844
Scott Millar	Fleet & Workshops Manager	Key Contact	0131 3471902

### Timetable

Fieldwork Start	19 March 2018
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Fieldwork Completed	16 April 2018
Submission of Draft Report	23 April 2018
Response from Auditee	4 May 2018
Final Report to Auditee	11 May 2018

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### Follow Up Process

Where reportable audit findings are identified, the extent to which each recommendation has been implemented will be reviewed in accordance with estimated implementation dates outlined in the final report.

Evidence should be prepared and submitted to Audit in support of action taken to implement recommendations. Actions remain outstanding until suitable evidence is provided to close them down.

Monitoring of outstanding management actions is undertaken via monthly updates to the Director and his executive assistant. The executive assistant liaises with service areas to ensure that updates and appropriate evidence are provided when required.

Details of outstanding actions are reported to the Governance, Risk & Best Value (GRBV) Committee on a quarterly basis.

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## Appendix 1: Information Request

It would be helpful to have the following available prior to our audit or at the latest our first day of field work:

- Process, procedure notes, forms, statement/confirmation of compliance to legal driving requirements associated with drivers recruitment, on-boarding , and ongoing checks

This list is not intended to be exhaustive; we may require additional information during the audit which we will bring to your attention at the earliest opportunity.

## Appendix 3: Open Complaints – Driving Incidents (Finding 8)

### A. Capture System (Council-wide Complaints except Waste)

	Before resolution date	0-30 days after resolution date (a.r.d)	30-60 days a.r.d	60-90 days a.r.d	90-120 days a.r.d	120-240 days a.r.d	240-300 days a.r.d	300-450 days a.r.d	TOTAL
<b>Closed Complaints</b>	110	123	6	8	2	4	1	0	254
<b>Percentage of Closed Complaints</b>	43%	49%	2%	3%	1%	2%	0%	0%	100%
<b>Open Complaints</b>	-	0	1	3	7	6	5	5	27
<b>Percentage of Open Complaints</b>	-	0%	4%	11%	26%	22%	18%	19%	100%

### B. Confirm System (Waste Services)

	Before resolution date	0-30 days after resolution date (a.r.d)	30-60 days a.r.d	60-90 days a.r.d	90-120 days a.r.d	120-240 days a.r.d	240-300 days a.r.d	300-450 days a.r.d	TOTAL
<b>Open Complaints</b>	-	3	1	6	0	4	0	2	16
<b>Percentage of Open Complaints</b>	-	19%	6%	37%	0%	25%	0%	13%	100%

### C. All Open Complaints (A+B)

	0-30 days after resolution date (a.r.d)	30-60 days a.r.d	60-90 days a.r.d	90-120 days a.r.d	120-240 days a.r.d	240-300 days a.r.d	300-450 days a.r.d	TOTAL
<b>Open Complaints</b>	3	2	9	7	10	5	7	43
<b>Percentage of Open Complaints</b>	7%	5%	21%	16%	23%	12%	16%	100%

# ***The City of Edinburgh Council***

## **Internal Audit**

**CW1702 - Resilience**

Draft Report

7 September 2018



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This internal audit review is conducted for the City of Edinburgh Council under the auspices of the 2017/18 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2017. The review is designed to help the City of Edinburgh Council assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Although there is a number of specific recommendations included in this report to strengthen internal control, it is management's responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the City of Edinburgh Council. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and elected members as appropriate.

# 1. Background and Scope

## Background

In September 2017, the Council published its strategic business plan (“Programme for the Capital”) to build upon Edinburgh’s successes, and demonstrate a commitment to improve services and amenities across the City.

The business plan includes five strategic aims, and one notable aim is to have ‘a resilient city, where citizens are protected and supported with access to sustainable and well-maintained facilities’.

Delivery of certain services are necessary to meet statutory requirements or are critical for citizens. Ensuring that both statutory and critical services can be effectively recovered in the event of a disaster, is a key priority for the Council. Additionally, there is a legislative requirement for the Council to establish Business Continuity Management (BCM) arrangements under the Civil Contingencies Act (CCA) 2004.

Consequently, it is vital that the Council has identified and prioritised recovery of critical services by completion of business impact assessments (BIAs), and can demonstrate that adequate and effective resilience plans have been established for these services; are regularly tested; with lessons learned incorporated into ongoing resilience activities.

It is also essential to ensure that third party suppliers involved in delivery of critical services (including third party technology system suppliers) can demonstrate their ability to recover. Consequently, BIAs and resilience plans should include details of supplier recovery arrangements, with (at least) annual assurance provided by third parties that they remain effective.

Third party assurance can be obtained through provision of International Standard for Assurance Engagements (ISAE) 30402 service organisation control (SOC) reports from suppliers. This standard is designed to provide customers with assurance that suppliers operate adequate and effective service delivery or technology provision internal controls. ISAE 3402 assurance work is commissioned annually by the service provider; is performed by an independent auditor (usually a professional services firm); is tailored to covers a range of controls (including resilience); and the final report is provided free of charge to the organisation’s customers. Further information is available at [ISAE3402](#):

Effective citizen and employee communications are also critical elements of Resilience arrangements, and it is essential that customer communication plans and employee emergency call trees are maintained and tested.

The Council’s Resilience Management System document (RMSD) outlines the current resilience risk management framework, including responsibility and accountability for management of resilience risks and activities, and the established resilience governance framework.

The Three Lines of Defence model can be applied to management of resilience risks and activities, and is aligned with the roles and responsibilities specified in the Council’s RMSD. The ‘first line’ comprises service areas that own and manage service delivery resilience risks; the ‘second line’ includes specialist centralised teams (i.e. the Resilience team within Strategy and Insight) who establish and oversee compliance with relevant policies and frameworks and challenge the effectiveness of resilience risk management by service areas; with the third line (for example, Internal Audit) providing independent assurance on the operation of key resilience controls.

In the past 18 months the council has faced a number of significant incidents that has required an emergency response from the Resilience team. The elevation of the UK terrorist Threat Level to 'Move to Critical' on two occasions; the Council's detailed response to Grenfell Tower fire; and a serious Severe Weather Incident in February / March 2018).

Additionally, the Council was a lead agent in a UK wide counter-terrorism exercise in 2017, which required extensive multi-agency planning.

The Council's Resilience team has also achieved and maintained ISO22301 International Standard for Business Continuity accreditation.

### **Scope**

Our review was performed as at February 2018 and assessed the adequacy of the design and operating effectiveness of the key resilience controls established to ensure that the Council can continue to provide an appropriate level of service in the event of a major incident that renders Council buildings; employees and / or systems non-operational.

Our review focused on the adequacy and effectiveness of controls in the following areas:

- The Council's Resilience Management System (RMS);
- Emergency response plans;
- Oversight and governance of the RMS and emergency response plans; and
- Completion of resilience plans and BIAs for critical service areas.

Our full terms of reference are included at [Appendix 2](#).

## 2. Executive summary

### Total number of findings

Critical	-
High	2
Medium	2
Low	1
Advisory	-
<b>Total</b>	<b>5</b>

### Summary of findings

Management has advised that none of the recent resilience incidents have resulted in any unavoidable loss of service, however, our review identified some significant control weaknesses that could adversely impact the Council's ability to recover in the event of a future major incident, as the full population statutory and critical services provided by the Council have not been identified, and are not supported by adequate and effective resilience plans (including resilience arrangements of third party service and technology providers) that are regularly reviewed and tested.

The Health and Social Care Partnership (H&SCP) is responsible for delivery of a number of statutory and critical services, and ensuring that effective resilience arrangements have been established across the entirety of these services, and by the Council; NHS Lothian; and partner providers. Currently, partnership services provided by the Council are not included within the Council's Resilience framework. Resilience management has advised that they provide advice and support on an ongoing basis as agreed with Partnership senior management.

Management has advised that (following completion of our review) the H&SCP has developed a resilience plan in consultation with both the Council and NHS Lothian that was approved by the Edinburgh Integration Joint Board (EIJB) in May 2018, and will be tested later in the year.

There is also a lack of clarity in relation to service area (first line) and Resilience team (second line) resilience responsibilities across the Council, with no clearly defined responsibilities and accountabilities in Directorates and Service Areas for completion and maintenance (with the support of the Resilience team) of the full population of BIAs and Resilience plans considered necessary (a total of 158 excluding the Health and Social Care Partnership). As a result, the Resilience team have become involved in delivery of first line service area resilience planning activities. Consequently, resilience activities are not being performed in line with the resilience framework detailed in the RMSD.

This is supported by the fact that that BIAs across the Council have not been fully completed (only 31% of the full population of BIAs was complete as at 28 February) and only a limited number of service area resilience plans (which are predominantly out of date) have been established.

Additionally, BIAs do not capture details of critical services and technology systems (shadow IT) provided by third party suppliers, or consider the adequacy of their resilience arrangements and their potential impact on the Council's ability to recover.

Whilst management has advised that communication in the recent severe winter weather worked effectively, we also confirmed that there is no established Council wide emergency call tree to ensure that all employees can be contacted in the event of a major incident. Instead, reliance is placed on service areas to ensure that they maintain contact details for their employees. The resilience team do maintain contact details for employees with resilience responsibilities, and have advised that that plans are being progressed to upload all employee details into the resilience management system, however there is currently no completion date for this activity.

We also identified some moderate control gaps in relation to the ongoing maintenance of Council wide resilience plans; delivery of resilience training; and lessons learned from completion of resilience exercises.

Consequently, two High; two Medium; and one Low rated findings have been raised.

Further information on the findings raised is included at [Section 3: Detailed findings](#).

## 3. Detailed findings

### 1. Resilience responsibilities

#### Findings

The Council's Resilience team do not provide oversight and challenge on Health and Social Care Partnership resilience arrangements in relation to Partnership services delivered by the Council, but provide advice and support on an ongoing basis. Resilience management has advised that this approach was agreed with Partnership senior management.

Our review also established that service areas (first line) and the Resilience team (second line) are not delivering their respective resilience responsibilities effectively. These responsibilities are detailed in the current resilience management system document (RMSD) and include the requirement for Directorates and Service Areas to effectively manage their resilience risks; and prepare and maintain the total population of 158 (excluding the Health and Social Care Partnership) business impact assessments (BIAs), and resilience plans considered necessary across the Council. Additionally, where resilience responsibilities have been allocated, they are not consistently reflected in performance objectives and conversations. Currently, the Resilience team is performing the majority of these first line service area resilience activities.

Our testing also confirmed that there is an insufficient number of resilience coordinators and deputy coordinators established across the Council to support resilience incidents. The RMSD notes that there are currently:

- 3 locality resilience coordinators
- 4 service area coordinators; and
- 5 cross council resilience specialists

Finally, we noted that the Resilience Manager is also chair of the Council's Resilience Group (CRG) that is responsible for review and approval work delivered by the Resilience team (for example the RMSD and the annual resilience test programme), and that the roles and responsibilities of this group have not been formally defined.

Business Implication	Finding Rating
<ul style="list-style-type: none"> <li>Potential gaps in Health and Social care business impact assessments and resilience plans for services delivered by the Council are not identified and addressed;</li> <li>Service area resilience responsibilities (for example completion of business impact assessments and preparation and maintenance of resilience plans) are not effectively performed;</li> <li>Potential lack of clarity in relation to responsibility for implementing service areas resilience plans in the event of a major incident);</li> <li>Employees with resilience responsibilities are not assessed on how effectively these are discharged;</li> <li>Lack of segregation of duties when the CRG reviews and approves work delivered by the Resilience team; and</li> <li>CRG members are not clear on their roles and responsibilities.</li> </ul>	<div data-bbox="1220 232 1450 344">High</div>
Action plans	
Recommendation	Responsible Officer
<ol style="list-style-type: none"> <li>The Council's Resilience team responsibilities in relation to resilience support provided to the Health and Social Care Partnership for Partnership services delivered by the Council should be reconsidered and clearly defined;</li> <li>A review of voluntary resilience coordinators will be performed in each Directorate to ensure that numbers are sufficient to provide support in the event of a resilience incident. Where numbers fall short, Directorates will endeavour to recruit additional volunteers;</li> <li>Operational resilience responsibilities for completion and ongoing maintenance of Directorate and Service Area Business Impact Assessments; Resilience plans; and coordination of resilience tests in conjunction with the Resilience team will be clearly defined and allocated. The total number of employees with operational resilience responsibilities will be determined with reference to the volume of business impact assessments and resilience plans that require to be completed and maintained to support recovery of critical services;</li> <li>Corporate; management; and team member objectives for operational resilience responsibilities (for example completion of Service Area Business Impact Assessments; Resilience Plans; and coordination of Resilience tests) will be established, with ongoing oversight performed by Directors and Heads of Service to confirm that these are being effectively delivered to support the resilience responses included in both the Directorate and Council's annual governance statements;</li> <li>An alternative chair of the CRG should be considered to ensure effective segregation of duties; and</li> <li>Formal terms of reference should be established and approved for the CRG.</li> </ol>	<ol style="list-style-type: none"> <li>Resilience Team and H&amp;SC</li> <li>to 4 All service areas</li> <li>Resilience management</li> <li>Resilience team</li> </ol>
Agreed Management Action	Estimated Implementation Date

- |  |                               |
|--|-------------------------------|
| 1. Strategy and Insight Head of Service to meet with the Chief Officer EHSCP, as the responsible officer, to agree appropriate, clear resilience support arrangements. | 1. 5 and 6 – 30 November 2018 |
| 2. to 4 – IA recommendations agreed by all Directorates;   | 2. and 3 - 20 December 2018   |
| 5. Governance arrangements for the Council Resilience Group and its subgroups will be considered as part of the regular resilience management review; and              | 4. 31 July 2019               |
| 6. Formal terms of reference for the CRG will be developed by Resilience and submitted for approval at the September CRG meeting.                                      | 5. and 6 - 28 September 2018  |

## 2. Completion and adequacy of service area business impact assessments and resilience arrangements

### Findings

#### Business impact assessments

The Council's Resilience team are heavily involved in completion of service area business impact assessments (BIAs). Service area BIAs are categorised as complete only when all underlying lower level BIAs have been completed and approved.

Completion of BIAs has not been prioritised on the basis of statutory and critical services. Instead, the Resilience team are facilitating completion of BIAs once service area restructures are complete. Management has advised that this has been agreed with the Corporate Leadership Team.

The Resilience team monitors completion of the 158 BIAs to be completed across the Council (excluding Health and Social Care) using a tracker. Review of the tracker as at 28 February 2018 established that:

- 35 (22%) BIAs have not been started. Of the 123 (78%) BIAs in progress, only 49 (31%) have been fully completed; and
- 27 of the 49 completed BIAs (55%) are more than one year old and past the annual review date specified on the front of BIA document.

Review of a sample of 20 completed BIAs also confirmed that:

- they do not consistently include reference to critical third party supplier resilience arrangements and agreed recovery objectives;
- they do not include resilience arrangements for all technology systems, notably critical shadow technology systems that are externally hosted. Of the 95 technology systems detailed in the 20 BIAs reviewed, only 12 were classified as either internal or externally hosted systems;
- the Artifax system used by Culture within the Place Directorate is recorded on the Culture BIA as internally hosted by the Council, but is also included in the shadow IT return completed by Place and provided to the Council's ICT team;
- whilst BIAs include recovery time objectives, they do not include recovery point objectives - the maximum targeted period in which data might be lost from a technology system following a major incident;

#### Resilience plans and emergency call trees

There is only a limited number of established resilience plans across service areas detailing the process to be followed in the event of an incident, however these are predominantly out of date.



Resilience management has advised that resilience plans will be created across the Council once all BIAs have been completed, as agreed by the Corporate Leadership Team.

Additionally, there is no established Council wide emergency call tree to ensure that all employees can be contacted in the event of a major incident.

The Resilience team maintains a directory that includes contact details for all Council employees with resilience responsibilities (there are currently 12 employees included in the resilience management system document who have resilience responsibilities) that is regularly tested.

Resilience management has advised that plans are being progressed to upload all employee details into the resilience management system, however there is currently no completion date for this activity.

Business Implication	Finding Rating
<ul style="list-style-type: none"> <li>The Council may be unable to recover critical services in the event of a significant or major incident and</li> <li>The Council may be unable to contact employees in the event of a significant or major incident.</li> </ul>	High

#### Action plans

Recommendation	Responsible Officer
<ol style="list-style-type: none"> <li>Existing BIA templates should be reviewed and refreshed to include details of third parties involved in service delivery; shadow technology systems; recovery time objectives for services; and both recovery time (RTOs) and recovery point objectives (RPOs) for all both CGI hosted and shadow technology systems used by the service; RTOs and RPOs for CGI hosted systems should either be aligned with established CGI contractual recovery arrangements, or change requests initiated where shorter RTO timeframes are required by Service Areas.</li> <li>Completion of BIAs and emergency call trees should be prioritised by service areas (with guidance provided by the Resilience team) and provided to Resilience for review, oversight and challenge, and a target date set for completion;</li> <li>Processes should be established within service areas to ensure emergency call trees are updated to reflect employee changes;</li> <li>Once BIAs have been completed, they should be reviewed and a list of statutory and critical services established and presented to CLT for agreement;</li> <li>Following CLT agreement on the Council's population of statutory and critical services, development of resilience plans for these areas should be prioritised by services areas, with support provided by the Resilience team;</li> <li>Existing third party contracts supporting critical services should be reviewed by Directorates in consultation with contract managers / owners to confirm that they include appropriate resilience arrangements. Where gaps are identified, Procurement Services should be engaged to support discussions with suppliers regarding inclusion of appropriate resilience clauses requiring third parties to establish adequate resilience arrangements for both services and</li> </ol>	<ol style="list-style-type: none"> <li>4; 8; 9 - Resilience Team</li> <li>and 3 Resilience Team</li> <li>10 and 11 - All service areas and Resilience Team</li> <li>All service areas / procurement</li> <li>Procurement</li> <li>Service Areas</li> </ol>



systems that are tested (at least annually) with the outcomes shared with / provided to the Council. Where these changes cannot be incorporated into existing contracts, they should be included when the contracts are re tendered. ;

7. When procuring critical services, procurement specification requirements should be considered at the design stage and enhanced to require third party confirmation that they have established adequate resilience arrangements for both services and systems that are tested at least annually; with the requirement to maintain and test resilience plans and provide assurance on the outcomes to the Council included in final supplier contracts;
8. Resilience plan templates should be revised to ensure that they include details of critical third party service and technology provider resilience arrangements in relation to the service, with appropriate recovery time and recovery point objectives;
9. All statutory and critical service resilience plans and emergency call trees should be reviewed at least annually by the Resilience team, with specific focus on ensuring that third party recovery time objectives for services, and recovery time and point objectives for shadow IT systems are aligned with the Council's recovery objectives for re-establishing the service;
10. Once established, all statutory and critical service BIAs; resilience plans; and emergency call trees should be reviewed and refreshed annually, and provided to resilience for review;
11. All statutory and critical service plans should be tested at least annually (this could either be an independent test or could form part of a council wide resilience test), with outcomes recorded and lessons learned factored into resilience plans; and
12. Assurance should be obtained annually for statutory and critical services from third party service providers that their resilience plans remain adequate and effective; and have been tested to confirm that the recovery time objectives for systems and recovery time and point objectives for technology systems agreed with the Council were achieved. Where this assurance cannot be provided, this should be recorded in Service Area and Directorate risk registers.

Note that the requirement for provision of annual assurance by suppliers could be satisfied by provision of their annual ISAE 3402 service organisation controls reports; sharing the outcomes of internal audit reviews of resilience; and sharing the outcomes of resilience testing performed.

#### **Agreed Management Action**

#### **Estimated Implementation Date**

- |   |                          |
|---|--------------------------|
| 1. The BIA template will be reviewed by Resilience, including recovery objectives, in conjunction with key internal stakeholders (dependent on Procurement's action 2.7); | 1. 31 July 2019          |
| 2. And 3 Resilience to develop and provide appropriate methodology,   | 2. and 3 – 29 March 2019 |
|   | 4. 31 January 2019       |

<p>protocols and templates for BIAs, call trees and resilience plans. Resilience will oversee and coordinate the completion and maintenance of all BIAs and emergency call trees, providing support, review and challenge to service areas and ensuring consistency of approach;</p> <p>4. A list of Council essential activities will be submitted to CLT for final approval;</p> <p>5. Following CLT agreement on the Council's list of essential activities, resilience plans for these areas will be prioritised on a risk-assessed basis, as far as practicable, with support provided by Resilience. The development of resilience plans will include capacity workshops, training on the Resilience Management Information System and scenario planning about key potential resilience incidents and their impact for each essential activity business areas. The development of resilience plans will prioritise high-risk essential activities (approximately 70) and these will be completed first; Following this, resilience plans for the remaining essential activities (approximately 105) will also be prioritised for completion on a risk basis;</p> <p>6. and 7 – IA recommendations agreed by all Directorates;</p> <p>8. Resilience plan templates, including recovery objectives, will be reviewed by Resilience, in conjunction with key internal stakeholders;</p> <p>9. Resilience will, on the basis of risk assessment and in conjunction with key internal stakeholders, document which statutory and service resilience plans required to be reviewed annually in particular ensuring alignment of third party and shadow IT recovery time objectives with service re-establishment; these will be aligned with the revised BIA template (see management action 2.1), government and Resilience Partnership set priorities and confirmed annually as part of the CRG management review programme.</p> <p>10. Once the new BIA template and initial resilience plans for essential activities are completed and established, Resilience will continue to support service areas to annually review their BIAs, essential activity resilience plans and call trees;</p> <p>11. Resilience will, on the basis of risk assessment and in conjunction with key internal stakeholders, document which statutory and service resilience plans required to be tested annually. Relevant exercise actions for Resilience will be recorded and significant lessons learned incorporated into resilience plans, pending approval by multi-agency partners and the CRG, as appropriate; and</p> <p>12. Agreed by all Directorates.</p>	<p>5. 30 June 2020 for first group and December 2021 for second</p> <p>6. 20 December 2019</p> <p>7. 21 December 2018</p> <p>8. 29 March 2019</p> <p>9. 21 December 2018</p> <p>10. 21 December 2021</p> <p>11. And 12 – 28 June 2019</p>
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### 3. Adequacy, maintenance, and approval of Council wide resilience plans

#### Findings

Review of the Resilience team plan review schedule that details the timeframes for review of Council wide resilience plans, protocols, and procedures confirmed that there is currently no cyber security Council wide resilience plan, and no Council wide significant incident framework to ensure that the

appropriate people are contacted and a critical response team established in the event of a serious incident (e.g. fatality or dangerous incident).

Additionally, 15 documents had been archived. Of these, 6 were noted as having been archived as there were insufficient resources to maintain them, with no further rationale provided.

Of the 36 remaining documents:

- 20 were reviewed in 2017
- 4 are in currently being reviewed
- 12 were not reviewed in 2017, but had been allocated 2018 review dates

The Edinburgh Major Incident Evacuation Plan was last published in July 2016 and is scheduled for review in December 2018, whilst the Corporate Bomb Threat and Suspicious Item Procedure was published in March 2016 and is scheduled for review in November 2018.

Finally, review of a sample of five council wide resilience plans confirmed that:

- they included references to the business continuity plan which has not been reviewed and updated since 2015; and
- As at 28 February 2018, the emergency response plan on Council's intranet (the Orb) was dated 2014. Resilience management has advised that this has now been addressed and the December 2017 version is now available.

Business Implication	Finding Rating
<ul style="list-style-type: none"><li>• The Council may be unable to recover critical services in the event of a cyber security attack and employees may not be aware of their responsibilities;</li><li>• The Council may be unable to respond appropriately in the event of a critical occurrence;</li><li>• Archived plans may include relevant resilience risks that could potentially crystallise and impact the Council; and</li><li>• If a major incident or corporate bomb threat occurs, plans and procedures to be applied could be out of date and no longer relevant.</li></ul>	<div>Medium</div>
Action plans	
Recommendation	Responsible Officer
<ol style="list-style-type: none"><li>1. A Council wide significant incident escalation framework should be developed, communicated, and maintained together with the current population of council wide resilience plans;</li><li>2. A clear process should be established for archiving plans, and the rationale for archiving clearly documented;</li><li>3. The 6 plans archived on the basis of insufficient resources should be reviewed to confirm that they can be archived as the risks are no longer relevant; and</li><li>4. Review of the major incident evacuation plan; the corporate bomb threat and suspicious item procedure; and the business continuity plan should be prioritised.</li></ol>	<ol style="list-style-type: none"><li>1. to 5 Resilience team</li></ol>
Agreed Management Action	Estimated Implementation Date

1. a) Resilience will prepare a paper for CLT highlighting the risks associated with lack of a Council wide significant incident management framework that is linked to Service Area incident management processes. If this proposal is accepted, the current resilience management framework will be shared with Directorates and guidance and support provided on how this can be linked with Service Area incident management processes.  
b) Resilience will develop guidance and promote best practice to enable managers to develop incident management procedures for their respective areas as they deem appropriate.
2. The process and rationale for archiving corporate resilience plans will be documented.
3. And 4
  - a) As part of the Resilience management review programme and priorities assessment Resilience will, on the basis of risk assessment and in conjunction with key internal stakeholders, document the review frequency for corporate resilience plans, aligning with government and Resilience Partnership set priorities and prioritising on a risk basis.
  - b) Under this methodology the Major Incident Evacuation Plan and Bomb Threat and Suspicious Items will be reviewed by January 2019.
  - c) The Council Business Continuity Plan (which was based only on the Council's structure) is being replaced on an interim basis by refreshed BIA data, based on each Council building, which will provide data to support a wider range of incident scenarios, including loss of premises – this is scheduled to be completed by November 2019.
  - d) A full Council Business Continuity Plan is scheduled to be completed by December 2020, which will include contingency plans for essential activity areas.

1. a) and b) - 29 March 2019
2. 20 December 2018
- 3 and 4 a) - 28 June 2019
- b) 31 January 2019
- c) 29 November 2019
- d) 18 December 2020

#### 4. Resilience Training

##### Findings

Employees with resilience responsibilities across the Council receive training delivered by the Resilience team. However, there is no established process to ensure that all new employees or existing employees who have assumed resilience responsibilities receive the necessary training.

Additionally, whilst some evidence of training attendance was available (calendar invites and e mails), it is not formally recorded and monitored by the Resilience team.

Review of a sample of 20 employees with resilience responsibilities (including the Chief Executive; four Corporate Leadership Team Members; one Head of Service; and the Council Leader) confirmed that:

- 1 resilience coordinator had not yet attended the training;
- no evidence of training attendance could be provided for 2 cross-council resilience specialists; and

- no evidence of training attendance could be provided for 1 service area resilience coordinator.

Business Implication	Finding Rating
Employees with resilience responsibilities who have not received training may not discharge their duties effectively in the event of an incident.	<b>Medium</b>
Action plans	
Recommendation	Responsible Officer
<ol style="list-style-type: none"> <li>1. A process should be established to ensure that the Resilience team are made aware of all employees (new and existing) who have assumed resilience responsibilities, enabling them to be enrolled for training;</li> <li>2. A training delivery tracker should be established and maintained to record training delivered to Council employees and identify potential opportunities for delivery of refresher training;</li> </ol>	<ol style="list-style-type: none"> <li>1. Service Areas and Resilience team</li> <li>2. Resilience team</li> </ol>
Agreed Management Action	Estimated Implementation Date
<ol style="list-style-type: none"> <li>1. a) Resilience will provide an updated list of Council staff with a named resilience responsibility from the RMS to the CLT detailing all Resilience Coordinators and Specialists every 6 months to identify new employees with resilience responsibilities. (Resilience Deputies will be determined as part of the resilience plans being developed with each essential activity area.) b) Resilience will support Resilience Coordinators to undertake and complete a training needs analysis for direct resilience roles. c) Resilience to meet with HR (Margaret-Ann Love and Christine McFadzen, the HR Resilience Specialist) to discuss corporate resilience training needs.</li> <li>2. The Resilience Training and Exercising records tracker will be updated and maintained.</li> </ol>	<ol style="list-style-type: none"> <li>1. 30 November 2018</li> <li>2. 21 December 2018</li> </ol>

## 5. Lessons learned from resilience exercises

Findings	
<p>Review of a sample of five internal and external resilience exercises established that:</p> <ul style="list-style-type: none"><li>• no debrief report was written for the Dark Star Phase 2 exercise completed in March 2017; and</li><li>• there was no evidence of a completion of a debrief for the Lothian Pension Fund workshop completed in October 2017.</li></ul> <p>Additionally, there was no evidence available to confirm that debrief actions had been implemented for the following resilience exercises / workshops:</p> <ul style="list-style-type: none"><li>• business continuity, completed in July 2017;</li><li>• Magpie, completed in September 2017; and</li><li>• Lothian Pension Fund workshop, completed October 17.</li></ul>	
Business Implication	Finding Rating

Lessons learned are not incorporated into future exercises or live resilience incidents.

Low

### Action plans

#### Recommendation

#### Responsible Officer

1. Debrief reports or notes should be prepared or obtained for all Council-led resilience exercises performed and the outcomes shared with all participants and all relevant employees with resilience responsibilities; and
2. Evidence should be retained to confirm implementation of all debrief actions.

Resilience team

#### Agreed Management Action

#### Estimated Implementation Date

1. Debrief reports / notes will continue to be maintained for Council-led resilience exercises and outcomes shared with all participants and relevant employees with direct resilience responsibilities (as noted in the RMS).
2. Agreed Resilience debrief actions will be captured and monitored on Pentana as part of the resilience management review programme.

1. and 2 – 30 November 2018

# Appendix 1 - Basis of our classifications

Finding rating	Assessment rationale
<b>Critical</b>	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Critical</b> impact on operational performance; or</li> <li>• <b>Critical</b> monetary or financial statement impact; or</li> <li>• <b>Critical</b> breach in laws and regulations that could result in material fines or consequences; or</li> <li>• <b>Critical</b> impact on the reputation or brand of the organisation which could threaten its future viability.</li> </ul>
<b>High</b>	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Significant</b> impact on operational performance; or</li> <li>• <b>Significant</b> monetary or financial statement impact; or</li> <li>• <b>Significant</b> breach in laws and regulations resulting in significant fines and consequences; or</li> <li>• <b>Significant</b> impact on the reputation or brand of the organisation.</li> </ul>
<b>Medium</b>	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Moderate</b> impact on operational performance; or</li> <li>• <b>Moderate</b> monetary or financial statement impact; or</li> <li>• <b>Moderate</b> breach in laws and regulations resulting in fines and consequences; or</li> <li>• <b>Moderate</b> impact on the reputation or brand of the organisation.</li> </ul>
<b>Low</b>	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Minor</b> impact on the organisation's operational performance; or</li> <li>• <b>Minor</b> monetary or financial statement impact; or</li> <li>• <b>Minor</b> breach in laws and regulations with limited consequences; or</li> <li>• <b>Minor</b> impact on the reputation of the organisation.</li> </ul>
<b>Advisory</b>	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>



# Appendix 2 – Terms of Reference

## Draft Terms of Reference – Resilience Governance Review

To: Laurence Rockey, Head of Strategy and Insight  
Mary-Ellen Lang, Resilience Manager

From: Lesley Newdall, Chief Internal Auditor

Date: 20<sup>th</sup> February 2018

This review is being undertaken as part of the 2017/18 internal audit plan approved by the Governance Risk & Best Value Committee in March 2017.

### Background

In September 2017, the Council published its strategic business plan (“Programme for the Capital”) to build upon Edinburgh’s successes, and demonstrate a commitment to improve services and amenities across the City.

Five strategic aims are included in the business plan. One notable aim is to have:

- A resilient city, where citizens are protected and supported with access to sustainable and well-maintained facilities.

Certain services are a statutory requirement or are critical for citizens, such as health and social care and education. Ensuring that statutory and critical services continue to operate and are restored effectively in the event of a disaster or disruptive event, is a key priority for the Council.

Additionally, there is a legislative requirement for the Council to establish Business Continuity Management (BCM) arrangements under the Civil Contingencies Act (CCA) 2004.

The Council’s Resilience team is currently accredited under the British Standards Institute’s International Standard for Business Continuity (ISO22301) which specifies the requirements for a management system to protect against, reduce the likelihood of, and ensure business recovery from disruptive incidents.

As a capital city, one of the most significant disruptive events that could occur in Edinburgh is a terrorist attack. The Council participated in exercise Border Reiver (counter-terrorism exercise) in October 2017. This exercise, which forms part of the UK Home Office’s National Counter-Terrorism Exercise Programme was designed to test effectiveness of emergency services; government; local authority; and other relevant agency responses to a terrorist incident.

It should also be noted that the Resilience team do not include the Health and Social Care Partnership within their Council wide remit, but provide resilience advice and support to the partnership on an ongoing basis. This was agreed with the Health and Social Care Senior Colleagues.

The Council is currently undergoing a period of significant change and consequently Business Impact Assessments (BIAs) are being undertaken as structures are finalised by the Council. Resilience has confirmed that this is significantly impacting the ability to finalise and maintain council wide resilience plans.

### Scope

We will assess the adequacy of design and operating effectiveness of the key resilience controls in place to mitigate the following Corporate Leadership Team risk:

**Major incident** - A sudden high impact event causes harm to people and damages infrastructure, systems or buildings. Buildings, staff and/or systems are non-operational for a time, resulting in a reduced ability to deliver services. Failure to deliver an appropriate level of service in the event of a sudden operational requirement may lead to harm to people and reputational damage to the Council.



Our review will focus on the adequacy and effectiveness of controls in the following areas:

- The Council's Resilience Management System (RMS);
- Emergency response plans;
- Oversight and governance of the RMS and emergency response plans; and
- Completion of resilience plans and BIAs for high risk Service Areas.

### Limitations of Scope

The audit will not provide assurance on the following areas:

- Adequacy of Service Area resilience plans, and
- Adequacy of key third party suppliers' resilience arrangements.

### Approach

Our audit approach is as follows:

- Obtain an understanding of the Council's RMS through interviews with key stakeholders, and review of supporting documentation;
- Identify the key risks related to the RMS, including oversight;
- Evaluate the design of the controls in place to address the key risks; and
- Test the operating effectiveness of the key controls.

### Specific Control Objectives

Sub-process	Control Objectives
Resilience Management System	<ul style="list-style-type: none"><li>• A RMS is defined and implemented that is aligned with applicable legislation and standards.</li><li>• Resilience roles, responsibilities and accountabilities have been clearly defined for both the Resilience team and Service Areas across the Council.</li><li>• BIAs have been prepared by all Service Areas that clearly define the service delivered and its criticality.</li><li>• BIAs completed by Service Areas have been consolidated (where possible) into appropriate resilience arrangements to support prioritisation for reinstatement of business-critical services across the Council.</li><li>• BIAs are regularly reviewed and refreshed to reflect changes in service, and these changes are reflected in the overall Council resilience plan.</li><li>• All third parties have been identified and prioritised on the basis of criticality of services provided to the Council, and the outcomes recorded in BIAs.</li><li>• The RMS is subject to regular ongoing review to ensure that it remains aligned with changes within the Council; and changes to statutory and critical services.</li><li>• A resilience training programme covering all areas of the Council that have a resilience responsibility has been established and delivered on an ongoing basis. The content of the training plan is sufficient to ensure that all those with a resilience responsibility are aware of the nature of resilience, external threats and their resilience responsibilities.</li></ul>

Resilience Exercising	<ul style="list-style-type: none"> <li>An annual resilience exercise programme has been established, and the test schedule approved by the relevant governance forum. Results, supporting evidence and lessons identified are recorded.</li> <li>Performance against the overall plan and objectives is monitored and reviewed, and exercise outcomes are reported to management for review. Remedial actions are identified, and action plans for improvement are produced and authorised, and incorporated into the Council's resilience plan.</li> </ul>
Incident Response and Management	<ul style="list-style-type: none"> <li>An incident response and management plan to deal with the Council's response to city wide incidents has been established and is regularly reviewed, refreshed and tested.</li> <li>An incident response and management incident management team is in place, and includes appropriately senior levels of management who are responsible for providing direction, strategic &amp; tactical decision making, and supporting the operational response.</li> <li>All individuals in the incident response and management co-ordination group are fully aware of their roles and responsibilities, with new member and refresher training provided.</li> <li>The incident response and management plan includes a communications strategy and plan to ensure that employees and citizens are aware of action being taken.</li> <li>Incident response and management and communications plans are regularly tested with outcomes recorded and lessons identified factored into the incident response plan.</li> <li>Incident response and management and communications plans have been updated to reflect the outcomes and lessons identified from the Border Reiver exercise that occurred in October 2017.</li> </ul>
Oversight and governance	<ul style="list-style-type: none"> <li>Appropriate committees / governance forums have been established to provide scrutiny and oversight of the Council's RMS.</li> <li>Committees / governance forums are supported by approved Terms of Reference that sets out roles and responsibilities.</li> <li>The Council's overarching resilience plans have been approved.</li> </ul>

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### Internal Audit Team

Name	Role	Contact Details
Lesley Newdall	Chief Internal Auditor	0131 469 3216
Fiona Mathewson	Internal Auditor	07802660187

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### Key Contacts

Name	Role	Contact Details
Laurence Rockey	Head of Strategy and Insight	0131 469 3493

Mary-Ellen Lang	Resilience Manager	0131 529 4686
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### Timetable

Fieldwork Start	05/02/2018
Fieldwork Completed	09/03/2018
Draft Report	16/03/2018
Receipt of Management Responses	23/03/2018
Final Report Issued	06/04/2018

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### Follow Up Process

Where reportable audit findings are identified, the extent to which each recommendation has been implemented will be reviewed in accordance with estimated implementation dates outlined in the final report.

Evidence should be prepared and submitted to Audit in support of action taken to implement recommendations. Actions remain outstanding until suitable evidence is provided to close them down.

Monitoring of outstanding management actions is undertaken via monthly updates to the Director and his executive assistant. The executive assistant liaises with service areas to ensure that updates and appropriate evidence are provided when required.

Details of outstanding actions are reported to the Governance, Risk & Best Value (GRBV).

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