

Governance, Risk and Best Value Committee

10.00am, Thursday, 23 January 2025

Internal Audit: Audit Outcomes - 3 October to 31 December 2024

Executive/routine

Wards

1. Recommendations

- 1.1 It is recommended that the Committee:
 - 1.1.1. reviews the outcomes of the Education Support Provision audit and Early Years Cross Boundary Places audit which were deferred from the October 2024 committee meeting;
 - 1.1.2. reviews the outcomes of 2024/25 internal audits completed during between 3 October to 31 December 2024 and management action plans to address the recommendations made; and
 - 1.1.3. note the key thematic issues raised across the findings from audits completed during the period.

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Report

Internal Audit: Audit Outcomes - 3 October to 31 December 2024

2. Executive Summary

- 2.1 This report provides Committee and opportunity to review the Education Support Provision audit report and Early Years Cross Boundary Places audit report deferred from the October 2024 committee meeting.
- 2.2 The report also provides an update to Committee on the outcomes of the 2024/25 Internal Audits completed between 3 October to 31 December 2024.
- 2.3 A total of 4 audits have been completed for the Council during the reporting period. All 4 audits have an overall engagement opinion of Reasonable Assurance.
- 2.4 A total of 15 findings were raised across the 4 audits completed (1 High and 14 Medium). Details of management action plans, and timescales for addressing the risks associated with audit findings are provided within each audit report.
- 2.5 Audits completed during the period highlight a number of key thematic issues which should be considered by management and the Committee, to ensure the root cause of the issues raised is addressed.

3. Background

- 3.1 The [2024/25 Internal Audit \(IA\) plan](#) was approved by the Governance, Risk and Best Value Committee (GRBV) in March 2024, and updated in May 2024 to include two further audits as requested by Full Council in March 2024.
- 3.2 The Education Support Provision audit report and Early Years Cross Boundary Places audit report were presented to the Committee on 31 October 2024, however as no officers from the directorate were available to answer Committee member queries, the Committee deferred the two reports to the January 2025 committee meeting.
- 3.3 Key issues raised across the recommendations from audits completed are tracked and reported to management and Committee for consideration of thematic or systemic improvements required.

4. Main report

Audits of Education Support Provision and Early Years Cross Boundary Places

- 4.1 The audits of Education Support Provision and Early Years Cross Boundary Places were completed at the specific request of the Committee. The overall engagement opinions are provided in the table below and reports detailing the outcomes of these audits are provided in Appendix 2:

Overall Rating	Audit
Reasonable Assurance	<ul style="list-style-type: none">Education Support Provision
Substantial Assurance	<ul style="list-style-type: none">Early Years Cross Boundary Places

Audits completed in the quarter

- 4.2 A total of 4 Council audits were completed between 3 October to 31 December 2024. The overall engagement opinions of each audit is provided in the table below:

Overall Rating	Audit
Reasonable Assurance with high rated findings	<ul style="list-style-type: none">Flexible Workforce
Reasonable Assurance with no high rated findings	<ul style="list-style-type: none">Attendance ManagementReinforced Autoclaved Aerated Concrete (RAAC)Annual Validation Audit

- 4.3 A total of 15 findings were raised across the 4 audits completed (1 High and 14 Medium). Details of management action plans, and timescales for addressing the risks associated with audit findings are provided within each audit report.

Audit reports for scrutiny

- 4.4 Audit reports with a limited assurance outcome or high rated findings are automatically presented to Committee for review and scrutiny. A report detailing the outcomes for the following audit is provided in Appendix 3:

- Flexible Workforce

- 4.5 In addition, at the request of the Committee, the following report with no high rated findings is also provided for scrutiny at Appendix 3:

- Reinforced Autoclaved Aerated Concrete (RAAC)

Audit reports for noting

- 4.6 The remaining 2 audit reports with no high rated findings are provided to Committee in Appendix 4 for noting:

- Attendance Management

- Annual Validation Audit

4.7 All Council audit reports are published on the [Council's website](#) following Committee.

Root cause and thematic areas for improvement

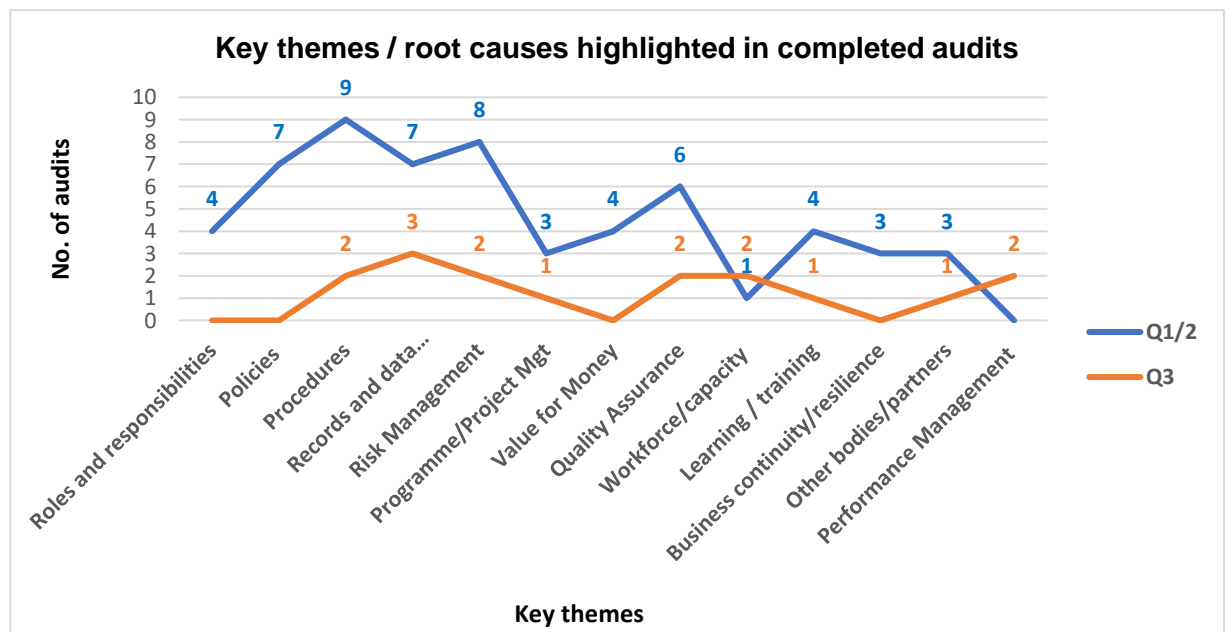
4.8 Key thematic areas for improvement were highlighted in the 4 audits completed between 3 October to 31 December 2024. It is important that management reviews these to treat the root cause by identifying potentially systemic issues and to prevent these issue reoccurring rather than merely the fixing the individual instances identified.

4.9 The top key thematic areas where issues were raised relate to:

- Records and data management
- Procedures
- Risk management
- Workforce/capacity planning
- Quality assurance/performance management

4.10 The number of instances a key theme was raised is provided in the chart below and summary of all key themes raised across each of the completed audits is provided in [Appendix 1](#). It should be noted that the instances of key themes identified during Q3 is lower due to completion of fewer audits in the period.

4.11 A focused discussion on key themes arising from audits completed in 2024/25 so far was held at the Corporate Leadership Team (CLT) meeting on 4 December 2024. CLT agreed understanding the key themes raised in audits and taking action to enable improvements in the risk and control frameworks across the Council is essential. CLT agreed that a focus on quality management including consideration of system based and structured controls across the Council in 2025 will be a priority.



5. Next Steps

- 5.1 Progress of delivery 2024/25 IA plan and audit outcomes will be reported quarterly to the Committee with the next report scheduled for March 2025.
- 5.2 Implementation of agreed management actions from completed audits by services are tracked by IA, and all overdue actions reported to the Committee quarterly with the next report scheduled for March 2025.

6. Financial impacts

- 6.1 Costs for delivery of audits are within the agreed budget.
- 6.2 Services should consider the potential cost impacts associated with audit recommendations and key thematic issues, including potential savings from inefficiencies identified.

7. Equality and Poverty Impact

- 7.1 None. An assessment is not required because the reason for this report is to report Internal Audit activity to Committee. Consequently, there will be no differential equality, or poverty impacts as a result of the proposals in this report.

8. Climate and Nature Emergency Implications

- 8.1 None. The reason for this report is to report Internal Audit activity to Committee. Consequently, there will be no differential climate or nature emergency implications as a result of the proposals in this report.

9. Risk, policy, compliance, governance, and community impact

- 9.1 This report identifies several specific impacts on, and areas of improvement for the Council's risk, policy, compliance, and governance frameworks. Management should seek to take adequate steps to reduce the impacts across the key risk areas set out.
- 9.2 Council officers and elected members are consulted on the findings of Internal Audit throughout the year. No specific consultations have taken place in relation to this report.

10. Background reading/external references

- 10.1 [Internal Audit 2024/25 Annual Plan](#) – approved by GRBV March 2024, and updated May 2024
- 10.2 [Minutes Internal Audit: Audit outcomes June to October 2024](#) – Item 8.1 GRBV 31 October 2024

11. Appendices

- 11.1 Appendix 1 – Key themes raised across Internal Audits

11.2 Appendix 2 – Deferred Internal Audit Reports for scrutiny:

- Education Support Provision
- Early Years Cross Boundary Places

11.3 Appendix 3 – Internal Audit Reports for scrutiny:

- Flexible Workforce
- Reinforced Autoclaved Aerated Concrete (RAAC)

11.4 Appendix 4 – Internal Audit Reports for noting:

- Attendance Management
- Annual Validation Audit

Appendix 1: Key themes raised across Internal Audits – October to December 2024

The table below provides a summary of the key themes raised across the audits completed between 3 October to 31 December 2024. It should be noted that more than one key theme may be raised from an audit recommendation.

Key theme	Summary
Procedures - raised across 2 audits	<p>Procedures for managers to manage sickness absence in Attendance Management are not being complied with in some services.</p> <p>Directorates have not established procedures setting out how they align with the Council's approach for usage and spend on Flexible Workforce, including monitoring and reporting arrangements. While the Council's approach for the usage of Flexible Workforce was generally clear, its approach for usage of agency has not been clearly set out on the Orb.</p>
Records and data management - raised across 3 audits	<p>Attendance Management data is not being recorded in a timely manner. System requirement/data quality issues were identified in both in terms of input and available fields. The system does not provide automatic reminders and there is a reliance on manual controls. The systems used to record sickness absence and Occupational health referrals are not linked.</p> <p>Some school Business Managers were not applying end dates to fixed-term contracts in HR systems, resulting in poor data quality, impacting the service's ability to monitor usage of their Flexible Workforce and prompt consideration of permanent roles.</p> <p>User access controls on the IDOX system, used in the processing of Planning: Householder Applications were not sustained in the Annual Validation Audit.</p>
Risk Management - raised across 2 audits	<p>Services with high absence levels do not have attendance management included as a specific risk in their risk register</p> <p>A risk register had not been developed for the Care Homes service and the Waste & Cleansing risk register had not been reviewed since November 2022 in the Flexible Workforce audit.</p>
Programme/Project Management - raised across 1 audit	<p>The Commercial Estates team had not completed a review of unoccupied buildings for RAAC presence at the time of audit, and consequently had not identified any buildings requiring surveys and potential mitigation works that were the responsibility of the Council to complete. The Commercial Estates team and Housing and Homelessness services have not developed specific plans, including budgets and a milestone programme of works, to deal with RAAC across all affected properties.</p>

Key theme	Summary
Quality Assurance - raised across 2 audits	<p>There are no formal quality assurance processes carried out to confirm managers comply with Attendance Management guidance.</p> <p>Sensory support services should ensure there is appropriate consideration of stakeholder feedback in relation to performance/quality of services provided by third parties as raised in the Annual Validation audit.</p>
Workforce / Capacity Planning - raised across 2 audits	<p>There are limited service specific action plans for areas with high volume sickness absence to support Attendance Management.</p> <p>Directorates have not established procedures setting out how they align with the Council's approach for usage and spend on Flexible Workforce, including monitoring and reporting arrangements, in addition, monitoring arrangements in schools had not been established to identify and prompt a fixed-term contract review with supply workers in continuous supply engagements exceeding 3 months. Some Business Managers were not applying end dates to fixed-term contracts in HR systems, resulting in poor Flexible Workforce data quality, impacting the service's ability to monitor fixed-term contracts and consideration of permanent roles.</p>
Role specific learning and training Raised across 1 audit	<p>Role specific learning for Attendance Management (sickness absence) is not always completed and further training for managers on the application of discretion is required, in addition, some induction guides outlining sickness absence information requires updating. Managers should also be reminded of the various tools available to support colleagues for Attendance Management.</p>
Performance Management - raised across 2 audits	<p>The KPIs designed and published by the Tree Management team cannot be measured, as identified in the Annual Validation Audit.</p> <p>Sensory support services should ensure there is appropriate consideration of stakeholder feedback in relation to performance of services provided by third parties as raised in the Annual Validation audit.</p>

Internal Audit Report

Education Support Provision

21 November 2024

CEJ2401

**Overall
Assessment**

**Reasonable
Assurance**

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This Internal Audit review was conducted for the City of Edinburgh Council under the auspices of an addition to the 2024/25 internal audit plan approved by the Governance, Risk and Best Value Committee in May 2024. 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 Global Internal Audit Standards (UK Public Sector) and as a result is not designed or intended to comply with any other auditing standards.

Although there are 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.

Executive Summary

Overall Assessment

Reasonable Assurance

Overall opinion and summary of findings

The transition from the Enhanced Support Base model to the Education Support Provision model was generally well managed, with effective gathering and review of data, decision making aligned with GIRFEC (Getting it Right for Every Child), and effective communications and consultations.

The following improvement actions were identified:

- an Integrated Impact Assessment should be performed to identify any equality, environmental, or economic impacts of the decision
- an assessment of risks should be performed to identify and appropriately manage any risks associated with the transition to the new model of education support provision
- a review of the decision-making process should be performed to identify any lessons learned.

Education Services did not formally consult with members on this change; however a comprehensive briefing was provided to Education, Children and Families Committee members and other relevant members including finance








leads on the proposed change in February 2024. The invitation for this briefing was provided to 16 members and was attended by 8 members.

The Head of Democracy, Governance and Resilience also advised there was no specific requirement for the change from the Enhanced Support Base model to the Education Support Provision model to be approved by members.

Areas of good practice identified

- sufficient and appropriate data was gathered and considered prior to a decision being made on the model for education support provision in schools
- decision making was in line with the objectives of GIRFEC (Getting It Right For Every Child)
- extensive consultations were held with Head Teachers regarding rising demand for enhanced support and the resources required to meet this
- consultations were held with parents and other key stakeholders regarding the Council's wider vision of inclusive education for children and young people
- communications to parents on the outcome of their child's placement request were sent on a timely basis and included all relevant information.

Audit Assessment

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Decision Making and Planning Processes			Finding 1 – Integrated Impact Assessments and Assessment of Risks	High Priority
2. Communications with Key Stakeholders			No findings identified	N/A
3. Lessons Learned		*N/A	Finding 2 – Identification of Lessons Learned	Medium Priority
4. Risk Management			See Finding 1	Medium Priority

(*N/A controls not tested due to adequacy of design)

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Background and scope

Enhanced Support Bases (ESBs) were established as a pilot programme in academic session 2020/21. ESBs were classrooms set up within mainstream secondary schools to provide support for children and young people with complex additional support needs in relation to learning and communication.

Over the next three academic years a total of 9 ESBs were established in mainstream secondary schools across the city. Under the [Education \(Additional Support for Learning\) \(ASL\) Act \(2004\)](#) (the Act) ESBs were classified as special schools and parents were able to submit placement requests for their child through the Council's Education Resource Group (ERG). As parental requests increased, capacity of ESBs became an issue. Each ESB was designed to support a maximum of ten learners from S1 to S3, but in session 2023/24 it was identified that a number of ESBs were supporting 15 learners across S1 to S5.

There is also a requirement under the Act, and the accompanying [Additional Support for Learning Code of Practice \(2017\)](#), to provide transport for children from their homes to ESBs when requested by parents. This meant that children were often being transported across the city outwith their own learning community with transport costs and emissions increasing.

In September 2023 work was performed with the Headteachers of ESBs to identify available capacity. This work concluded that capacity would not be sufficient to cover the placement requests being made. Between September and December 2023, the existing provision was reviewed, and an options appraisal performed to determine the way forward. This included visits to ESBs, questionnaires, and discussions with ESB leaders and teaching staff.

The following three options were developed:

1. status quo – keep ESBs in the 9 current schools and increase the capacity of these to 15 learners in each for S1 to S5
2. extend the ESB pilot – rollout of ESBs to a further 4 schools
3. Education Support Provision (ESP) model – provide enhanced support in all mainstream secondary schools.

A decision was taken by officers to proceed with option 3.

An amendment was submitted to the Governance, Risk and Best Value Committee meeting on [19 March 2024](#) requesting an audit be carried out on the decision not to offer ESB placements for the next school year, and instead to replace them with ESP provision.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls in place for the decision making and communication of the transition from the Enhanced Support Base model to the Education Support Provision model.

Alignment to Risks and Business Plan Outcomes

The review also provided assurance in relation to the following Corporate Leadership Team risks:

- Governance and Decision Making
- Service Delivery
- People
- Regulatory and Legislative Compliance
- Reputational Risk.

[Business Plan Outcomes:](#) Core services for people in need of care and support are improved.

Limitations of Scope

Decisions made by the Education Resources Group on individual placement requests.

Reporting Date

Testing was undertaken between 13 June and 6 September 2024. Audit work concluded on 6 September, and the findings and opinion are based on the conclusion of our work as at that date.

The audit report was updated in November 2024 to take account of engagement with members.

Findings and Management Action Plan

Finding 1 – Integrated Impact Assessments and Assessment of Risks

Finding Rating	High Priority
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The Council’s [Equality and Diversity Framework 2021 – 2025](#) outlines how the Council will meet its legal duties under the [Equality Act 2010](#) and the [Public Sector Equality Duty](#). Under the Framework, Integrated Impact Assessments (IIAs) should be used to assess the impact of service decisions on the following areas:

- Equality and Human Rights
- Environment and Climate Change
- Economy, including socioeconomic disadvantage.

[Guidance](#) and a toolkit which clearly sets out the requirements and considerations for IIAs is provided on the Orb (the Council’s intranet).

In addition, risk assessments can be used to determine the risks associated with service decisions and put in place appropriate mitigation.

Neither IIAs nor formal risk assessments were prepared in relation to the decision to transition from the Enhanced Support Base model to the Education Support Provision model. Whilst Internal Audit are not aware of any adverse equality impacts or emerging risks because of the transition, there is a risk that these have not been identified and are not being appropriately managed.

Risks

- **Service Delivery** – risks and adverse equality impacts have not been identified and appropriately managed, leading to the risk of poor service delivery
- **Regulatory and Legislative Compliance** – legislative requirements are not being complied with.

Recommendations and Management Action Plan: Integrated Impact Assessments and Assessment of Risks

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officer	Timeframe
1.1	A retrospective Integrated Impact Assessment should be performed in relation to the decision to transition from the Enhanced Support Base model to the Education Support Provision model. The guidance and toolkit available on the Orb should be followed which includes the requirement to publish the final IIA on the Council website.	Completion of a retrospective Integrated Impact Assessment in relation to the decision to transition from the Enhanced Support Base model to the Education Support Provision model.	Executive Director of Corporate Services	Head of Education (Inclusion)	31/12/2024

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officer	Timeframe
1.2	<p>An assessment of risks should be performed in relation to the decision to transition from the Enhanced Support Base model to the Education Support Provision model.</p> <p>Once identified, relevant risks should be added to the Service risk register, together with mitigating controls to ensure risks are managed appropriately.</p>	<p>Completion of an assessment of risks in relation to the decision to transition from the Enhanced Support Base model to the Education Support Provision model.</p> <p>Relevant risks will be added to the Service risk register, together with mitigating controls to ensure risks are managed appropriately.</p>			31/12/2024

Finding 2 – Identification of Lessons Learned

Finding Rating	Medium Priority
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Following any significant service change or decision-making process, it is important to reflect on the process and identify what went well and where improvements could have been made. This enables continuous improvement across the Council.

A lessons-learned exercise to review the transition from the Enhanced Support Base model to the Education Support Provision model was not completed. Now that the new model of education support provision has been rolled out, there is an opportunity to reflect on the change and the decision-making process, and identify any lessons learned.





Risks

- **Governance and Decision Making** – opportunities for improvement in decision-making processes are not identified
- **Service Delivery** – opportunities for improvement in service delivery process are not identified.

Recommendations and Management Action Plan: Identification of Lessons Learned

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officer	Timeframe
2.1	<p>A lessons-learned exercise should be undertaken to review the process of decision making and roll-out of the new model of education support provision and identify lessons learned to support further decisions for model and further service model reviews.</p> <p>Learning should be recorded within a log, with actions to ensure relevant learning is taken forward.</p>	<p>Completion of a lessons learned exercise to review the process of decision making and roll-out of the new model of education support provision and identify lessons learned to support further decisions for model and further service model reviews.</p> <p>Learning will be recorded within a log, with actions to ensure relevant learning is taken forward.</p>	Executive Director of Corporate Services	Head of Education (Inclusion)	31/12/2024

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Appendix 2 – Areas of Audit Focus and Control Objectives

Audit Areas	Control Objectives
Decision Making and Planning Processes	<ul style="list-style-type: none"> • detailed options appraisal exercises were performed to identify and evaluate alternative options to the ESB model • the options appraisal exercise included a review of the additional provision needed to support children and young people within a mainstream setting, including staffing levels and physical spaces required, and was performed prior to the decision being made • appropriate consultations were held with key stakeholders (including parents) as part of the options appraisal, and the results were included in committee or group reporting • the decision was taken by an appropriate governance forum, and within relevant delegated authorities the decision taken by committee or group on which option to pursue was made taking into consideration the values of the Scottish Government’s ‘Getting It Right For Every Child’ (GIRFEC) policy, was not purely based on the budgetary aims of reducing home to school transport costs, and included detailed review of the options appraisal exercise • all relevant risk assessments and equalities impact assessments were completed prior to making the decision.
Communications with Key Stakeholders	<ul style="list-style-type: none"> • communications were issued to parents, children and young people, and schools on a timely basis • communications included an appropriate level of information including details of what the ESP model would look like for each child, and officer contact details were provided to raise any queries or concerns • measures were put in place to collect and review feedback from all key stakeholders and address any concerns raised.
Lessons Learned	<ul style="list-style-type: none"> • lessons learned from the decision making, planning, and communication of the decision to move to the ESP model have been identified and captured • actions have been put in place to address any identified areas for improvement.
Risk Management	<ul style="list-style-type: none"> • risks related to the implementation of the Education Support Provision model have been identified, recorded, and managed within a service risk register, and regularly reviewed to ensure appropriate mitigating actions are in place and remain effective, with escalation to divisional and directorate level risk committees where required.

Internal Audit Report

Early Years Cross-Boundary Places

25 September 2024

CEJ2404

**Overall
Assessment**

**Substantial
Assurance**

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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 are 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.

Executive Summary

Overall Assessment

Substantial Assurance

Overall opinion and summary of findings

The Early Years Cross-Boundary Places arrangements are in line with statutory guidance, and controls are in place to ensure that all funding due is being received. Only some minor improvement actions were identified.

Specific improvements related to Early Years include ensuring that there is a formal record of approvals for proposals and ensuring the draft Early Years Delivery Plan 2024-27 is reviewed every two years and includes clear version control.









Wider improvements identified are related to the Strategic Programme Board (SPB) including obtaining evidence of formal approval of proposals from the Senior Responsible Officer and ensuring the current draft terms of reference for the SPB is finalised, is reviewed at agreed intervals, and version control included to detail the outcome of reviews. Also, guidance documents for projects and proposals on the Orb should be reviewed and updated.

Areas of good practice identified

- compliance with statutory guidance was confirmed by the Council's Legal Team
- financial modelling was in place and used to inform decision making on the cross-boundary placements decision
- the Council engaged with key stakeholders, including the Scottish Government and Private / Voluntary / Independent (PVI) providers
- the Council communicated the cross-boundary decision to PVI providers in sufficient time for implementation
- the cross-boundary decision proposal was submitted to and subsequently approved by the Strategic Programme Board.

Audit Assessment

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Policy and Governance			Finding 1 – Cross-Boundary Places Proposal: Formal Approval and Guidance	Medium Priority
			Finding 2 – Draft Early Learning and Childcare Delivery Plan	Low Priority
2. Stakeholder Engagement			No findings identified	N/A
3. Strategic Programme Board			Finding 3 – Strategic Programme Board: Terms of Reference	Low Priority
4. Risk Management			No findings identified	N/A

Background and scope

The City of Edinburgh Council (the Council) is required by statute to provide to eligible children 1140 hours of early learning and childcare over a period of at least 38 weeks and up to 52 weeks each year and will make available funding to providers in the private, voluntary and independent sectors within the Council area.

Due to a review of the overall funding distribution for early years learning and childcare, funding from the Scottish Government for Edinburgh's Early Learning and Childcare 1140 expansion was reduced from £46.4m in 2021-23 to £41.3m in 2022-23 and then reduced again to £40.4m in 2023-24. A further reduction of £1.9m is to be applied in 2024/25. The overall reduction of £7.9m is therefore a major budget pressure. To enable delivery of a high-quality service, the Council has revised the model of delivery for early years learning and childcare.

[Section 47 \(1\) of the Children and Young People \(Scotland\) Act 2014](#), provides that each education authority must ensure that the statutory funded early learning and childcare entitlement is made available for each eligible young child belonging to (i.e. residing in) its area. As at March 2024, 174 children from nine other local authorities currently receive a funded place in Edinburgh with 150 of these places in private provider settings, at a cost to the Council of approximately £1.2 million to provide these places.

On 23 January 2023, information was shared with the Education, Children and Families Committee which considered a reported £6m cut in funding from the Scottish Government for provision of the [Early Years Service](#), and how to maximise the use of local authority places by reducing the need to commission external provision and providing places for children from other local authorities whose parents/carers work in Edinburgh. This resulted in a determination by the Council's Strategic Programme Board on 30 November 2023 to remove cross-boundary families in 1140 funded hours private/voluntary/independent (PVI) nurseries provision.

A decision was taken to continue to fund existing cross boundary places in private settings but phase this option out from August 2024. Existing funded children who are not Edinburgh residents will continue to be funded. If they

have a younger sibling who attends the setting and will be eligible for funding during session 2024-25, the Council will also fund this child to prevent the need for the parent to use more than one early years setting. Parents who are not Edinburgh residents and require full day all year-round provision to work in the city will be able to access this in one of the full year 8am – 6pm local authority settings. If they need additional hours beyond their funded entitlement, they will also be able to purchase these from a local authority setting.

On 21 March 2024, Full Council approved a motion titled [Early Years Provision and Out of Catchment](#) which requested that “*the Chief Internal Auditor should commission an urgent audit of early years funding and cross boundary places to ensure that the arrangements meet the Statutory Guidance and that the Council is ensuring that all funding due is being received or is otherwise offsetting the costs to the children's home authorities*”. The request for the audit as an addition to the 2024/25 internal audit plan, was subsequently approved by [GRBV](#) in May 2024.

In the motion, Members raised concerns about the potential impact on PVI nurseries who may rely on funded hours placements from families outwith the Edinburgh Council area.

At the March 2023, [Full Council meeting](#), Members also requested a report on the decision of the Strategic Programme Board to bring all cross boundary funded early learning and childcare places in house and remove the need to pay external providers to deliver this provision. The report was presented to the [Education, Children and Families Committee](#) on 16 April 2024.

The Strategic Programme Board is an officer led forum chaired by the Executive Director of Corporate Services, which is responsible for the Council's Change Programme and has delegated responsibility to ensure the Council meets the budget challenges as set out in the Financial Strategy and Medium-Term Financial Plan as reported the [Finance and Resources Committee](#) on 20 June 2023.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls established to ensure that the early years funding and cross boundary places arrangements meet the Statutory Guidance and that the Council is ensuring that all funding due is being received or is otherwise offsetting the costs to the children's home authorities.

The audit was conducted in line with the motion and subsequent discussions held at Full Council, Education, Children and Families Committee and GRBV Committee meetings.

Alignment to Risks and Business Plan Outcomes

The review also provided assurance in relation to the following Corporate Leadership Team (CLT) risks:

- Strategic Delivery
- Financial and Budget Management
- Programme and Project Delivery
- Supplier, Contracts and Partnership Management
- Governance and Decision Making
- Service Delivery
- Regulatory and Legislative Compliance
- Reputational Risk

Business Plan Outcomes:

- Core services for people in need of care and support are improved.

Limitations of Scope

The following areas were specifically excluded from the scope of this review:

- consideration of the decisions on individual placements.

Reporting Date

Testing was undertaken between 12 August and 9 September 2024.

Audit work concluded on 10 September 2024, and the audit findings and opinion are based on the conclusion of our work as at that date.

Findings and Management Action Plan

Finding 1: Cross-Boundary Proposal: Formal Approval and guidance

Finding Rating	Medium Priority
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Schools and Lifelong Services advised that, prior to submission to the Strategic Programme Board (SPB), all proposals should have authorisation to proceed recorded by either the Service Director or the Head of Service.

Although the Service Director advised that they verbally approved the cross-boundary places proposal ahead of submission to the SPB on 30 November 2023 and it is confirmed that they attended this meeting, there is no formal record of this approval, recorded in the proposal document as required.

In addition, the proposal document, titled Project High Level Scoping Document (referred to as the 'mini PID'), is required for Strategic Programme Board proposals, but the document is not contained within the project management and change portfolio [guidance](#) on the Orb.

Risks

- **Strategic Delivery** – proposals are not thoroughly scrutinised before submission which could hinder service delivery and strategic objectives
- **Programme and Project Delivery** - if proposals provided to the SPB are not formally recorded as approved by the relevant senior officers, there is an increased risk that they have not been fully reviewed and approved by these officers
- **Governance and Decision Making** – reduced oversight from senior management on submitted proposals to the SPB.

Recommendations and Management Action Plan: Approval of SPB Proposals and guidance documents

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
1.1	All proposals that are provided to the Strategic Programme Board for approval should include a formal record of approval by the Senior Responsible Officer before submission, in line with the requirements of the 'Project High Level Scoping Document' (referred to as the mini PID).	The Corporate PMO agreed that the approval process currently tracked in emails, would also be formally recorded on the Project High Level Scoping Document. Effective immediately.	Executive Director – Corporate Services	Corporate Programme Management Office Manager	31/10/2024
1.2	The project management and change portfolio guidance on the Orb should be reviewed to ensure it contains all necessary guidance and templates. In particular, the document titled 'Project High Level Scoping Document' (referred to as the mini PID) should be added to toolkit with guidance.	The Change Portfolio section of the Orb was created by previous Change Portfolio, which has been disbanded. The information included on the pages is still relevant to wider change projects across the Council. We have considered this recommendation but	N/A	N/A	N/A

		would not publish the Project High Level Scoping Document on this page. It has been created specifically for Medium-Term Financial Plan projects and is only issued if it is deemed that specific cashable savings will be the outcome of the project and that the project is eligible for inclusion in that Portfolio			
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Finding 2 – Draft Early Learning and Childcare Delivery Plan

Finding Rating	Low Priority
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All local authorities are required to publish an Early Learning and Childcare Delivery Plan, in line with the requirements of [Children and Young People \(Scotland\) Act 2014](#) (the Act). The Council's Early Learning and Childcare (ELC) Delivery Plan 2024-27 is currently in draft and includes information on improvement projects, workforce development, and reducing health and wellbeing inequalities. The final ELC Delivery Plan is expected to be published on the Council's website in September 2024. As this is an operational document it will not require committee approval.

In line with the Act, the ELC Delivery Plan should be reviewed every two years. Schools and Lifelong Services advised that the Plan was developed for implementation in 2020 but, due to the Covid-19 pandemic, the implementation of the plan was pushed to 2023, with the view that a new Plan would be published in 2024.

The current version of the draft ELC Delivery Plan does not include version control, and does not state when it was last reviewed, who undertook the review, and when it should next be reviewed.

Risks

- **Strategic Delivery** – there is an increased risk that key plans are not reviewed at the required frequency, and by the correct colleagues
- **Regulatory and Legislative Compliance** – there is no formal evidence that legislative requirements are being complied with
- **Governance and Decision Making** – without evidence of a regularly-reviewed plan there is a risk that it is not up-to-date, which could affect decision making.

Recommendations and Management Action Plan: Early Learning and Childcare Delivery Draft Plan

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
2.1	<p>The draft Early Learning and Childcare Delivery Plan should be updated to include a version control table which includes the following as a minimum:</p> <ul style="list-style-type: none"> • name and date for committee approval (if relevant) • lead officer responsible for review • date of the next scheduled review. 	<p>Publish the EY delivery plan on the early years website with details of the lead officer and review date.</p> <p>The Delivery Plan will be reviewed every two years in line with the bi-annual parental consultation, and the next review will be scheduled for 2026.</p>	Executive Director – Children, Education, and Justice Services	Head of Education - Early Years, Parents & Operations	<p>20/09/2024</p> <p>31/12/2026</p>

	In addition, the Plan should be reviewed every two years in line with the bi-annual parental consultation, and the next review should be scheduled for 2026.				
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Finding 3 – Strategic Programme Board: Terms of Reference

Finding Rating	Low Priority
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The Strategic Programme Board (SPB) is responsible for the portfolio of programmes, projects and initiatives falling within the remit of the Council's Change Programme. The SPB has a Terms of Reference (ToR) that sets out the purpose of the Board, its governance structure, programme objectives, and Board membership.

The ToR states that it should be reviewed every quarter and, although this requirement is being complied with, the most recent reviews have not been recorded in the ToR's revision history and approvals table. In addition, it is noted that the ToR is still in draft, and a final version has not been issued.





Risks

- **Strategic Delivery** – Strategic Programme Board objectives may be outdated and not fit for purpose, and do not clearly outline responsible officers and the related scheme of delegation
- **Governance and Decision Making** - without a regularly reviewed terms of reference there is a risk that it is not up-to-date and aligned with remits and authorities, which could affect decision making
- **Programme and Project Delivery** – roles and responsibilities for colleagues are not clear, and members of the Strategic Programme Board do not fully understand their roles and responsibilities.

Recommendations and Management Action Plan: Review of Strategic Programme Board: Terms of Reference

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
3.1	The current draft Strategic Programme Board Terms of Reference should be updated in line with its quarterly review schedule and should be issued as a final version. Additionally, the ToR should include a version control table to clearly record the date of reviews, and any revisions and amendments made as a result.	<p>The Management Team agree that the recommendations in this section will be implemented.</p> <p>A review schedule will be created.</p> <p>A finalised version will be approved.</p> <p>A version Control table will be added.</p>	Executive Director – Corporate Services	Change and Delivery Manager	30/11/2024

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings

Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Appendix 2 – Areas of Audit Focus and Control Objectives

Audit Areas	Control Objectives
Policy and Governance	<ul style="list-style-type: none"> • there is a clear and accurate understanding of the relevant statutory guidance for early years funding and cross boundary places • proposals to remove the cross-boundary funding were supported by a clear and accurate analysis of current local authority and PVI needs, use and funding arrangements • financial modelling is in place to aid understanding, monitor and inform decision making on cross boundary placements including funding due and being received from children’s home authorities and any arrangements for offsetting such costs, where relevant • a manageable and affordable delivery plan for delivery of early learning and childcare within available funding is in place and reviewed every 2 years in line with requirements.
Stakeholder Management	<ul style="list-style-type: none"> • the Council has engaged with relevant stakeholders including the Scottish Government, local authorities, potentially impacted families and PVI providers during proposals to understand impacts and explore potential solutions • clear communications have been issued to advise potential future families and other PVI providers of the decision and timeline for implementation.
Strategic Programme Board	<ul style="list-style-type: none"> • a terms of reference is in place for the Strategic Programme Board which sets out the delegated authority on programme and project decision making • a clear proposal on maximising use of local authority places and the removal of cross-boundary places for private/voluntary/independent (PVI) nurseries provision was presented and approved by the SPB.
Risk Management	<ul style="list-style-type: none"> • current and emerging risks related to early years funding and cross boundary places are identified, recorded, and managed within a service risk register, and are regularly reviewed to ensure appropriate mitigating actions are in place and remain effective, with escalation to divisional and directorate level risk committees where required.

Internal Audit Report

Workforce Planning – Flexible Workforce

5 December 2024

CD2403

Overall Assessment	Reasonable Assurance
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Contents

- Executive Summary 3
- Background and scope 4
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This Internal Audit review is conducted for the City of Edinburgh Council under the auspices of the 2024/25 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2024. 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 Global Internal Audit Standards (UK Public Sector) and as a result is not designed or intended to comply with any other auditing standards.

Although there are 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 are raised with senior management and elected members as appropriate.

Executive Summary

Overall Assessment

Reasonable Assurance

Overall opinion and summary of findings

Overall, reasonable assurance is provided on the effectiveness of the Council's governance, risk and control framework for effective management of the flexible workforce. The Council has a clear approach for usage of its flexible workforce and well-established processes in service areas to monitor spend and utilisation.

However, issues were identified in Education concerning monitoring the tenure of supply workers and fixed-term contracts which may impact achievement of wider Council objectives if not addressed.

The following improvement actions were identified:









- directorates should establish plans setting out their approach to how flexible workforce is utilised, including monitoring and reporting arrangements
- arrangements should be established in schools to monitor the tenure of supply workers and fixed-term contracts, in line with Council guidance
- service risk management arrangements should be reviewed to ensure flexible workforce risks are recorded.

Audit Assessment

Areas of good practice identified

- the [Strategic Workforce Plan 2024-27](#) sets out flexible workforce themes that must be considered to meet the Council's strategic business priorities
- the Council's approach for the use of fixed-term contracts, supply workers and casual workers is clearly set out on the Orb
- well-established workforce planning processes are in place for Council service areas, such as Customer Contact, Waste and Cleansing, and Care Homes
- person specifications have been established in agency contracts to ensure staff provided to the Council are skilled, experienced, qualified, and suitably vetted
- flexible workforce data, including spend trends, is reported to the Finance and Resources Committee through the Workforce Dashboard.

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Approach to Flexible Workforce			Finding 1 – Directorate Approach to Usage of Flexible Workforce	Medium Priority
2. Flexible Workforce Processes in Service Areas			Finding 2 – Flexible Workforce Monitoring in Schools	High Priority
3. Governance and Supplier Management			See Finding 1	N/A
4. Risk Management			Finding 3 – Service Risk Registers	Medium Priority

Background and scope

Flexible workforce refers to workers employed through agencies, casual workers, those on fixed-term contracts, as well as permanent staff who work overtime. It should be noted that the Council does not categorise fixed-term contracts as being part of its flexible workforce.

It is recognised by the Council that short-term use of a flexible workforce can be essential to meet demand. However, while there may be a continued reliance on temporary and agency staff to ensure safe staffing levels, e.g. in care homes, it is important to ensure that there are effective governance and oversight arrangements in place to monitor use of such staff across roles, length of time these staff have been in these roles, associated costs, supplier management of relevant agencies, as well as ensuring compliance with relevant legislation and guidance, e.g. PVG requirements.

Guidance

Guidance is available on the Orb for how [fixed-term employees](#), [supply workers in schools and early years settings](#), [casual workers](#) and [agency staff](#) should be utilised. If it's known at the outset that there's a temporary requirement for more than three months, schools should advertise the vacancy in accordance with the Council's Recruitment and Retention Policy.

Reporting, Governance and Oversight

A quarterly Workforce Dashboard is presented to the [Finance and Resources Committee](#) that summaries high-level workforce data including, but not limited to, total workforce spend, total agency spend and total casual spend. A weekly report is issued to the Waste and Cleansing service area showing spend and hours by location and hiring manager and this information can be accessed as required by services.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls established to ensure the Council has a strategic approach to utilising a flexible workforce, as well as

monitoring, reporting and governance of use of agency staff and temporary/casual workers.

The audit also specifically reviewed a sample of supply workers engagements across schools to ensure these are in line with requirements, as recommended in the Whistleblowing Investigation Outcome Report CEC-35-23 issued in May 2024.

Alignment to Risks and Business Plan Outcomes

The review also provided assurance in relation to the following Corporate Leadership Team risks:

- Strategic Delivery
- Financial and Budget Management
- Supplier, Contracts and Partnership Management
- Governance and Decision Making
- Service Delivery
- Regulatory and Legislative Compliance
- Fraud and Serious Organised Crime.

Business Plan Outcomes:

- The Council has the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost.

Limitations of Scope

The following areas were excluded from scope:

- the management of overtime and expenses was not included as this was covered by the audit of [Overtime and Expense Payments](#) completed in May 2024 as part of the 2023/24 audit plan.

Reporting Date

Testing was undertaken between 9 September and 22 October. Sample testing for the review of supply engagements in schools was based on the period of 1 April 2021 to 15 September 2024.

Our audit work concluded on 22 October and our findings and opinion are based on the conclusion of our work as at that date.

Findings and Management Action Plan

Finding 1 – Directorate Approach to Usage of Flexible Workforce

Finding Rating	Medium Priority
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The Council has set out an [approach](#) to how its flexible workforce should be utilised on the Orb (the Council's Intranet) and there are well-established processes in service areas such as Customer Contact, Care Homes, and Waste and Cleansing to ensure that flexible workforce utilisation and spend is monitored in alignment with the Council's guidance.

Directorates provide quarterly updates via the Workforce Dashboard report presented to the Finance and Resources Committee. However, these updates do not always report on flexible workforce. The Health and Social Care Partnership's Workforce Board also reviews workforce data including supplementary staffing spend.

The Council's [Strategic Workforce Plan 2024-27](#) was approved in August 2024 and includes a requirement for Directorate operational workforce plans to be compiled at service level. Directorates have not yet established procedures setting out how they will align with the Council's approach, including how flexible workforce is used, and monitoring and reporting arrangements. Service level workforce plans are due to be completed by 31 December 2024.

Clear guidance is provided on the [Orb](#) for the usage of fixed-term contracts, supply workers and casual workers. Although the guidance for the use of agency staff provides operational direction on how to book such staff, it does not set out an approach for when agency staff should be used and considerations that should be made prior to booking agency staff, including considering part-time roles and increasing the contracted hours of existing staff.

Risks

- **Strategic Delivery** – flexible workforce is not utilised in alignment with the Council's approach
- **Financial and Budget Management** – excessive usage and spend on flexible workforce in Council directorates is not identified and mitigated
- **People** – flexible workforce is utilised to fill gaps when existing colleagues could be offered additional hours to reduce agency expenditure.

Recommendations and Management Action Plan: Directorate Approach to Usage of Flexible Workforce

Ref.	Recommendation	Agreed Management Action	Action Owner and Lead Officers	Timeframe
1.1	As part of workforce planning, directorate-level plans should be developed to ensure that the use of flexible workforce in each directorate is aligned with the Council's approach. This should include clear links to service workforce plans, and directorate	CEJS: Once Service Workforce plans are available CE&JS will look to develop a Directorate level plan to confirm that our Directorate planning is in alignment with the Council's organisational approach.	Owners: All Executive Directors Lead Officers: All Directorate Operations Managers	CEJS: 30/09/2025 Corporate Services: 30/09/2025

	<p>monitoring and reporting arrangements, including ensuring provision of flexible workforce data to the Finance and Resources Committee.</p>	<p>Corporate Services: Once Service Workforce plans are available Corporate Services will look to develop a Directorate level plan which will look to include the following: clear reference to the contents of Service plans, outlines as to how we will deliver high level Directorate monitoring and reporting of workforce (including flexible workforce) and how we plan to report data on our flexible workforce to Committee, and confirmation that Directorate planning is in alignment with the Council’s organisational approach.</p> <p>HSCP: Flexible workforce arrangements will be considered as part of the development of the restructure and aligned to the EIJB Workforce Plan. Flexible working data will be considered and monitored through the EHSCP Workforce Board.</p> <p>Place: The directorate recognises the importance of this recommendation. Following the development of service level workforce plans, the directorate will consider how to ensure that flexible workforce information is utilised effectively by the directorate for monitoring and reporting.</p>		<p>HSCP: 30/09/2025</p> <p>Place: 31/12/2025</p>
1.2	<p>The Council’s Orb pages on the use of agency staff should be reviewed and updated, with clear guidance provided to</p>	<p>Agreed, the Council is currently procuring a new agency supplier, and the Orb will be refreshed once the outcome of that exercise is ratified by Finance and Resource Committee.</p>	<p>Owner: Executive Director, Corporate Services</p> <p>Lead Officers:</p>	<p>30/04/2025</p>

	ensure clarity for managers on when agency staff should and should not be used.		Lead HR Consultant, Employee Life Cycle and Reward	
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Finding 2 – Flexible Workforce Monitoring in Schools

Finding Rating	High Priority
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In line with the [Supply Workers Handbook](#), where a single continuous period of supply work is for three days or more, or it is known at the outset that the period of work will last more than two days (up to three months), teachers should be employed on fixed-term temporary contracts.

If it is known at the outset that there is a temporary requirement for more than three months (for example, maternity cover), the school should advertise the vacancy in line with the Council's [Recruitment and Selection Policy](#).

Between 1 April 2023 and 31 March 2024, 42 (4%) of 992 school supply workers worked in supply engagements for more than three months. While schools are required to record the rationale for supply engagements, the reasons for these engagements and their expected lengths are often not fully and clearly recorded in the Council's supply booking system (Teacher Booker).

Robust controls had also not been established within Education to monitor the length of supply worker contracts. However, prompted by this audit, the service has developed a monitoring report that will highlight any supply worker who has worked in a continuous period of supply work for 9 weeks or more which will prompt early intervention in future cases.

If an employee remains in a single or successive fixed-term contract beyond two years they may become eligible to additional rights, including eligibility for a permanent post.

A report run from the Council's HR system, iTrent (now replaced by Oracle Fusion), identified 490 employees in schools whose fixed-term contract exceeded the Council's guidelines of 23 months since April 2021. Of the 490 employees, up to 15 September 2024, 283 were still employed by the Council. Data from Teacher Booker also stated that 6 employees were working in supply roles in 23/24, sometimes in different schools, at the same time as their fixed-term contract. Management advised that school Business Managers were not always recording an end date to fixed-term contracts in the Council's HR system resulting in conflicting data, meaning schools cannot easily identify employees eligible for consideration for permanent posts.

Risks

- **Governance and Decision Making** – if continuous supply periods are not monitored, supply workers may complete work that should be advertised for a permanent or fixed-term contract
- **People** – Council employees who are entitled to consideration for permanent posts do not have job security
- **Service Delivery** – when posts are not filled by permanent employees, the Council may have to recruit more frequently.

Recommendations and Management Action Plan: Flexible Workforce Monitoring in Schools

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
2.1	A procedure should be created by Education to monitor supply work to ensure adherence to the 3-month limit for supply worker contracts. This should consider the feasibility of additional of dropdown fields in the Teacher Booker system to ensure the reason for the engagement is clearly recorded at	Training – HR colleagues attended the Secondary Business Manager meeting in November 2024 and are attending the next Primary Business Manager meeting in December 2024, to update Business Managers on the use of Fixed Term	Executive Director, Children Education and Justice Services	Operations Manager, HR and Schools Support Senior Education	30/06/2025

	<p>the outset to enable effective oversight. Where the system enhancements are not possible, other controls to record the reason should be implemented.</p> <p>Oversight arrangements should also be established to regularly monitor the length of fixed-term contracts, and a communication should be issued to Business Managers reminding them of their responsibility to update relevant HR systems to confirm a fixed-term contract has ended.</p>	<p>contracts, specifically connected to any supply posts which last more than 3 days.</p> <p>Regular reminders and any updates will be issued to Business Managers and Head Teachers, via meetings and briefing sessions.</p> <p>Operations Manager will set up and run a monthly report to review adherence to the 3 month limit. This will be tracked on a monthly basis at the Education Operations Team meeting, and any required action with schools will be followed up and tracked.</p>		Officer (Workforce)	
2.2	<p>The Education service should review the 42 supply worker whose engagements have exceeded 3 months and meet with Business Managers to identify any engagements where a requirement of more than 3 months was not known at the outset. Where relevant, vacancies should be advertised in accordance with the Council's Recruitment and Selection Policy.</p>	<p>Senior Education Officer (Workforce) and Operations Manager to review.</p> <p>Additional training for Business Managers to be implemented, if required.</p>			30/06/2025
2.3	<p>A review of the 283 employees on fixed-term contracts exceeding 23 months in Education should be carried out to ensure any current employees who are eligible for consideration of permanency are identified and action is taken in accordance with the Recruitment and Selection Policy.</p>	<p>Senior Education Officer (Workforce) and Operations Manager to review.</p> <p>Additional training for Business Managers to be implemented, if required.</p>			30/06/2025

Finding 3 – Service Risk Registers

Finding
Rating

Medium
Priority

Effective risk management of flexible workforce is essential to ensure that risks associated with flexible workforce are actively monitored, managed, reviewed, and escalated to the appropriate directorate level. It is best practice to have risk registers at team, service, division and directorate levels to support effective risk management.

A service risk register has not been developed for Care Homes, where there is high usage and spend on flexible workforce.

Discussions held with Waste and Cleansing management also identified that its service risk register had not been reviewed since November 2022. A workshop was held with the Corporate Risk Team in October 2024 and a further meeting is scheduled in December 2024 to refresh risks and transfer to the new corporate template.

Risks

- **People/Governance and Decision Making** – flexible workforce risks may not be identified, assessed, managed and escalated to Directorate, divisional and service risk registers.





Recommendations and Management Action Plan: Service Risk Registers

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
3.1a)	In line with the Council's risk management framework, a risk register should be developed for Care Homes and maintained on a quarterly basis, ensuring that current and emerging risks are captured, documented, assessed, with mitigating actions identified and implemented, and risks escalated to the Directorate and Council's Corporate Leadership Team risk committees where required.	Care Homes – a Risk Register will be developed for the Care Home service.	Chief Officer, Edinburgh Health and Social Care Partnership	Unit Manager, Edinburgh Health and Social Care Partnership	28/02/2025
3.1b)	The revised Waste and Cleansing risk register should be updated to include relevant risks, current controls and future actions relating to flexible workforce. The risk register should be maintained on a quarterly basis, ensuring that current and emerging risks are captured, documented, assessed, with mitigating action identified and implemented, and risks escalated to the Directorate	Neighbourhood Environmental Services – Following the December 2024 risk workshop, the risk register will be refreshed using the new corporate risk register format. Flexible Workforce will be recorded as a risk and the risk register will be reviewed on a quarterly basis.	Executive Director, Place	Head of Neighbourhood Environmental Services	28/02/2025

	and Council's Corporate Leadership Team risk committees where required.				
3.2	As part of the development of service level workforce plans, flexible workforce risks should be recorded in service risk registers and escalated to the Directorate and Council Leadership Team risk committees where required.	<p>CEJS: will reinforce to our Divisions and Services, the importance of Risk Registers, that they are accurate, and include, where relevant, any concerning or increasing risks around Flexible Workforce and these are appropriately and timeously escalated to the Directorate or CLT as required.</p> <p>Corporate Services: will reinforce the importance to Divisions and Services of ensuring that risk registers are an accurate representation of all current risks, including where relevant Flexible Workforce and that any concerning or increasing risks are appropriately and timeously escalated to the Directorate or CLT as required.</p> <p>HSCP: will reinforce the importance to Partnership divisions of ensuring risk registers accurately represent all current risk, including where necessary a flexible workforce.</p> <p>It will also ensure that divisions are clear on the route to escalate risks to the Partnership risk committee or other governance committees as appropriate.</p> <p>Place: As part of the quarterly risk committee cycle, Heads of Service will be</p>	All Executive Directors	All Directorate Operations Managers	<p>CEJS: 31/05/2025</p> <p>Corporate Services: 31/05/2025</p> <p>HSCP: 31/05/2025</p> <p>Place: 31/05/2025</p>

		reminded to ensure that service risk registers are an accurate representation of their current risks, including where relevant, Flexible Workforce.			
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Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Appendix 2 – Areas of Audit Focus and Control Objectives

Audit Areas	Control Objectives
Approach to Flexible Workforce	<ul style="list-style-type: none"> An approach that clearly sets out how temporary staff, supply contracts, fixed-term contracts, and agency staff should be utilised has been developed, communicated and there is consistent compliance with requirements across the Council A workforce plan that sets out the Council's strategic approach for maximising use of a flexible workforce, including agency staff, casual workers and fixed-term staff while ensuring delivery of service priorities, cost efficiencies and stability for individual workers is in place
Flexible Workforce processes in Service Areas	<ul style="list-style-type: none"> Procedures have been established at directorate and service level that set out the approach to the usage of a flexible workforce, which are aligned to the Council's overall approach and include clear delegated authorities for vacancy approvals Use of permanent roles is considered as part of workforce planning with clear justification and approval for usage of flexible workers where work cannot be performed by permanent staff or there is a lack of sufficiently qualified and experienced permanent staff Fixed-term contracts for supply workers in schools do not exceed 3 months and, where it's known at the outset that there's a requirement for more than 3 months, the vacancy is advertised in accordance with the Recruitment and Selection Policy In line with Council guidance, fixed-term contracts are issued when there is a genuine, short-term need for additional resource and do not exceed 23 months without justification Processes have been established to monitor usage of flexible workforce and, where high spend or usage is identified, processes have been established to reduce spend and usage including consideration of permanent roles where appropriate.
Governance and Supplier Management	<ul style="list-style-type: none"> There is regular reporting of usage of flexible workforce and associated spend to an appropriate governance forum Minutes from governance forums demonstrate scrutiny of flexible workforce data and, where appropriate, decisions have been made with the aim of reducing spend and usage Effective supplier management arrangements have been established to ensure agency staff are sufficiently skilled and experienced to perform roles and they have been effectively vetted, e.g. PVG checks.
Risk Management	<ul style="list-style-type: none"> Risks related to usage of flexible workforce are identified, recorded and managed within service risk registers, and regularly reviewed to ensure appropriate mitigating actions are in place and remain effective, with escalation to divisional and directorate level risk committees where required.

Internal Audit Report

Reinforced Autoclaved Aerated Concrete (RAAC)

25 November 2024

PL2404

**Overall
Assessment**

**Reasonable
Assurance**

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This Internal Audit review is conducted for the City of Edinburgh Council under the auspices of the 2024/25 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2024. 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 Global Internal Audit Standards (UK Public Sector) and as a result is not designed or intended to comply with any other auditing standards.

Although there are 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.

Executive Summary

Overall
Assessment

Reasonable
Assurance

Overall opinion and summary of findings

There is a generally sound system of governance, risk management and control in place to identify, assess, report, remediate and monitor the risks associated with presence of RAAC in Council-owned buildings.









The following improvement actions were identified:

- the Commercial Estates team have not yet reviewed the unoccupied buildings within their remit to identify those that are at risk of having RAAC present, and therefore have not yet performed any surveys of these properties
- Commercial Estates have not yet communicated with their lessees to inform them of their responsibility to survey their buildings for RAAC and perform any required restorative actions
- neither the Housing and Homelessness nor the Commercial Estates teams have developed formal, agreed programmes of work to identify the timescales, milestones, progress indicators, and budgets.

Areas of good practice identified

- the Strategic Assets team have undertaken a wide-ranging physical review of all Council operational assets
- external surveyors used by the Strategic Assets team were provided with additional training on the required approach to identify and assess RAAC in buildings
- both Council and third-party surveyors were appropriately qualified to perform the work
- buildings affected by RAAC have been clearly flagged on the Council's electronic building database, with all relevant RAAC information recorded following surveys
- plans were put in place to manage disruptions to service where RAAC presence was deemed a risk to life and limb
- the Scottish Government was updated on progress with identifying and rectifying the presence of RAAC, as required
- the Council has established a [webpage](#) to keep the public informed on progress with resolving RAAC issues
- relevant Place risk registers have detailed entries relating to RAAC
- the Council liaised effectively with partner organisations to share RAAC information.

Audit Assessment

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Identification and Assessment of RAAC			Finding 1 – Initial identification of potentially RAAC-affected buildings	Medium Priority
			Finding 2 – Surveys of buildings for RAAC presence	Medium Priority
2. Monitoring and Remediation of RAAC			Finding 3 – RAAC remediation programmes	Medium Priority
3. Communication, Reporting and Financing			See finding 3	N/A
4. Risk Management			No findings	N/A

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Background and scope

Reinforced Autoclaved Aerated Concrete (RAAC) is a lightweight aerated concrete, commonly used in the construction of public buildings between the 1950s and mid-1990s. It is mainly found in roof panels and occasionally in floors and walls. RAAC is aerated or 'bubbly' concrete and if water is allowed to enter into concrete material, the moisture can cause gradual decay to the reinforcement steel present in the concrete material. As a result, RAAC panels are susceptible to failure. RAAC is considered considerably weaker than traditional concrete. If the condition of RAAC has deteriorated, then it needs to be addressed to ensure the structural integrity and safety concerns of Council buildings, including schools, libraries, and public facilities.

Guidance on RAAC has been provided by regulatory bodies, such as the Health and Safety Executive for building landlords and owners [to 'identify, assess and manage' risk from RAAC](#), and professional bodies such as Institution of Structural Engineers on [information about RAAC](#) along with guidance on [investigation and assessment](#). In addition, the Department of Education (UK Government) have provided non-statutory guidance for local authorities and other educational bodies to [identify RAAC in their estate](#) and [actions to take when its presence is confirmed](#).

The City of Edinburgh Council (the Council) commenced a programme to inspect Council buildings for RAAC in March 2023, with initial focus on the learning estate, progressing to other operational properties and the housing estate. The Council have so far identified 12 operational buildings (which includes schools, libraries and leisure centres) which have confirmed RAAC presence, with ongoing implementation of contingency and short-term mitigation measures underway including replacement of roofs and use of temporary facilities. RAAC has also been confirmed as present in 44 council homes with survey work underway to assess the condition of these properties.

The Scottish Government (SG) requires [transparency on information related to schools](#), where RAAC has been identified and mitigations are in place. Local authorities have been asked to publish the data relating to impacted schools in their area and ensure that this data is freely available. The SG has

also established an RAAC Cross Sector Working Group for key stakeholders to discuss the latest information about RAAC. The Council is a member of the working group and its 'RAAC in Housing' subgroup.

The Council's RAAC update report presented to the [September 2024 Finance and Resources Committee](#), projects 2024/25 revenue expenditure across RAAC sites at £655,000 with £14.9m capital cost budget allocated during the 2024 budget setting process.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls established to identify, assess, report, remediate and monitor the risks associated with presence of RAAC in Council-owned buildings.

Alignment to Risks and Business Plan Outcomes

The review also provided assurance in relation to the following Corporate Leadership Team (CLT) risks:

- Property
- Financial and Budget Management
- Programme and Project Delivery
- Health and Safety (Including Public Safety)
- Supplier, Contractor and Partnership Management
- Governance and Decision Making
- Regulatory and Legislative Compliance
- Reputational Risk

[Business Plan Outcomes:](#)

- Edinburgh is a cleaner, better maintained city that we can all be proud of.
- People have decent, energy efficient, climate proofed homes they can afford to live in.

Limitations of Scope

The following areas were excluded from scope:

- integrity and completeness of the survey/inspection/ structural assessment of Council estate and accuracy of the technical assessment thereof.

Reporting Date

Testing was undertaken between 1 October 2024 and 18 October 2024

Audit work concluded on 25 October 2024, and the findings and opinion are based on the conclusion of work as at that date.

Findings and Management Action Plan

Finding 1 – Initial identification of potentially RAAC-affected buildings

Finding Rating	Medium Priority
----------------	-----------------

The Council has divided the responsibility for determining which properties could have RAAC across three different teams:

- Strategic Asset team – covering operational buildings (e.g. schools and community centres), and leased-in buildings (where the Council is a tenant)
- Housing and Homelessness team – covering all housing owned by the Council
- Commercial Estates team – covering investment properties, which are leased to other organisations.

This involves reviewing lists of buildings and identifying those which could have RAAC in them, e.g. those built between the years 1930 and 2000.

When carrying out their reviews, each team considered all of the properties within their remit, apart from the Commercial Estates team who only initially reviewed leased properties which were occupied, and not those which were unoccupied.

Where a property is occupied, they are leased on a full repairing and insuring lease, meaning the tenant is responsible for repairs to the whole building fabric, including any surveys to detect the presence of RAAC. However, where these properties are unoccupied, the responsibility for surveys and repairs lies with the Council.

Prompted by this audit, the Commercial Estates team have now reviewed the unoccupied buildings to identify those that are at risk of having RAAC present.

Risks

- **Property** – RAAC may be present in properties which have not been reviewed by the Council
- **Health and Safety** – although vacant, if contractors or other individuals are present in the property for various reasons, the risk of RAAC being present can represent a life safety risk if not identified and mitigated
- **Reputational** – reputational damage if individuals in vacant properties are injured due to RAAC.

Finding 2 - Surveys of buildings for RAAC presence

Finding Rating	Medium Priority
----------------	-----------------

Following the initial identification of the buildings which could have RAAC in them, the Council undertook surveys to determine if RAAC was present in these buildings. As per Finding 1, the three teams responsible for performing this work are the Strategic Asset team, the Housing and Homelessness Team, and the Commercial Estates team.

The Strategic Asset team surveyed their properties using a mix of in-house surveyors and external suppliers, and the Housing and Homelessness team used solely external suppliers.

However, the Commercial Estates team have not yet performed any surveys of the relevant properties within their remit. One reason for this is that properties which have been leased out are the responsibility of the lessee. The Commercial Estates team have stated the intention to communicate with these lessees to inform them of their responsibility to survey their buildings for RAAC, perform any required restorative action, and require that they communicate to the Council the results of this work. The other reason is that the team only considered vacant properties after a prompt by Internal Audit in early October 2024 (see Finding 1).

Risks

- **Property** – properties may not receive mitigation measures to prevent additional deterioration of RAAC
- **Health and Safety** – the risk of RAAC being present can represent a life safety risk if not mitigated
- **Reputational** – reputational damage if individuals in vacant properties are injured due to RAAC.

Recommendations and Management Action Plan: Surveys of buildings for RAAC presence

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
2.1	The Commercial Estates team should review the vacant properties identified as having the potential to contain RAAC and initiate surveys to confirm this and, where necessary, carry out works to mitigate and rectify its presence.	All surveyors made aware of the importance of considering RAAC in vacant properties. Vacant property checklist will be updated to include a section on RAAC.	Interim Executive Director of Place	Service Director - Sustainable Development Head of Estates	31/03/2025
2.2	The Commercial Estates team, should communicate with their lessees to inform them of their responsibility to survey their buildings for RAAC, perform any required restorative action, and request that they confirm to the Council when this has been done.	Tenant handbook updated to include section on RAAC. The handbook will be issued to all commercial tenants with appropriate follow ups.			31/12/2025

Finding 3 – RAAC remediation programmes

Finding Rating	Medium Priority
----------------	-----------------

Once surveys of buildings are complete, a remediation programme should be undertaken. The Strategic Asset team have developed plans to rectify buildings within their remit which are affected by RAAC. These plans include detail on the buildings to be rectified, the costs, timescales, and the responsible officers and external suppliers.

The Housing and Homelessness team have received the results of the surveys of their buildings performed by external suppliers, which included recommendations to mitigate the risks of RAAC presence in the property, and from these reports have initiated a pilot project to establish best practice guidelines, costs, and timescales for the rectification of RAAC in their buildings. However, a formal, agreed programme of works identifying timescales, milestones, budgets, and responsible officers to remediate the RAAC presence in these buildings is not yet in place.

As the Commercial Estates team have not yet performed surveys of their vacant properties which could have RAAC (see Finding 2), they have not yet developed plans to resolve any issues within buildings which contain RAAC that are the Council’s responsibility.

Risks





- **Programme and Project Management** – lack of milestones and project governance will lead to project delays and missed deadlines, leading to budgets being exceeded
- **Financial and Budget Management** – lack of dedicated RAAC budgets could prevent a clear understanding of the costs of mitigation
- **Property** – properties may not receive timely rectification measures to prevent additional deterioration of RAAC, or have the material removed in good time where no project management is in place.

Recommendations and Management Action Plan: RAAC remediation programmes

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
3.1	In line with the Council’s Project Management Toolkit , following identification of best practice, timelines and the costs associated with RAAC mitigation in Council properties, the Housing and Homelessness team should establish specific budgets, milestones, progress indicators and governance for their programme of works.	The Housing and Homelessness team will establish a formal programme of works and will include budgets, milestones, progress indicators and governance. This will be in line with the Council’s Project Management Toolkit and best practice.	Interim Executive Director of Place	Service Director, Housing & Homelessness Head of Area Based Regeneration & Shared Repairs	28/02/2025

3.2	Once the Commercial Estates team have surveyed their vacant properties for RAAC (as per Finding 2), and RAAC has been confirmed as present, they should create remediation action plans as required, which should include specific budgets, milestones, progress indicators, and governance for the programme of works.	There are a limited number of vacant properties that require further investigation. Should RAAC be identified then an appropriate remediation action plans will be created, which will include budget identification, milestones, progress indicators, and governance for the programme of works.		Service Director - Sustainable Development Head of Estates	31/03/2025
3.3	Where leased Council buildings are returned to the Council, and no actions have been agreed with the previous tenant to inspect and report on the presence of RAAC, the Commercial Estates team should consider establishing specific budgets, milestones, progress indicators, and governance arrangements for any surveying and rectification of RAAC within their building portfolio.	In this instance, a survey of the building will be carried out in accordance with the revised vacant property checklist (management action 2.1) and if RAAC is identified a remediation action plan will be created (as per management action 3.2).			31/12/2025

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Appendix 2 – Areas of Audit Focus and Control Objectives

Audit Areas	Control Objectives
<p>Identification and Assessment of RAAC in Council Buildings</p>	<ul style="list-style-type: none"> • Identification: The Council has performed a comprehensive survey of all Council owned properties to identify the presence of RAAC, utilising the existing Council information on age, design, previous construction records of the building etc. • Assessment: Where RAAC is identified/suspected, qualified and adequately trained structural engineers have been appointed to perform detailed inspections, assess the safety of buildings/houses, and provide recommendations that are developed into a Council action plan. • Risk Assessment: A defined risk assessment procedure exists to assign a risk rating to each building, based on the level of risk and to prioritise remediation of buildings presenting immediate or high-risk concerns. The risk assessment to evaluate RAAC's impact on building safety and usability is consistently applied in the inspection of all Council properties across the Corporate and Housing estates. • The Council's surveys and inspections have been performed as per the guidance from regulatory and professional bodies, and include best practices noted from the Council's participation in Scottish Government working group. • Appropriate health and safety measures, in accordance with HSE guidance, have been taken to organise surveys/inspections, including identification of asbestos risk in the building and completion of suitable actions to mitigate this risk. • Suitable data recording and management procedures exist to ensure that complete and accurate data related to survey findings, inspection results, structural assessments and remediation activities is maintained on Council systems, with reliable functionality for data reporting to the Executive Committees, Scottish Government and regulatory bodies.
<p>Monitoring and Remediation of RAAC in Council Buildings</p>	<ul style="list-style-type: none"> • Contingency plans have been agreed with the Council's Resilience Service to plan for the impact of a sudden damage to a Council building, and emergency measure such as vacating premises, decanting building or cordoning off an effected part of a building, have been taken for buildings considered structurally unsafe. • A comprehensive remediation plan has been agreed to address RAAC impact on Council properties, outlining short and long-term measures with defined timelines, budgets, and assigned responsibilities. • Key performance indicators (KPIs) have been established to record and measure the progress of remediation actions with regular progress reports submitted to Senior Management and a relevant Executive Committee. • A monitoring plan is in place to monitor the implementation of mitigating actions recording the frequency of reviews, individual roles and responsibilities, and escalation routes if timescales are missed and/or significant issues are noted.

<p>Communication, Reporting and Financing</p>	<ul style="list-style-type: none"> • Clear communication plans have been established to inform all affected stakeholders of RAAC risks and planned actions, including a) regular reporting on RAAC-related risks, assessments, and remediation efforts to senior management, executive committees and regulatory bodies, and b) transparent communication with the public and tenants to manage expectations and safety concerns. • Data relating to impact of RAAC in identified schools along with remedial actions is regularly updated and provided to citizens through the Council website. • Complete and accurate RAAC status update reports are submitted to the Scottish Government, as required. • A dedicated budget has been identified to provide funding for survey and inspections, specialist structural engineering services, data management and reporting and required emergency remedial measures. The spend against budget is routinely monitored through financial monitoring controls to ensure effective oversight of RAAC related spending.
<p>Risk Management</p>	<ul style="list-style-type: none"> • Risks related to Reinforced Aerated Autoclaved Concrete are identified, recorded and managed within service risk registers, and regularly reviewed to ensure appropriate mitigating actions are in place and remain effective, with escalation to divisional and directorate level risk committees where required. • The Council has considered risks related to the potential presence of RAAC in third-party buildings used for the provision of Council services such as NHS buildings and ALEOs operational estate. Where possible, the Council has highlighted the impact of RAAC in third party buildings through participation at joint governance forums and presence in ALEO boards.

Internal Audit Report

Attendance Management

9 December 2024

CD2404

Overall Assessment	Reasonable Assurance
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This Internal Audit review is conducted for the City of Edinburgh Council under the auspices of the 2024/25 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2024. 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 Global Internal Audit Standards (UK Public Sector) and as a result is not designed or intended to comply with any other auditing standards.

Although there are 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 have been raised with senior management and elected members as appropriate.

Executive Summary

Overall
Assessment

Reasonable
Assurance

Overall opinion and summary of findings

The design of the Council's control framework for managing attendance is generally sound, with some opportunity to introduce improvements such as:

- updating guidance to provide clarity for managers on sickness absence recording, the application of discretion and recording return to work conversations and reasonable adjustments
- reviewing referral categories within the OHIO system and the timeliness of and options for Occupational Health (OH) appointments to support managers and colleagues
- promoting early referrals to OH, reasonable adjustments and tools such as the Health Adjustment Passport to support colleagues to remain in work
- considering system based enhancements to improve attendance management actions and central recording of decisions and actions.

Review of control effectiveness within services has highlighted the following operational areas for improvement which if not addressed may result in increasing absence, impact the Council's organisational culture and reduce productivity, service delivery levels and customer satisfaction:

- ensuring accurate and timely recording of all absences and management of absence in line with the relevant Council policy
- ensuring all required formal sickness absence meetings take place, are recorded and all documentation and correspondence is stored within the HR system
- holding return to work conversations where required and appropriately recording agreed actions, interventions and reasonable adjustments
- ensuring colleagues complete relevant sickness absence related learning, induction materials are appropriate, and that learning is regularly refreshed

- ensuring that occupational health referrals take place at the earliest opportunity and reporting of reasonable adjustments and actions arising from OH assessments is consistent
- managing unauthorised absence and welfare checks consistently and in line with guidance and requirements supported by ensuring contact details remain up to date
- establishing monitoring and assurance processes in services to ensure compliance with policy requirements including data recording and reporting
- identifying and recording sickness absence related risks and mitigating actions including establishing plans and processes for services with high levels of sickness absence.

Areas of good practice identified

- a suite of guidance, e-learning and templates are available on the Orb to support managers and colleagues in managing absence
- sources of information and support are provided such as Occupational Health services and an Employee Assistance Programme
- case management support is provided by HR to people managers for managing specific cases as required
- monthly reporting is in place to support senior officers to identify sickness absence issues where further action may be required
- quarterly workforce dashboard reporting to Committee includes time lost to sickness absence and the top 5 reasons for short and long term absence
- absence management is a key indicator within the People Strategy with dashboards and support for people managers currently being developed and enhanced to allow local actions and interventions to be implemented.

Audit Assessment

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Audit Areas	Control Design	Control Operation	Findings	Priority Rating
1 and 2. Policy and procedures design and adherence			Finding 1 – Policy, procedures and guidance	Medium Priority
			Finding 2 – People manager application of policy and guidance	Medium Priority
			Finding 3 – Learning and induction	Medium Priority
3. Governance, Oversight and Risk Management			Finding 4 – System functionality and data quality	Medium Priority
			Finding 5 – Service sickness absence / workforce related risks	Medium Priority

Management Response to Executive Summary

This is a key priority area of focus for the City of Edinburgh Council just now and this was a welcomed audit particularly in respect of scope and timing. Findings will support ongoing activity and improvements in this area and help to strengthen guidance and overall governance as arrangements continue to be reviewed during 2025.

Background and scope

In line with the [Employment Rights Act 1996 \(section 88\)](#), the employer is liable to pay sick pay benefit or statutory sick pay to an employee who is incapable of work due to sickness or injury. The [Health and Safety Executive \(HSE\)](#) expects employers to have policies and procedures for managing sick leave and return to work. The City of Edinburgh Council's (the Council's) sickness absence is managed through the [Sickness Absence Policy](#) and [related guidance](#) for managers and colleagues is available on the Orb.

The Council's Human Resources team are responsible for authoring and updating the sickness policy, procedures and provide associated guidance. The line managers across services are responsible for recording and monitoring sickness absence for their teams. It includes managing absence thresholds, return to work meetings, absence review meetings, obtaining medical certificates, making referrals to occupational health, and implementing actions from the occupational health referrals to support colleagues to remain in work. Short-term sickness absence is defined as absences of less than four continuous weeks and long-term sickness absence is absences of four or more continuous weeks.

A [Wellbeing and Absence Deep Dive](#), presented to the Finance and Resource Committee in September 2022, found that the Council had seen an increase in employee absence particularly related to psychological conditions such as stress, depression, and anxiety. It was acknowledged that a focus was needed on prevention through taking a wellbeing centric approach to manage absence and wellbeing. The [People Strategy 2024-27](#) sets out how the Council will invest in colleague and future colleague experience, happiness and growth.

The Council's Workforce Dashboard presented to the Finance & Resources (F&R) Committee in [September 2024](#) noted that 49,014 days were lost to sickness absence during Q1 2024/25. During the same period, the Council employed an average of 15,516 full time equivalent staff (excluding agency), with monthly pay totalling £47.6m (excluding flexible workforce).

In [Q1, 2024/25](#), the top five reasons for short term absence were infection, stress, Musculo skeletal (MSD), gastrointestinal and ENT/dental. The top five reasons for long term absence were stress, MSD, cancer, gastrointestinal and heart.

Sickness absence is monitored as part of the Council's [Planning and Performance Framework](#), is scrutinised at the Corporate Leadership Team quarterly and reported quarterly to the F&R Committee. Employee absence is also a key performance indicator for the [Local Government Benchmarking Framework](#).

During 2023/24, a new HR system, Oracle Fusion, was implemented to replace the previous iTrent system which included myHr and myPeople. The new system was rolled out in October 2024.

Alignment to Risks and Business Plan Outcomes

The review also provided assurance in relation to the following Corporate Leadership Team risks:

- Financial and Budget Management
- Health and Safety
- Resilience
- Service Delivery
- People
- Regulatory and Legislative Compliance
- Reputational Risk
- Fraud and Serious Organised Crime

[Business Plan Outcomes:](#)

The Council has the capacity, skills, and resources to deliver our priorities efficiently, effectively and at lower cost.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls established to ensure cross directorate adherence to the Council's Sickness Absence Policy and supporting guidance including managing thresholds, return to work conversations, formal review meetings, referrals, and provision of support.

The audit reviewed key policies, procedures and absence data for the period April 2023 to March 2024. The audit utilised data provided by the change and delivery team. Quantitative data in the findings of this report are based on full Council data.

Testing for absences and walkthroughs of key processes across a sample of four Council services with the highest number of absences was also performed to determine compliance with controls and to assess control effectiveness.

Limitations of Scope

The following areas were excluded from scope:

- review of sickness absence documents directly attributable to an individual colleague
- the accuracy of sickness and ill health redundancy payments, and
- design and effectiveness of the People Strategy 2024-27

The audit was completed during development of the new HR system (Oracle Fusion) and as this was a compliance review providing historical assurance, data from the previous system was used to assess compliance. The previous system was closed down between September and October 2024 to allow time for transitional activities, therefore some audit testing was limited.

Reporting Date

Testing was undertaken between 1 August 2024 to 25 September 2024.

Audit work concluded on 16 October 2024 and the findings and opinion are based on the conclusion of work as at that date.

Findings and Management Action Plan

Finding
Rating

Medium
Priority

Finding 1 – Policy, procedures and guidance

As a 'second line' function Human Resources (HR) are responsible for developing and updating policy and guidance to support attendance management which services are then responsible for applying.

Absence thresholds: Guidance on [the Orb](#) states that when a colleague exceeds a sickness absence threshold, managers may arrange a formal absence meeting. The [sickness absence policy](#) allows managers to apply discretion with the aim of giving managers flexibility. While this is recognised, in practice, this can result in varied and inconsistent decisions and actions for formally managing attendance across the Council. For example, discussions with the services sampled highlighted discretion is used for absence related to pre-planned operations, family illness or caring for dependents. There is also no central recording mechanism for discretionary decisions taken by services to enable monitoring of its application.

Return to work conversations are informal conversations that should take place following each instance of short-term absence at the earliest opportunity as outlined in [guidance](#) and the sickness absence e-learning module.

When a manager uses discretion not to proceed to a formal absence meeting, in line with the guidance, they are required to [keep records of return to works](#) and support/adjustments, however the managers interviewed as part of audit fieldwork were not aware of this requirement.

Occupational Health: Managers refer colleagues to Occupational Health (OH), through the 'OHIO' system. Some managers in the services sampled advised the 'referrals' system headings are unclear, so it is difficult to refer for the most appropriate issue. Guidance is provided for 3 of the 5 referrals in the system.

Managers also advised it can take some time to get an appointment, and most appointments are via the telephone, so it can be difficult to fully assess physical issues. Management information is provided by the supplier however this does not include timescales for referrals and appointments.

In addition, to support colleagues absent with or diagnosed with stress or Musculo skeletal disorder (MSD), managers are required to make early referrals to OH. However, while the return to work conversation guide includes a section on absences related to these discussions, there are no manager actions noted to ensure that an OH referral has been discussed and made. This is at odds with other sections of the guide which include clear manager actions.

Reasonable adjustments are [measures](#) to support colleagues to return to or remain in the workplace. Guidance on reasonable adjustments is provided on the [Orb](#), however, there is no requirement in the Council's Sickness Absence User Guide to formally record reasonable adjustments and actions following advice and recommendations from OH reports are not formally recorded. On occasions where absence letters were issued, adjustments were recorded in the letter. A [Health Adjustment Passport and toolkit](#) is provided on the Orb to record discussions and actions, however, there is limited manager awareness and utilisation of this.

Risks

- **Service Delivery /Health and Safety** – if outcomes and actions are not recorded and stored, measures taken to assist colleagues to remain at work may not be accessible and may result in further absence, impacting service delivery
- **People** – if records of conversations, outcomes and actions are not stored, information may not be accessible when required to support both managers and colleagues
- **Reputational** – potential reputational and cultural impacts from inconsistent absence management across services.

Recommendations and Management Action Plan: Policy, procedures and guidance

Ref.	Recommendation	Agreed Management Action	Action Owner / Lead Officers	Timeframe
1.1.1	HR should consider providing guidance on the application of management discretion with the aim of ensuring it is applied appropriately across the Council and in line with the relevant policy for example the Council's Special Leave policy.	The HR Team will consider review of guidance in respect of discretion alongside People Management Training that is delivered to all Managers	Owner: Executive Director, Corporate Services Lead Officers: Service Director, HR	31/07/2025
1.1.2	The Council should consider implementing a central process to enable managers to record decisions where manager's discretion has been applied and a decision not to proceed through the formal absence process has been taken.	The HR Team will investigate system capabilities to determine what might be feasible.	Owner: Executive Director, Corporate Services Lead Officers: Service Director, HR	31/07/2025
1.2.1	OHIO guidance should be updated to provide guidance to support managers when creating new referrals for the remaining two headings on the system.	The HR Team will review guidance and if appropriate will update on Inspiring Manager Hub as hot topic.	Owner: Executive Director, Corporate Services Lead Officers: Service Director, HR	31/07/2025
1.2.2	HR should request that the occupational health provider provides regular performance information on timeliness of referrals and appointment times to enable management to consider where improvements are needed.	HR have monthly meetings with PAM, the Council's approved Occupational Health and Employee Assistance Provider. These meetings focus on performance and areas for improvement. It should also be noted that referrals can also be requested from colleagues and requests for face to face appointments. HR run "Making a good occupational health referral workshops" for managers which are well attended, with further scheduled through MyLearning Hub.	Owner: Executive Director, Corporate Services Lead Officers: Service Director, HR	31/12/2024
1.2.3	The Return to Work Conversation Guide should be updated to include manager actions for absence related to stress or Musculo skeletal disorder including recording discussions / referrals to OH and actions/reasonable adjustments agreed.	The HR Team will review guidance and if appropriate will update on Inspiring Manager Hub as hot topic.		31/03/2025

1.3	<p>HR should consider ways to increase manager awareness of:</p> <ul style="list-style-type: none"> • use of health adjustment passports • requirement to keep records of return to work conversations when discretion not to proceed to formal absence meetings is applied. 	<p>The HR Team will review guidance and if appropriate will update on Inspiring Manager Hub as hot topic.</p>	<p>Owner: Executive Director, Corporate Services Lead Officers: Service Director, HR</p>	<p>31/03/2025</p>
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Finding 2 – People manager application of policy and guidance

Finding
Rating

Medium
Priority

Absence Letters: The Council's Sickness Absence User Guide states absence meeting invites and [outcome letters](#) should be uploaded to myPeople. However, some managers save letters locally on council network drives or in paper personnel files.

Absence recording: Review of absence for the period April 2023 to March 2024 noted a delay in recording absence, with 6% of absence recorded 15 days or more after the absence start date. 3% of absence was recorded prior to absence occurring which could affect the accuracy of payroll entries. It will be appropriate for some absences to be recorded in advance - for example when individuals have scheduled treatment.

Current guidance requires a return to work conversation to be held for every absence on the first day back or earliest opportunity, however there may be instances where these do not require to be formally recorded for example one-off short term absence. The guidance should be reviewed to ensure clarity on this.

When colleagues reach a sickness absence threshold, managers may arrange a [formal absence meeting](#). From April 2023 - February 2024, there were 3478 recorded absence instances where a threshold was reached. Of those, 1562 had formal absence meetings recorded in myPeople. 40% of the meetings took place prior to the absence ending, and 26% were recorded more than 30 days after the absence ended. For all absences between April 2023 to March 2024, 31% of colleagues had a formal sickness meeting recorded in myPeople. It is recognised that some individuals may be very ill and near end of life and it is not appropriate to take them through formal meetings. The process allows flexibility for this to progress as required and to support families and individuals with death in service payments etc. Guidance should be reviewed to clarify this.

Colleague contact details and emergency contact details should be kept up to date. Schools carry out an annual data check, however, some services use paper files which may be out of date. Following the launch of the new HR system in October 2024, a request was issued via [NewsBeat](#) for colleagues to update essential personal data including emergency contact details.

Unauthorised absences: [Guidance](#) is available for managers to follow in sequence in cases of unauthorised absence. However, services do not follow the process consistently - some services will continue to attempt contact via telephone, while others carry out a home visit following no response, and others go directly from attempting to contact via the telephone to phoning police to carry out a welfare check. Managers did advise, however, that there was usually contact from an employee following a phone call or text message.

Quality Assurance (QA) Processes: Policy adherence is delegated to managers, however there are limited formal QA activities carried out in services to ensure compliance including ensuring managers are recording sickness absence correctly. Monthly emails with sickness absence data are issued to senior officers, and some services then relay this to Heads of Services to check for accuracy and other services have in person meetings to discuss absence trends and thresholds.

Good practice to support attendance management was noted, HR Case Consultants specifically employed to monitor long term absence reports, support with complex cases, providing advice, guidance and coaching, attendance at absence meetings - essentially providing dedicated resource to support absence management procedure implementation across the organisation.

Monthly variance checks are carried out for payroll, however, if managers have not input the correct data, the system will continue to pay colleagues which results in overpayments which need to be recovered.

Risks

- **Financial and Budget Management** – if absence is not recorded accurately and timely, overpayments may be made
- **People** – lack of up to date data may result in failure to take effective actions
- **Regulatory and Legislative compliance** – if formal meetings do not take place or are not recorded, further action may not be possible without evidence.

Recommendations and Management Action Plan: People manager application of policy and guidance

Ref.	Recommendation	Agreed Management Action	Action Owner / Lead Officers	Timeframe
2.1	<p>CLT and Directorates should establish processes to provide assurance that there is consistent compliance across their services with the sickness absence policy requirements and guidelines. Assurance received should include confirmation on compliance with the following (this could be via a self-assurance checklist completed by managers):</p> <ul style="list-style-type: none"> uploading formal absence invites and letters to the system in line with Council guidelines recording and ending sickness absence on the system in a timely manner recording formal absence action dates within the HR system referring colleagues to Occupational Health when required discussing and recording reasonable adjustments to enable colleagues to remain in work <p>In addition, in line with recommendation 4.3.2 and 4.3.3 following issue of monthly reports, directorates should undertake a review to rectify any data quality issues associated with HR data.</p>	<p>CLT are reviewing the framework in respect of workforce governance. New arrangements will commence in 2025 whereby Services will present assurance reporting to CLT meetings on all matters relating to workforce key performance indicators. Will be led by HR Directorate.</p>	<p>Owner: Executive Director, Corporate Services</p> <p>Lead Officers: Service Director, HR</p>	31/03/2025
		<p>2.1a CEJS directorate will agree processes to further enforce compliance across Divisions with sickness absence policy and guidelines.</p> <p>Progress planning around Workshops on attendance management for Managers.</p> <p>Promotion of Absence Panels across the Divisions.</p> <p>Build in quarterly reporting for SMT on attendance management recording/compliance (reliant on new HR data to progress).</p> <p>To review new absence reports created using the new HR system when these become available to address any quality assurance issues (reliant on completion of Children’s Services Review and the Education Inclusion Review along with new HR data to progress).</p>	<p>Owner: Executive Director, Children, Education and Justice Services</p> <p>Lead Officers: Service Directors, Operations Managers</p>	30/06/2025
		<p>2.1b Place directorate will develop guidance for managers on the sickness absence policy, with biannual sample testing being implemented to monitor compliance.</p> <p>Additionally, in line with recommendation 4.3.2 and 4.3.3, the Directorate will initially engage with Corporate Services colleagues to establish if managers can be notified directly of data quality issues in their respective service areas. If not, alternative processes will be explored.</p>	<p>Owner: Executive Director, Place</p> <p>Lead Officers: Operations Managers</p>	31/10/2025

		A biannual attendance management report will be presented at Place SMT which will include the sickness absence sample testing results and any data quality trends.		
		<p>2.1c EHSCP will design and implement an assurance process requesting that Heads of Service provide assurance that they are complying with all matters noted and in line with agreed policy and process. The assurance process and outcome will be reported to the appropriate governance meeting for consideration and review.</p> <p>Once the improved monthly sickness absence reports are available the Partnership will undertake a review of the information available and where issues with data quality are identified these will be followed up with both the services impacted / relevant Heads of Service.</p>	<p>Owner: Chief Officer, EHSCP</p> <p>Lead Officers: Operations Manager</p>	30/06/2025
		<p>2.1d Corporate Services will design and implement a Quarterly assurance process requesting that all Divisions and Services provide assurance that all matters noted, as well as any other identified issues relating to absence and absence management, are fully considered, reviewed and implemented according to agreed Council policy and process. These Quarterly assurance checks will be reported to the Corporate Services Directorate Management Team for consideration and review.</p>	<p>Owner: Executive Director, Corporate Services</p> <p>Lead Officers: Operations Manager</p>	31/05/2025
2.2	Directorates should consider whether holding paper records with emergency contact/next of kin details is appropriate, and where it is deemed to be, implement processes to ensure these are reviewed and updated.	<p>2.2a CEJS directorate will issue a directorate wide communication to determine where local records are held and that a process is implemented to ensure they are reviewed and update bi-annually.</p>	<p>Owner: Executive Director, Children, Education and Justice Services</p> <p>Lead Officers: Service Directors, Operations Managers</p>	30/06/2025
		<p>2.2b Place directorate will engage with the information governance team on the appropriateness of holding paper records of emergency/next of kin details. The response will be escalated to Heads of Service to remind their teams on the responsibilities in respect of holding personal information.</p>	<p>Owner: Executive Director, Place</p> <p>Lead Officers: Operations Managers</p>	30/07/2025

		<p>2.2c EHSCP will cascade communications asking colleagues to ensure that their emergency contact / next of kin details are updated on the Myhr system. Where services felt papers records of Next of Kin / emergency details is necessary, heads of services will be responsible for ensuring compliance with the relevant information governance arrangements in respect of personal information</p>	<p>Owner: Chief Officer, EHSCP Lead Officers: Operations Manager</p>	30/06/2025
		<p>2.2d Corporate Services will cascade a communication to all Divisions and Services within the Directorate asking that managers consider holding such information offline, and that where this is agreed to be necessary that appropriate procedures are designed and implemented to ensure that this information is managed and maintained.</p>	<p>Owner: Executive Director, Corporate Services Lead Officers: Operations Manager</p>	28/02/2025
2.3	HR should review return to work conversation requirements and if it is deemed appropriate that a conversation is not required following a short absence, the sickness absence user guide should be revised and communicated.	The HR Team will review guidance.	<p>Owner: Executive Director, Corporate Services Lead Officers: Service Director, HR</p>	31/03/2025
2.4	HR should review absence meeting 3 criteria in relation to ill-health retirement and individual circumstances.	The HR Team will review guidance.	<p>Owner: Executive Director, Corporate Services Lead Officers: Service Director, HR</p>	31/03/2025

Finding 3 – Learning and induction

Finding
Rating

Medium
Priority

E-Learning: Colleagues are required to complete the sickness absence e-learning module on employment. The module provides detailed information on managing sickness absence and scenarios to assist managers and colleagues in applying this practically. A completion report for the module shows that 13,955 colleagues have completed the module since August 2021 (when the My Learning Hub system was launched). It is recognised that this learning should be completed on employment and therefore completion for colleagues whose employment pre-dates this will not be recorded in My Learning Hub. HR provide training to People Managers, which includes sickness absence, reasonable adjustments and wellbeing and this has been attended by 500 managers since its introduction one year ago. Waste and Cleansing also hold workshops for managers and supervisors.

As part of sample testing, Waste & Cleansing advised that operational staff (grades 3,4 & 5) do not complete sickness absence e-learning, though an overview is provided in 'toolbox talks.'

Special Schools and Additional Support for Learning (ASL) advised that the sickness absence e-learning module is in their induction checklist, however, completion is not recorded within the system and therefore, there is limited oversight of completion

Induction: As some colleagues do not complete the sickness absence module and some do not have access to the Orb for guidance, they are provided information during induction. However, some induction guides are out of date and could be enhanced to include information on sickness absence and tools to prevent absence.

Risks

- **Service Delivery** – if managers and colleagues are unaware of support available, colleagues may be absent when there are alternative options available to support them to remain in work and continue service delivery
- **People** – lack of up to date and relevant documentation may mean managers and colleagues are not aware of guidelines and their respective roles, duties, responsibilities and rights.

Recommendations and Management Action Plan: Learning and induction

Ref.	Recommendation	Agreed Management Action	Action Owner/ Lead Officers	Timeframe
3.1	HR should review role specific learning requirements related to sickness absence and provide clear instruction on which learning is for colleagues, and which is for People Managers. Consideration should be given to whether People Managers complete relevant learning, including the sickness absence e-learning module on a regularly refresher basis (such as every 3 years), particularly where some colleagues completed the training on employment several years prior.	HR transformation piece and also review underway of People Manager learning and role specifics. This will be considered as part of this piece of work.	Owner: Executive Director, Corporate Services Lead Officers: Service Director, HR	30/06/2025

3.2	Directorates should establish an understanding of service specific induction materials used within services for all new colleagues and ensure that these are up to date and include relevant information and guidelines on sickness absence.	<p>3.2a CEJS directorate will review all Divisional Induction Materials to ensure they are update to date and include Organisational information and guidance on sickness absence.</p>	<p>Owner: Executive Director, Children, Education and Justice Services Lead Officers: Service Directors, Operations Manager</p>	30/06/2025
		<p>3.2b Place directorate will establish which service specific induction cover information and guidance on sickness absence. Where this exists, directorate will ensure that the material reflects the corporate information and guidance.</p>	<p>Owner: Executive Director, Place Lead Officers: Operations Manager</p>	30/07/2025
		<p>3.2c EHSCP Heads of Services to ensure where service specific induction materials are used, these are updated and include information and guidelines of sickness absence and subject to regular review.</p>	<p>Owner: Chief Officer, EHSCP Lead Officers: Operations Manager</p>	30/06/2025
		<p>3.2d Corporate Services will carry out a review to identify any services using induction materials not hosted on the myLearning Hub and where required these materials will be reviewed to ensure that they are fully aligned with the current information and guidelines.</p>	<p>Owner: Executive Director, Corporate Services Lead Officers: Operations Manager</p>	31/03/2025

Finding 4 – HR System functionality and data quality

Finding
Rating

Medium
Priority

Threshold triggers: when a colleague is absent due to sickness, managers are expected to check the number of absences and number of days in the 12 months prior to confirm if any absence thresholds have been reached or exceeded. Managers are required to do this manually as there is no functionality for automatic trigger notifications in the HR system. However, a report is available from the system which lists absences, and monthly directorate reports are issued which highlight % of breaches at divisional level.

Data input and quality: The previous HR system allowed absence to be recorded prior to occurring. Between 1 April 2023 to 31 March 2024 there were 27,009 absences recorded. 775 (3%) of those were input prior to the absence occurring (with the absence period prior to the absence ranging from 1-604 days). This affects both pay and absence actions.

In addition, managers could override and delete fields within myPeople resulting in negative data, and fields could be left blank therefore information and reporting may not be accurate. Errors and anomalies were noted in the HR system data provided, including duplicate records and blank fields (data input errors). Additionally, reporting only picked up the most recent sickness absence action for example if a colleague had an absence meeting 3, reporting may not have picked up absence meetings prior to this.

The new Oracle HR system went live in October 2024, and the Strategic Change and Delivery team have advised they are working through some initial data recording and reporting issues following roll-out.

OH referrals: the HR system is used for recording sickness absence and OHIO is used to refer and follow up Occupational health referrals. However, the systems do not link, therefore there is no overview to confirm those absent (for example with MSD/Stress) are being referred appropriately to OH for support to assist them to return to or remain in work

Risks

- **Financial and Budget Management** – if managers do not check thresholds or record absence correctly, colleagues may be paid when they are not entitled resulting in overpayments
- **Regulatory and Legislative compliance** – if managers do not refer colleagues to Occupational Health (OH) to support them remain in work and record outcomes and associated actions, they may breach legal requirements
- **People** – if colleagues are not referred for support, they may not be able to remain in work / return to work or effectively fulfil their duties.
- **Strategic Delivery** – lack of quality data, missing and/ or inaccurate data leading to errors and inaccurate reporting impacting informed and effective decision making
- **Fraud** – if fields can be deleted and overwritten, and limited QA is carried out, the Council could be exposed to potential fraud.

Recommendations and Management Action Plan: HR System functionality and data quality

Ref.	Recommendation	Agreed Management Action	Action Owner/ Lead Officers	Timeframe
4.1	HR should ensure that the sickness absence guide provides sufficient guidance for managers on how they can monitor and manage absence triggers	Management reports are being reviewed following implementation of the new MyHR system in October 2024. This will also include ability for running team	Owner: Executive Director, Corporate Services Lead Officers:	01/04/2025

	including guidance for running reports from the myHR system.	management reports as well as development of wider Service and Directorate Workforce Dashboards.	Service Director – HR	
4.2	HR should consider whether improvements can be implemented to enable correlation of sickness absence data and referrals to Occupational Health to provide assurance that colleagues are being referred appropriately and supported to stay in work.	Guidance will be reviewed in respect of recording and monitoring on MyHR as part of new system functionality.	Owner: Executive Director, Corporate Services Lead Officers: Service Director – HR	01/04/2025
4.3.1	HR should determine which fields in the myHR system are essential for supporting accurate recording such as absence start/end dates and linkage to payroll. and explore the feasibility of preventative controls to limit data input errors. Where this is not possible, a reminder should be issued to ensure managers are aware of requirements and impacts.	MyHR currently holds essential fields in respect of absence recording. This will continue to be part of regular communications and training in respect of the new system, but as part of People Manager training.	Owner: Executive Director, Corporate Services Lead Officers: Service Director – HR	31/03/2025
4.3.2	HR monthly sickness absence reports issued to directorates should be enhanced to highlight data quality errors including future absence dates, blank fields and duplicates, these reports should be shared with Directorates so corrective action can be taken.	HR to consider feasibility of quality reports from new system.	Owner: Executive Director, Corporate Services Lead Officers: Service Director, HR	31/03/2025
4.3.3	As part of quality assurance and monitoring at recommendation 2.2, Directorates should implement checks to address and rectify any data quality issues associated with HR data following issue of monthly reports.	N/A refer to 2.1	N/A refer to 2.1	N/A refer to 2.1

Finding 5 – Service sickness absence / workforce related risks

Finding
Rating

Medium
Priority

A review of a sample of risk registers for services where there are high levels of sickness absence highlighted that sickness absence is not consistently included as a specific risk.

This may mean that team and service level workforce risks related to sickness absence are not clearly identified, recorded and discussed by officers including proposed actions to manage the risks to an acceptable level and not escalated to senior management and divisional/directorate level risk registers where required.

There are currently no service specific action plans for sickness absence, however, initiatives are progressing including development of service workforce plans which should detail workforce related risks.

Children’s, Education and Justice Services (CEJS) advised they plan to introduce wellness plans for services with absence over 10% which will monitor and aim to reduce in sickness absence. CEJS include sickness absence on the agenda for senior management monthly performance meetings.

Risks





- **Governance and Decision Making / Strategic Delivery** – risks are not effectively identified and managed impacting informed decision making and strategic planning
- **People** – limited understanding of sickness absence related risks could lead to failure to identify reasons for, and ways to reduce absence levels. Additionally, failure to take appropriate action to manage sickness absence could negatively impact the Council’s organisational culture
- **Resilience/Service Delivery** – lack of contingency planning for sickness absence could result in services being disrupted, poor performance and customer dissatisfaction.

Recommendations and Management Action Plan: Service sickness absence / workforce related risks

Ref.	Recommendation	Agreed Management Action	Action Owner / Lead Officers	Timeframe
5.1	<p>A review of risks related to sickness absence should be undertaken across services, and risks identified should be recorded within service risk registers in line with the Council’s risk management framework. This should include consideration of the risks associated with the issues raised in this report.</p> <p>Sickness absence risks should be considered within workforce plans for services and service specific plans for managing areas with high levels of sickness absence.</p>	<p>5.1a CEJS will:</p> <ul style="list-style-type: none"> • reinforce and review of Workforce challenges in Directorate Risk Registers • monitor challenges / early identification of pressures to SMT • undertake assertive management of staff absence by Senior Officers • report performance at SMT and escalation route to CLT • expand on bi-monthly reporting at the Directorate SMT Performance Meetings for Service Directors and 	<p>Owner: Executive Director, Children, Education and Justice Services</p> <p>Lead Officers: Service Directors, Operations Manager</p>	30/06/2025

Where required, risks should be escalated to divisional or directorate level risk committees.	Heads of Service to agree on a management plan suitable across varied Teams (reliant on new HR data to progress).		
	5.1b Place directorate will as part of the quarterly risk committee cycle, remind Heads of Service to ensure that service risk registers are an accurate representation of their current risks, including where relevant, workforce challenges such as sickness absence are included. Where appropriate, this will be escalated to divisional and directorate risk committees.	Owner: Executive Director, Place Lead Officers: Operations Manager	30/07/2025
	5.1c EHSCP will review risk registers and consideration given to include sickness absence risks where appropriate and escalated accordingly. Sickness absence will be scrutinised at the Workforce Board on a monthly basis. Where sickness absence in an area is above 10%, there will be sickness review panels to identify ways to reduce sickness absence levels in line with the Council target.	Owner: Chief Officer, EHSCP Lead Officers: Operations Manager	30/06/2025
	5.1d Corporate Services will ask all Divisions and Services to consider the inclusion of a risk related to sickness absence, or considering the articulation of their workforce risks to include references to this, where this is required. This ask will also be included in the Quarterly assurance reporting that is to be established under management action 2.1 to ensure that this is being regularly reviewed and considered for inclusion in risk registers and in any applicable workforce plans.	Owner: Executive Director, Corporate Services Lead Officers: Operations Manager	31/05/2025

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Appendix 2 – Areas of Audit Focus and Control Objectives

Audit Areas	Control Objectives
Policy and Procedures	<ul style="list-style-type: none"> • There are clear policies, supporting procedures for the management of sickness absence and associated guidance including provision of tools to support managers and colleagues. These are aligned to relevant legislation and statutory requirements, reviewed and updated on a regular basis with changes communicated to officers and managers. • All managers have completed role specific learning on sickness management policies and procedures, as required.
Adherence to Policy	<ul style="list-style-type: none"> • Managers ensure that colleagues in their team are aware about various available Council tools and resources to support them to remain fit for work and perform regular assessments such as stress risk assessments, display screen assessments etc. Required action is taken to resolve issues noted in these assessments. • Colleagues notify line managers about their sickness on a timely basis and managers record all periods of sickness (including start and end dates) in the system to ensure accurate assessment of sick pay. • All instances of unauthorised absence are managed appropriately including attempting contact with the colleague and undertaking welfare checks as needed. Where appropriate, disciplinary action may be taken for repeated unauthorised absence. • Referrals to Occupational Health (OH) are made promptly in line with the Council's guidance and recommended support in the OH assessment (including phased return) is provided to the colleague on sickness absence. • Sickness thresholds are monitored accurately and managed in a timely manner, including management of thresholds at appropriate times. • Formal review meetings, including short term absence and long-term absence meetings, take place in a timely manner and are recorded and stored securely by relevant managers. Managers discretion, where applicable, is clearly documented. • Return to work conversations take place promptly to ensure the colleague is fit to return to work and where notes are recorded, these are stored securely by relevant managers. Reasonable adjustments are noted and agreed where appropriate. • When a colleague is no longer fit to do their job, management consults Occupational Health to explore the option of medical redeployment or ill health retirement
Governance, oversight and risk management	<ul style="list-style-type: none"> • Quality assurance controls are performed to ensure Council colleagues and managers comply with the sickness absence policy and procedures. • Robust governance controls are in place to provide centralised oversight and monitoring of Council wide sickness absence data and trends. Findings from the data and trend analysis, including strategic recommendations to improve attendance, is provided regularly to the senior management and executive committees (as applicable). • Risks related to attendance management are identified, recorded and managed within service risk registers, and regularly reviewed to ensure appropriate mitigating actions are in place and remain effective, with escalation to divisional and directorate level risk committees, as required.

Internal Audit Report

Annual Validation Review

20 November 2024

CD2412

Overall Assessment	Reasonable Assurance
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This Internal Audit review is conducted for the City of Edinburgh Council under the auspices of the 2024/25 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2024. 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 are 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.

Executive Summary

Overall Assessment

Reasonable Assurance

Overall opinion and summary of findings

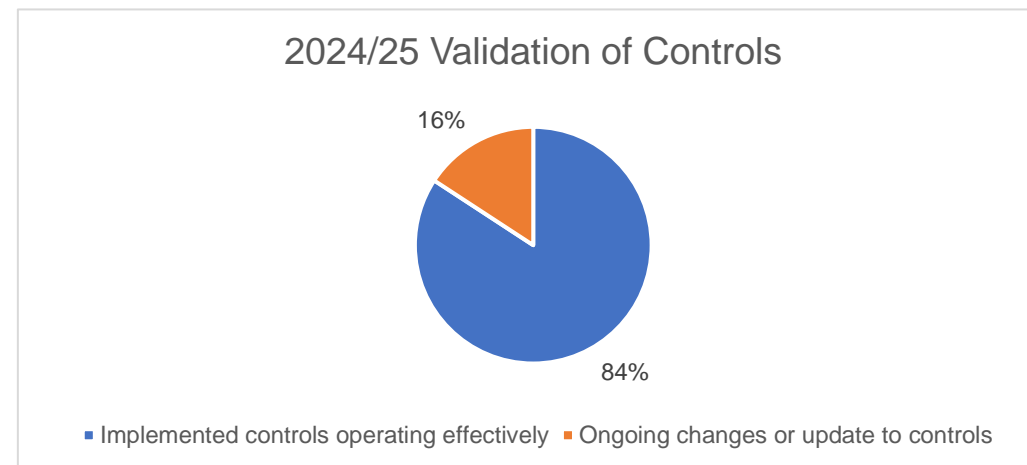
Our review of a sample of previously implemented audit actions found that the majority of controls have been sustained.

Most controls continue to operate as originally implemented, while changes to the status of three controls were identified. These have been noted below:

- **Sensory Loss Support** – direct feedback from service users should be sought to understand the experience of service providers within Sensory Loss Support Services and drive decision making
- **Planning Householder Applications and use of IDOX system** – following a move from an internally hosted to externally hosted server, user access forms should be reimplemented to improve access controls of the system
- **Tree Management H&S** – at a recent review of KPI's, it was identified that the designed KPI's can no longer be measured due to the new system expected to measure these not being adopted.

Validation review results

Based on the sample of closed management actions, our review identified that of the 19 actions reviewed, 16 (84%) were functioning as originally validated, and 3 (16%) had circumstances change since originally implemented and/or validated by Internal Audit, and further progress in the area is noted in **Findings 1 – 3 below**.



Audit Code and Title	Findings	Priority Rating
HSC2202 Sensory Loss Support	Finding 1 – Sensory Loss Support Direct Service User Feedback	Medium Priority
PL2101 Planning Householder Applications and use of IDOX system	Finding 2 - IDOX/Uniform User access controls	Medium Priority
PL1902 Tree Management - H&S	Finding 3 – Performance Management and KPI's	Medium Priority

[See Appendix 1 for Assurance Definitions](#)

Background and scope

Internal Audit (IA) findings are raised where audit outcomes confirm that the controls established to mitigate the Council's risks are either inadequately designed or are not operating effectively.

When finalising internal audit reports, management actions are agreed by Directorates that should address the control weaknesses identified in the findings. Implementation of these agreed actions will provide assurance that the associated risks are effectively managed, reducing the Council's overall exposure to risk. It is essential that the management actions (once implemented) are effectively sustained. If not, the Council remains exposed to an unnecessary level of risk.

The annual 'validation' audit is included in the 2024/25 IA plan to assess whether management actions implemented to address audit findings raised in previous years, have been sustained and remain effective.

Between 1 January 2023 and 31 December 2023, a total of 117 management actions in scope were implemented (57 High, 54 Medium and 5 Low).

In October 2022, CLT and GRBV approved a risk-based approach to Internal Audit review and validation of evidence to support closure of management actions. A self-attestation process for all low rated actions and a sample of medium actions was introduced, with the remaining medium actions and all high actions being full validated by Internal Audit.

The 2024/25 annual validation audit included a sample of low, medium, and high rated actions, including those closed as self-attested.

Scope

The objective of this review was to validate whether 15% (17) of management actions closed between 1 January 2023 and 31 December 2023 continue to be effectively sustained.

A total of 19 actions across 16 audits were selected in total, covering all Council Directorates and the Health and Social Care Partnership. Further details of the sample selected are included at [Appendix 1](#).

Reporting Date

Testing was undertaken between 1 September 2024 and 31 October 2024.

Audit work concluded on 6 November 2024, and findings and opinion are based on the conclusion of audit work as at that date.

Findings and Management Action Plan

Finding 1 – Sensory Loss Support Direct Service User Feedback

Finding
Rating

Medium
Priority

Sensory Loss Support Services Audit - Action Closed September 2023

Findings, recommendations and what management agreed to do

The audit highlighted that there were limited opportunities to enable citizens to provide direct feedback to the commissioning service on their experience of Sensory Loss Support Services. Officers advised that this was being considered.

Internal Audit recommended that the service progressed the set-up of engagement focus groups and other planned direct channels of communication to receive direct service user feedback.

In accepting the recommendation, the service agreed the following actions:

- the service would like to hold twice yearly face to face communication and engagement sessions to gather feedback generally and views on future Sensory Loss Support Services provision across Edinburgh
- the service would like to hold an annual open day for the public across Edinburgh, engaging with public, third and private sector organisations

In agreeing the above actions, the service recognised the resourcing and funding challenges for facilitating these sessions including costs associated with accessible venues and providing appropriate trained BSL / English Interpreters and Electronic Notetakers.

Closure of action

The action was closed on the basis that the service had commenced direct communication and engagement events. Details of an Edinburgh See Hear Fest hosted by the Partnership on 1 September 2023 were provided, including post event feedback given by the service to exhibitors and organisations who had attended, indicating that a similar event would be held in 2024.

The action was closed on the basis of this partial completion, with closing comments noting that the service would also like to hold twice-yearly face-to-face communication and engagement sessions with service users.

November 2024 position

The service has advised that a different approach is now being taken as the role in commissioning is to shape new services and following a cost benefit analysis, planned twice-yearly face to face service user engagement sessions have not taken place, and there are no plans for further events such as the 2023 See Hear Fest. While the agreed management action has not been completed, evidence was provided that:

- indirect user feedback has continued to be received regularly from the three contracted service providers for all four contract lots
- wider feedback on the draft strategic plan has been obtained from a focus group with blind and partially sighted people.

Residual Risks

Strategic and Service Delivery – The views of people with sensory loss may not be fully captured in future strategic and service development.

Future service actions

- A paper and procurement requirement form will be discussed at the Commissioning, Contracts and Procurement Board on 18 December 2024, and if approved, plans will be made regarding engagement with people with sensory loss to shape new services. Co-production is an essential part of the planning and commissioning services.
- direct feedback from service users in future phases of the strategic planning and commissioning cycle prior to new contracts / services being let in April 2026.

Owner: Chief Officer, HSCP

Lead: Strategic Planning and Commissioning Officer – Sensory Loss

Target completion date: 1 April 2026

Finding 2 – IDOX/Uniform User access controls

Finding
Rating

Medium
Priority

Planning: Householder Applications and use of IDOX System Audit - Action Closed March 2023

Findings, recommendations and what management agreed to do

The audit highlighted that there was no established process to grant/revoke IDOX systems access, and while most requests were via email, one instance was noted where an officer requested a change to user access privileges for themselves via a Microsoft Teams chat.

Internal Audit recommended that management consider implementing a user access request form to enable requests to be recorded and approved by a relevant officer. If a form was deemed unnecessary, Internal Audit recommended that management remind officers that all user access requests should be emailed with relevant manager copied in.

In accepting the recommendation, management agreed to take a decision on whether to implement a User Access Form or similar control.

Closure of action

The action was closed on the basis that management took the decision to implement a User Access Form. Additionally, information provided by the ICT Lead Officer indicated that these forms had been agreed upon, with a generic account set up to receive requests, and reports for any new or change access requests to be run in order for managers to review on a monthly basis.

November 2024 position

Management had prepared the forms to create a new user and modify a user's account privileges set up for use on Halo. However, a decision was taken to move the IDOX servers from an on-premises solution to an externally hosted IDOX server. The forms created therefore could not be used and the new controls were temporarily shelved. The server changes were completed at the end of August 2024.

Residual Risks

Technology and Information – user access rights outwith role requirements.

Future service actions

Now that business as usual has resumed, management plans to reintroduce user access controls as outlined above and communicate the new process to all users and managers via the Planning and Building Standards Distribution email.

Owner: Executive Director, Place

Lead: ICT Lead Officer, Planning & Building Standards

Target completion date: 31 December 2024

Finding 3 – Tree Management Performance Management and KPI's

Finding
Rating

Medium
Priority

Tree Management - H&S Audit - Action Closed November 2023

Findings, recommendations and what management agreed to do

The audit highlighted that the Forestry Service had not established any performance reporting to monitor completion of work orders in line with the then published timescales on the Council's website.

Internal Audit recommended that the Forestry Service implement a strategic and operational performance management framework to enable ongoing monitoring of service delivery, which would include:

- Review of existing service delivery measures and indicators (KPIs) to ensure they are aligned with legislative and regulatory standards
- Senior management review of KPIs prior to implementation
- Creation of a performance dashboard to monitor performance of operational and strategic KPIs, which should be shared with relevant governance forums including senior management and Council committees.

Parks and Greenspace management accepted the internal audit recommendation and agreed to complete a piece of work in tandem with the review of the Trees in the City document by August 2021.

Closure of action

The action was originally closed on the basis that a suite of KPIs related to tree management within the Council had been developed, agreed by senior management, and had been published on the [Council's website](#). These actions were complete by November 2023.

November 2024 position

Internal Audit confirmed that a suite of KPIs were agreed and published on the Council's website in September 2023. However, the dashboard and internal governance and reporting process for the KPI's were not implemented. Additionally, management confirmed that the 11 current agreed KPIs cannot be measured, as they were designed with the understanding that a planned software upgrade would provide the necessary data. Implementation of this new system has been postponed, and due to the level of manual intervention required, annual KPI reporting has therefore not been possible.

Residual Risks

Service Delivery - Limited visibility of service performance and associated risks with under performance.

Future service actions

The Tree Management Service have confirmed that a full review of KPI's is required and that KPI's will be designed which can be measured on current systems without significant manual intervention.

Owner: Executive Director, Place

Lead: Horticulture Manager

Target completion date: 31 August 2025

Appendix 1 – Audits Included in the Annual Validation Review

A sample of actions across the following audits were reviewed as part of the 2024/25 annual validation review:

Directorate	Audit Code and Title	Priority Rating
Council-wide	CW1910 Life Safety	High Priority
	CW2001 Arm's length external organisations (ALEOs)	High Priority
	CW2006 Health and Safety – Asbestos Recommendations	Medium Priority
	CW2207 Allocation and Management of Purchase Cards	Medium Priority
	CW2005 GRBV Committee Effectiveness review	Low Priority
Corporate Services	CS2106 Capital Budget Setting and Management (2 actions)	Medium Priority
		Medium Priority
	CS2108 Payment Card Industry (PCI) Data Security Standard Compliance (2 actions)	High Priority
		Medium Priority
CS2205 CGI Security Operations Centre SOC	High Priority	
RES1910 Risk Management	High Priority	
Children, Education and Justice Services	ECS2102 Criminal Justice Social Work	Medium Priority
Health and Social Care Partnership	HSC2102 HSCP Transformation and Benefits Realisation	Medium Priority
	HSC2202 Sensory Support	High Priority
Place	PL1902 Tree Management - H&S	Medium Priority
	PL2101 Planning: Householder applications and use of IDOX system	Medium Priority
	PL2301 Edinburgh Employer Recruitment Incentive (EERI) (2 actions)	High Priority
		High Priority
	PL2303 Housing Stock Condition - Tenant Safety Damp and Mould	Medium Priority

Appendix 2 – Control Assessment and Assurance Definitions

Overall Assurance Ratings	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.