

## Standards and Audit Committee

Due to the Scottish Government Guidance relating to Covid-19, the meeting will be held remotely.



Thursday, 7th October, 2021 - 10.00 a.m.

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### AGENDA

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- |  |         |
|--|---------|
| <b>1. APOLOGIES FOR ABSENCE</b>  |         |
| <b>2. DECLARATIONS OF INTEREST</b> – In terms of Section 5 of the Code of Conduct, members of the Committee are asked to declare any interest in particular items on the agenda and the nature of the interest(s) at this stage. |         |
| <b>3. MINUTES -</b>  |         |
| (a) Minute of the meeting of the Standards and Audit Committee of 3rd June, 2021; and  | 3 – 5   |
| (b) Minute of the meeting of the Standards and Audit Committee of 29th June, 2021.   | 6 – 8   |
| <b>4. INFORMATION REQUESTS ANNUAL REPORT 2020-21</b> – Report by the Head of Customer and Online Services, Communities.  | 9 – 21  |
| <b>5. DATA PROTECTION ANNUAL REPORT</b> – Report by the Data Protection Officer, Finance and Corporate Services.   | 22 – 29 |
| <b>6. COMPLAINTS UPDATE</b> – Report by the Executive Director – Communities.  | 30 – 51 |
| <b>7. FIFE COUNCIL - MANAGEMENT REPORT 2020-21</b> – Report by the Head of Finance.  | 52 – 67 |
| <b>8. UPDATE ON 2021/22 AUDIT PERFORMANCE AND ANALYSIS OF ISSUED REPORTS</b> – Report by the Audit Team Manager, Risk Management Services.   | 68 – 77 |
| <b>9. INTEGRATION JOINT BOARD ANNUAL REPORT 2020/21</b> – Report by the Head of Finance.   | 78 – 89 |
| <b>10. STANDARDS AND AUDIT COMMITTEE FORWARD WORK PROGRAMME</b>  | 90 - 91 |

**Members are reminded that should they have queries on the detail of a report they should, where possible, contact the report authors in advance of the meeting to seek clarification.**

Lindsay/

Lindsay Thomson

Head of Legal and Democratic Services  
Finance and Corporate Services

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30th September, 2021

Please contact:  
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**THE FIFE COUNCIL - STANDARDS AND AUDIT COMMITTEE – REMOTE MEETING**

3rd June, 2021

10.00 a.m. – 11.10 a.m.

**PRESENT:** Councillors Dave Dempsey (Convener), Lesley Backhouse, John Beare, Dave Coleman, Gordon Langlands, Mary Lockhart, Derek Noble, Jonny Tepp, Ann Verner and Ross Vettraino.

**ATTENDING:** Elaine Muir, Head of Finance, Les Robertson, Head of Revenue and Commercial Services, Avril Cunningham, Service Manager, Audit and Risk Management Services, Helena Couperwhite, Manager - Committee Services and Wendy MacGregor, Committee Officer, Legal and Democratic Services.

**ALSO IN ATTENDANCE:** Patricia Fraser, Senior Audit Manager and Ross Hubert, Auditor, Audit Scotland.

**177. DECLARATIONS OF INTEREST**

No declarations were made in terms of Standing Order No. 7.1.

**178. MINUTE**

The Committee considered the minute of the meeting of the Standards and Audit Committee of 11th February, 2021.

**Decision**

The Committee agreed to approve the minute.

**179. STRATEGIC AUDIT PLAN 2021-26 AND OPERATIONAL AUDIT PLAN 2021/22**

The Committee considered a report by the Service Manager, Audit and Risk Management Services seeking approval for the revised 2021/26 Strategic Audit Plan and the Operations Audit Plan for the period June 2021 to March 2022.

**Decision**

The Committee approved:-

- (1) the Operational Audit Plan for 2021/22; and
- (2) the revised 2021/26 Strategic Audit Plan, as detailed in Appendices 1 and 2 of the report.

**180./**

**180. UPDATE ON 2020/21 REVISED AUDIT PLAN AND ANALYSIS OF ISSUED AUDIT REPORTS**

The Committee considered a report by the Service Manager, Audit and Risk Management Services providing an update on 2020/21 audits in the revised audit plan and an analysis of findings in audit reports issued to date.

The report highlighted areas of concern and instances where appropriate action was implemented by Services, in the opinion of the Audit and Risk Management Services Manager.

**Decision**

The Committee:-

- (1) noted the content of the report and the Summary of Audit Reports issued as detailed in Appendix 1 of the report;
- (2) noted the progress made on the 2020/21 Revised Audit Plan detailed in Appendix 2 and the Audit Scorecard detailed in Appendix 3 of the report; and
- (3) requested that members receive an up to date list of Procurement savings achieved, in partnership between Fife Council and Scotland Excel (Public Procurement Centre of Expertise), established to deliver procurement related savings and to improve the skills and capabilities of the Council's Procuring Services.

**181. POST AUDIT REVIEW REPORT**

The Committee considered a report by the Service Manager, Audit and Risk Management Services advising members of internal audit reports issued in the period 1st July, 2020 to 31st March, 2021. The report also provided an update on outstanding reports and recommendations, for the period prior to 1st July, 2020.

**Decision**

The Committee noted the contents of the report and the progress made in relation to implemented recommendations.

**182. AUDIT SCOTLAND - ANNUAL AUDIT PLAN FIFE COUNCIL**

The Committee considered a report by the Head of Finance which provided details of Audit Scotland's annual audit plan for Fife Council for the financial year 2020/21, setting out the risks highlighted, planned work, audit scope and timing.

**Decision**

The Committee noted the contents of the Audit Scotland annual audit plan 2020/21.

**183./**

**183. STANDARDS AND AUDIT COMMITTEE FORWARD WORK PROGRAMME**

The Committee noted the contents of the Standards and Audit Forward Work Programme which would be updated as appropriate.

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**THE FIFE COUNCIL - STANDARDS AND AUDIT COMMITTEE – REMOTE MEETING**

29th June, 2021

10.00 a.m. – 11.00 a.m.

**PRESENT:** Councillors Dave Dempsey (Convener), Lesley Backhouse, John Beare, Gordon Langlands, Derek Noble, Jonny Tepp, Ann Verner and Ross Vettrano.

**ATTENDING:** Eileen Rowand, Executive Director - Finance and Corporate Services, Elaine Muir, Head of Finance, Laura Robertson, Finance Operations Manager, Avril Cunningham, Service Manager, Audit and Risk Management Services, Anne Bence and Paul Noble, Accountants, Finance; Helena Couperwhite, Manager - Committee Services and Wendy MacGregor, Committee Officer, Legal and Democratic Services, Finance and Corporate Services.

**ALSO IN ATTENDANCE:** Ross Hubert, Auditor, Audit Scotland.

**APOLOGIES FOR ABSENCE:** Councillors Dave Coleman and Mary Lockhart.

**184. DECLARATIONS OF INTEREST**

No Declarations of Interest were submitted in terms of Standing Order 7.1.

**185. ANNUAL AUDIT REPORT 2020/21**

The Committee considered the annual audit report by the Service Manager, Audit and Risk Management Services, containing the Annual Assurance Statement 2020/21, overview of the 2020/21 audit performance, compliance with the Public Sector Internal Auditing Standards (PSIAS) and an update on staffing and fraud and incident report.

**Decision**

The Committee:

- (1) noted the findings of the 2020/21 annual audit report;
- (2) noted that a medium/high level of control existed and that reasonable assurance could be placed on the adequacy and effectiveness of the Council's systems of corporate governance and internal control in the year to 31st March, 2021; and
- (3) acknowledged that Avril Cunningham, Service Manager, Audit and Risk Management Services would be retiring in August, 2021. The Convener, on behalf of the Committee thanked Avril for her substantial contribution and time spent on the Committee and wished her well in her future retirement.

186./

**186. UNAUDITED FIFE COUNCIL ANNUAL ACCOUNTS**

The Committee considered a report by the Executive Director, Finance and Corporate Services which contained the unaudited Annual Accounts for Fife Council and its group for 2020-21.

**Decision**

The Committee noted:

- (1) the content of the report;
- (2) that the Fife Council Audited Annual Accounts 2020/21 would be submitted to the Standards and Audit Committee on 28th October, 2021 for approval; and
- (3) that the Head of Finance would be available to discuss with members any specific queries which might arise prior to submission of the final accounts.

**187. UNAUDITED CHARITABLE ACCOUNTS**

The Committee considered a report by the Executive Director, Finance and Corporate Services which contained the Fife Council Charitable Trusts - Unaudited Annual Accounts and Financial Statements 2020-21.

**Decision**

The Committee noted:-

- (1) the content of the report;
- (2) that the Audited Trustees' Annual Report and Financial Statements 2020-21 would be submitted to the Standards and Audit Committee on 28th October, 2021; and
- (3) that the Head of Finance would be available to discuss any specific queries which might arise prior to the submission of the final accounts.

**188. RISK MANAGEMENT STRATEGY REVIEW AND STRATEGIC RISK REGISTER REVIEW UPDATE**

The Committee considered a report by the Executive Director, Finance and Corporate Services which updated members on progress with the Risk Management Strategy Review and Risk Register Review.

**Decision**

The Committee noted:-

- (1) the progress to date and the next stage of the Risk Management Strategy review - to establish the Risk Management Strategy Group and remit, to develop and implement the Risk Management Strategy and framework;
- (2)/

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- (2) that a further update on progress with the Risk Management Strategy review and action to be taken, would be reported to a future meeting of the Standards and Audit Committee, and
  - (3) that the revised Strategic Risk Register would be submitted to the Standards and Audit Committee for approval later in the year.
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7th October, 2021

Agenda Item No. 4

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## Information Requests Annual Report 2020-21

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Report by: Diarmuid Cotter, Head of Customer and Online Services, Communities

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Wards Affected: All

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### Purpose

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This is the annual report detailing requests for information received in terms of the Freedom of Information (Scotland) Act 2002 (FOISA); the Environmental Information (Scotland) Regulations 2004 (EIR) and the GDPR/Data Protection Act 2018 (DPA).

### Recommendation(s)

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That the Committee:-

- (1) Note that the workload arising from managing information requests
- (2) Comment on the performance detailed in this report.

### Resource Implications

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This report does not have any resource implications.

### Legal & Risk Implications

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Failure to comply with the relevant statutory provisions in relation to Information Requests leaves the Council exposed to reputational damage, and potential enforcement action from regulatory bodies including monetary penalty notices.

### Impact Assessment

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An IA Checklist is not required as this is a performance report and does not recommend changes to Council policy and does not require a decision.

### Consultation

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none

# 1.0 Background

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1.1 **Glossary:** The following abbreviations are used throughout this report:

<b>FOISA:</b>	Freedom of Information (Scotland) Act 2002
<b>EIR:</b>	Environmental Information (Scotland) Regulations 2004
<b>DPA:</b>	GDPR/Data Protection Act 2018
<b>SAR:</b>	Subject Access Request (GDPR)
<b>OSIC:</b>	Office of the Scottish Information Commissioner (responsible for FOISA/EIR)
<b>ICO:</b>	Information Commissioners Office (responsible for DPA throughout the UK)
<b>Data Controller:</b>	Fife Council
<b>IMRT</b>	Information Management & Request Team
<b>BAU</b>	Business as Usual

1.2 Anyone has the right to ask the Council for information that is held by the Council. Once received, each Information Request will be processed in accordance with the relevant statutory requirements. The request types and response requirements are as follows:

- Freedom of Information Request - 20 Working Days.
- Environmental Information Request - 20 Working Days.
- DPA – (Subject Access Request - SAR) – 1 Month
- DPA – Other, such as Court Orders etc – 7 calendar days

Time is recorded to show how long each individual request has taken to process, collate and provide response. The breakdown below shows the average time each type of request requires to be worked on. This does not show the average time to respond:

FOISA /EIR – 7.12 hrs

SAR – 36 hrs

Other DPA – 4 hrs

1.3 Exemptions within the Data Protection Act 2018 allow access to personal data by third parties under schedule 2, Part 2, Section 2 (s2), crime and taxation and schedule 2, Part 2, Section 5 (s5), information required to be disclosed by law, or in connection with legal proceedings.

1.4 Unlike FOI/EIR & SAR which are managed fully by the IMRT, s2 and s5 requests are required to be reviewed by the team on receipt to confirm that the requests are compliant. IMRT provide guidance and advice to services where required, prior to the service releasing the information directly to the applicant. These requests are shown within this report under DPA Other, along with Business as Usual (BAU) and Education Record requests.

## 2.0 Developments – 2020/21

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- 2.1 Fife Council are now publishing responses that have been given under FOI and EIR. The disclosure Log can be found [here](#).
- 2.2 Guidance on fife.gov.uk was updated for applicants to provide improved guidance on making requests for information.
- 2.3 Improved [staff guidance](#) was provided to ensure compliance of the different regimes.
- 2.4 IMRT have continued to work at home throughout the restrictions. Over this time continual improvements have been made to systems and working practices.
- 2.5 Various services, due to issues accessing data during the initial lockdown, had difficulty providing data to IMRT within timescale. On the return of normal services work began with these services to identify where improvements could be made for any similar future events.
- 2.6 The Scottish Parliament Public Audit and Post-legislative Scrutiny Committee have completed their review of the Freedom of Information Act (Scotland) 2002. The report had not been published prior to the pandemic and was published in May 2021.

Main points relate to:

publishing of information; culture; charging; applicant blind; clarification timescales; extending the act to public bodies in receipt of significant public funds

- 2.7 The Scottish Government have been tasked with carrying out a consultation and to work with OSIC and public authorities to implement required changes. It was expected that an update could be provided in this report, however this is not yet available at this time.

## 3.0 Information Requests – 2020/21

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- 3.1 This section provides the following information:
  - data and performance of all types of requests
  - request performance of FOI/EIR and SAR
  - details of escalation that has been required to be carried out by IMRT to access the required data.
  - information relating to the reason for lateness. This identifies whether the late response was due to IMRT, Service or Other
- 3.2 3,691 Information Requests were formally logged between 1 April 2020 and 31 March 2021. This total is made up of:
  - 1273 Freedom of Information Requests (FOISA) – 34%
  - 527 Environmental Information Regulations (EIR) – 14%
  - 537 Subject Access Requests (SAR) – 15%
  - 1,354 Other requests including s2 and BAU – 37%

Of the total 3691 requests

- 3691(90%) - Completed In Time  
(*In Time = Requests completed within statutory timeframes.*)
- (10%) - Overdue.  
(*Overdue – Requests completed but out with statutory timeframes.*)

3.3 Figure 1 below highlights the complete number of requests received since 2016/17

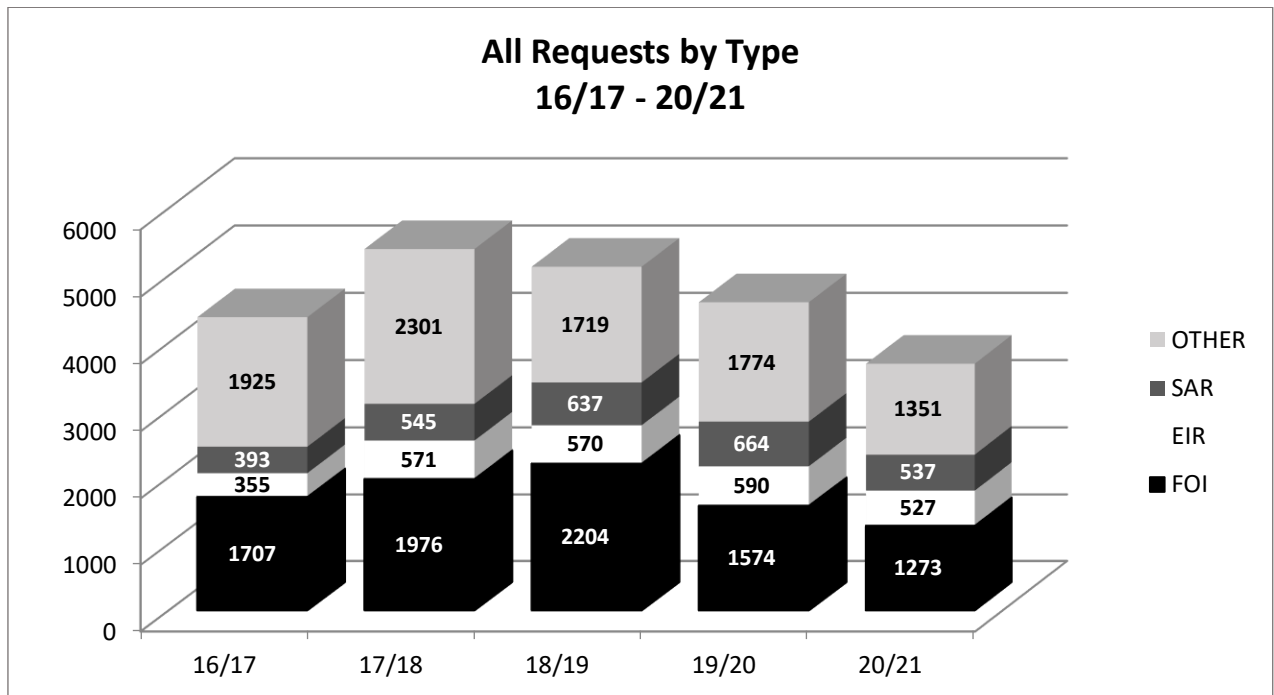


Figure-1 –shows all requests received

3.4 The difference in the number of requests received between 2018/19 and 2020/21 was due to a procedure change, where FOI and EIR were logged as separate requests. However, the number of requests received declined in 2020/21. This was mainly due to small numbers being received throughout the initial lockdown. You can see this clearly in figure 3 below.

3.5 Figure 2 below shows the performance of all types of requests received. This shows an increase in performance during 2020/21.

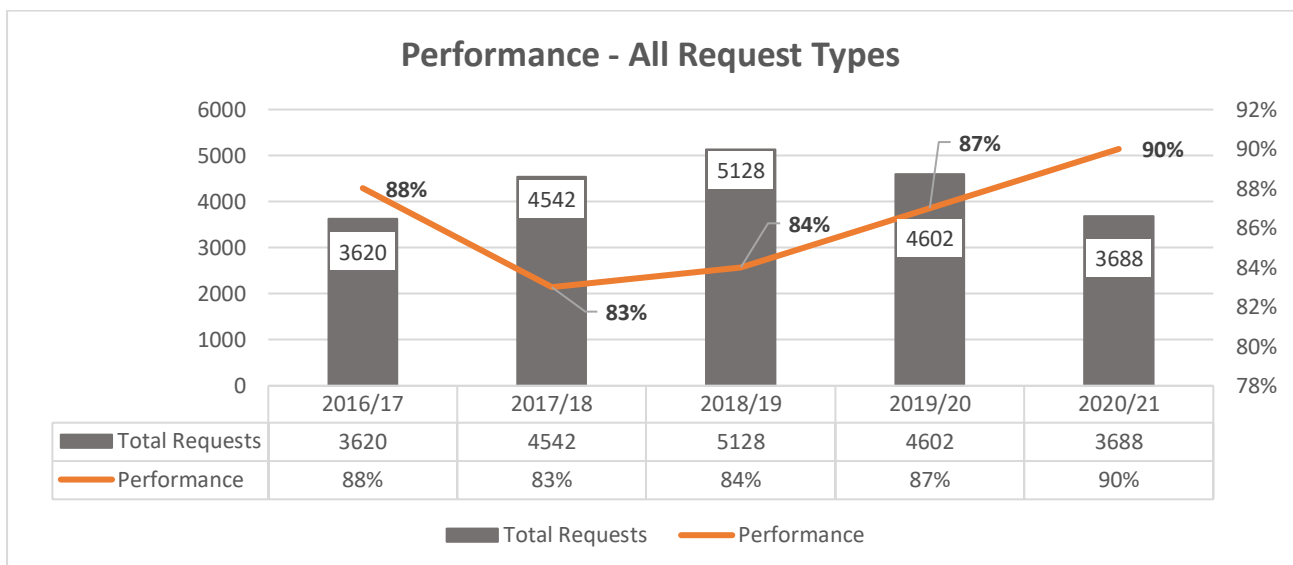


Figure-2 – FC Requests Performance 2016/17 – 2020/21

3.6 Predicting when requests will be made to Fife council is not possible, as each month the number received changes. This can be due to various factors such as elections, winter conditions etc. This removes the ability to fully plan in relation to workload and can cause delays to responses being provided within the required timescales when a large number is received during a month. Figure 3 below shows the requests received by month during 2020/21

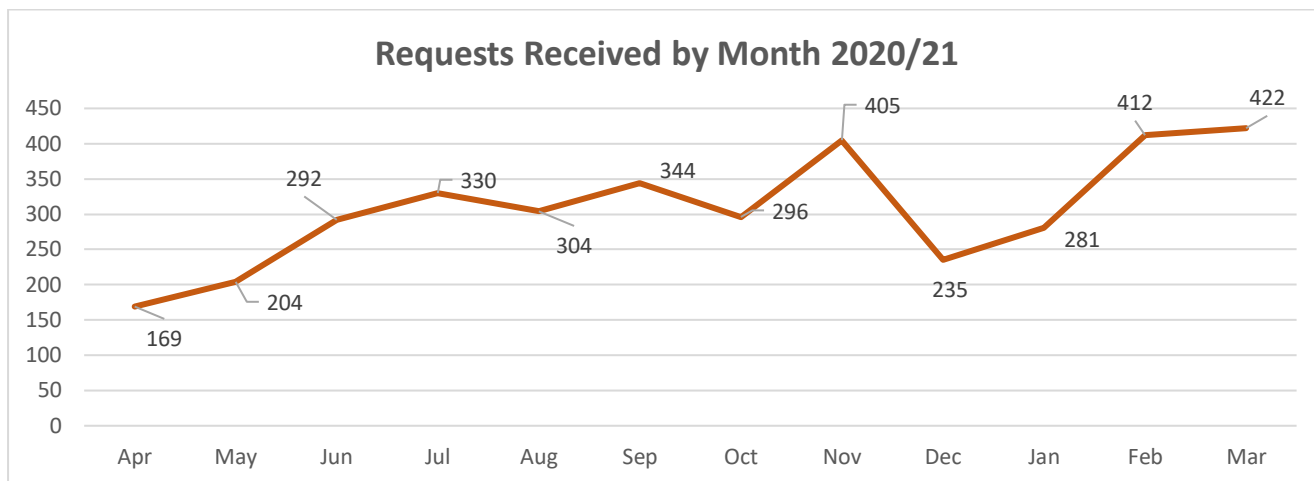


Figure 3 – Information Request Monthly by Request type

3.7 All requests are individual, and although some requests can be dealt with speedily, most requests are complex and time consuming. Some reasons for this may be due to the number of questions within each request, the sensitivity of the subject, or the number of services/locations required to be contacted for information.

3.8 It is normal for figures to drop in December and January. However, requests received in April were dramatically below average figures. By July, these numbers had begun to rise again. The dip seen in the first lockdown did not take place in the second and numbers being received in March were the highest of the year.

3.9 Figures 4 and 5 below show the number of FOISA/EIR requests received during 2016/17 – 2020/21 and the performance of these request types during this time.

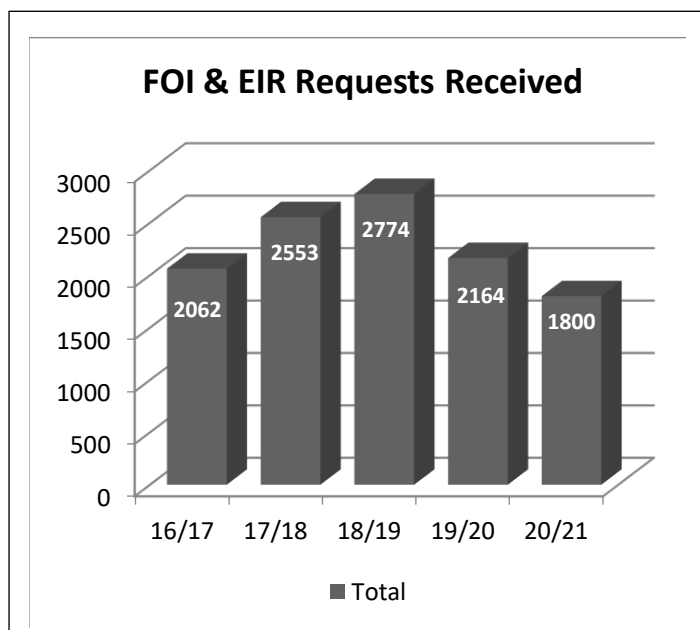


Figure 4 – FOI/EIR received

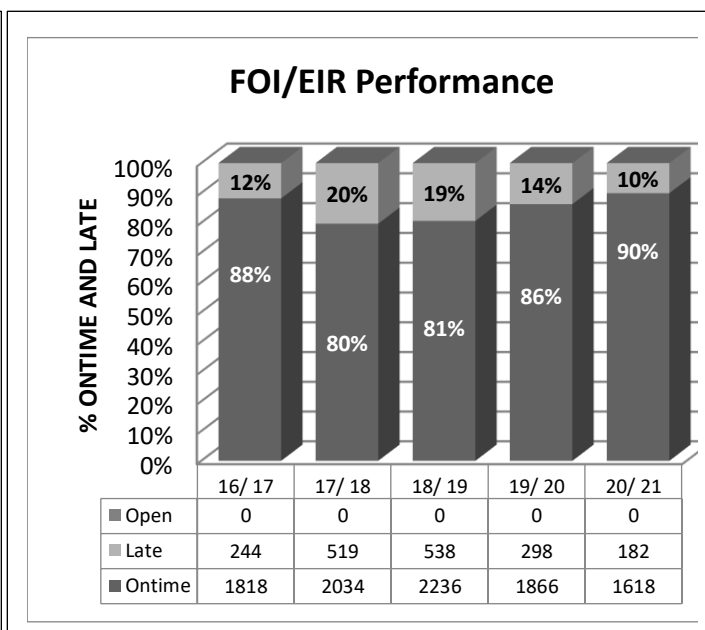


Figure 5 FOI/EIR Performance

3.10 As explained in 3.4, a process change in 2018/19 relating to the way FOI's and EIR's are logged shows the numbers to look as if they declined. Requests are still dealt with under both regimes when required, however these are now only logged once.

3.11 Below figures 6 & 7 show details for SAR's received by the Council and our performance between years 2016-17 to 2020/21.

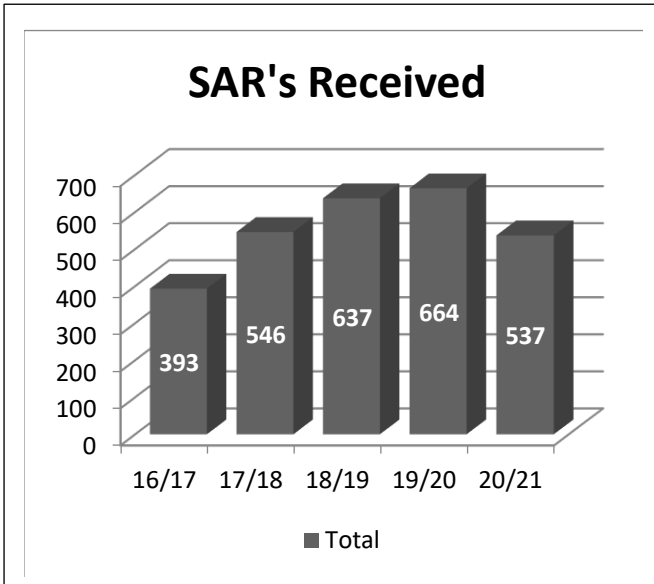


Figure 6 – SAR received

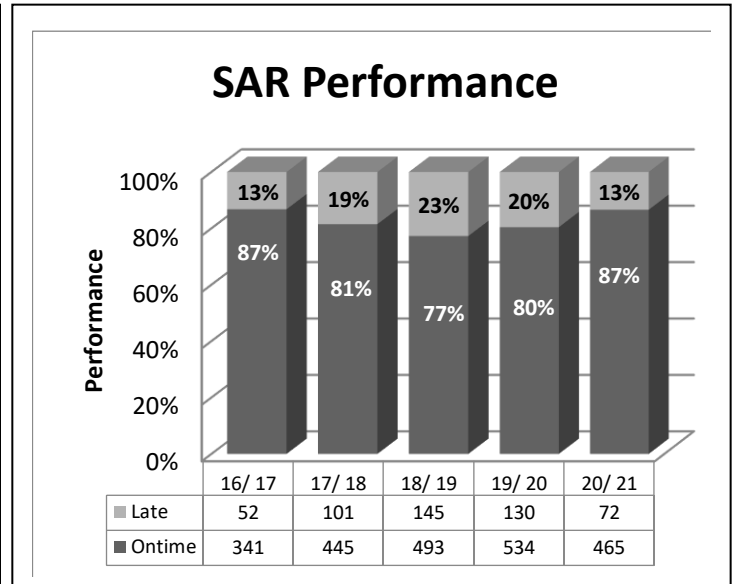


Figure 7 – SAR performance.

3.12 SARs are particularly time consuming to manage. Although numbers have dropped slightly, this year the number of complex SARs remains too high for the current procedure to manage. In some cases, 10s of thousands of pages are gathered, which then require to be reviewed and redactions considered. A review will be carried out in 2021/22 to address this concern.

3.13 Figure 6 below shows the performance of each area and the % of total requests received by the Council that information has been provided for.

3.14 As previously explained in past reports, the largest volume of requests shown in figure 6 relate to Finance and Communities Services. This is due to the number of s2 requests that are dealt with by Council Tax team and Housing. Due to a change in management of Revenue Services, Communities total received has risen over the past year and Finance has reduced.

3.15 Section 2 requests are requests for personal information made to us by third parties. These are mainly made to us by the Police requesting information that may be held by Fife Council that they cannot access by any other means.

3.16 Service performance is shown below in figure 8. This shows the overall number of requests received for directorates and provides the percentage of the overall requests received that each area provided information towards.

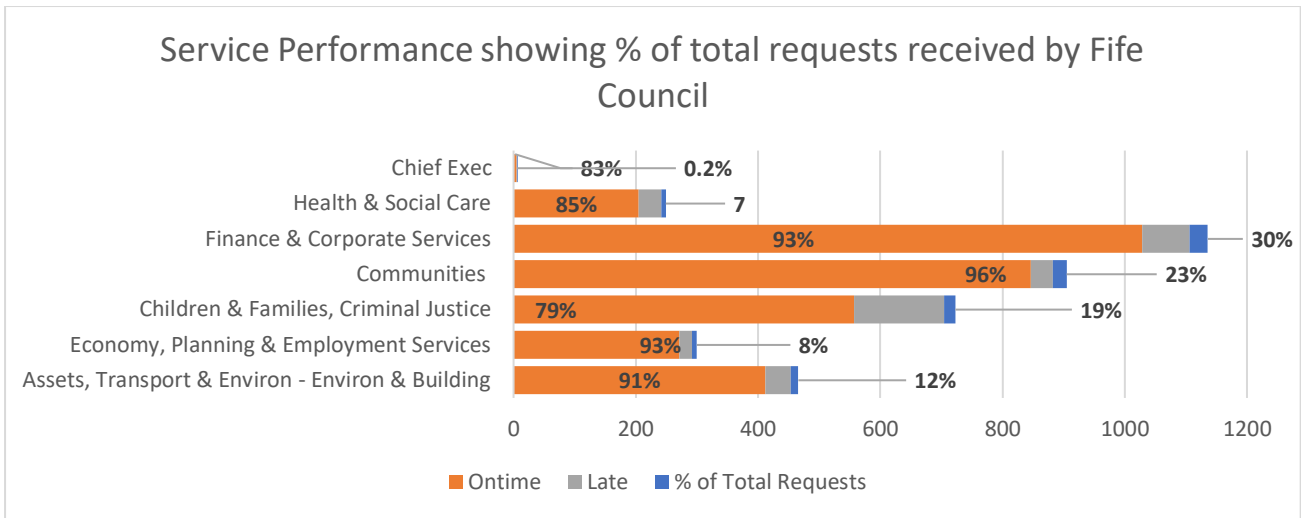


Figure 8 - above shows the requests received by each Directorate for 2020/21.

3.17 Figure 9 below shows recent data that has been gathered showing the reason requests were late and the requests that required to be escalated within the service. Escalation is shown as a total number of requests each Service provided data for and the % of those that required to be escalated. Reasons for lateness are recorded as being caused by Service, IMRT or Other. Due to the way requests are recorded, these may show a request being late for a Service, but the delay may have been caused by a different Service, these are logged as other.

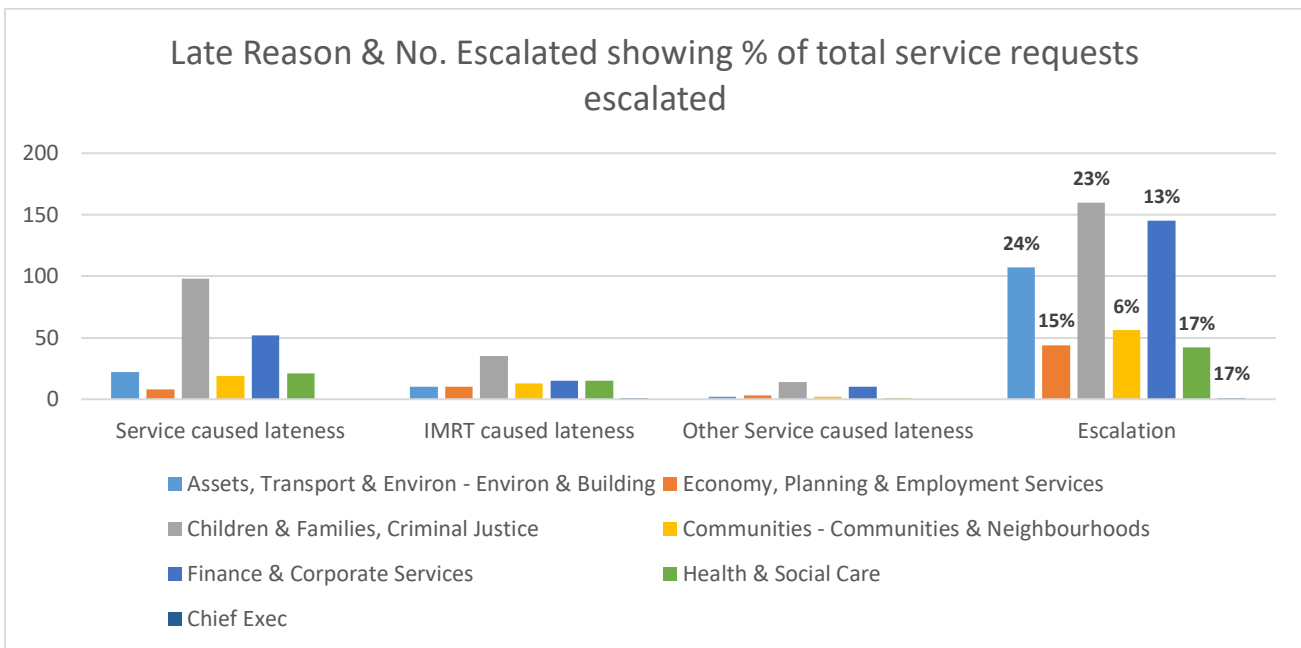


Figure 9 – reason for lateness and % of requests escalated by service

3.18 A fuller breakdown by all services can be found in Appendix 1, this shows performance by each business unit logged on asplRe, our case management system.

# 4.0 Reviews & Applications 2020/21

## Reviews

4.1 Once an applicant has requested information from the Council and they are either dissatisfied with the response, or the response has not been provided within timescale, then under Section 20 of FOISA and Article 15 of GDPR they are entitled to request that a review is carried out by the Council. Reviews are mostly triggered because the requestor is unhappy with:

- The content of the response.
- The way in which the request was processed.
- A breach of the statutory timescales.

4.2 Reviews are conducted by a Senior Council Officer and are not carried out by the same person that responded to the initial request. Within Fife Council, the Head of Legal Services is responsible for carrying out reviews.

4.3 In 2020/21 reviews received decreased by 28 compared to 2019/20. Figure 10 below shows the number of reviews received by month broken down by SAR and FOI/EIR.

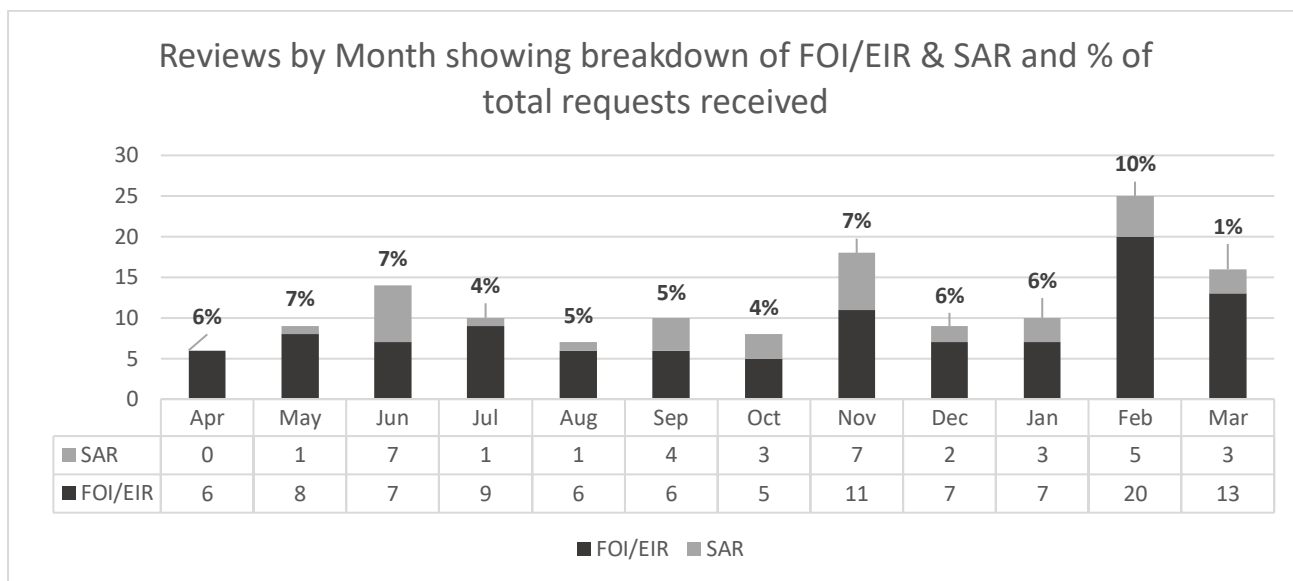


Figure 10 - FC Request for Reviews by Month 2020/21

4.4 Figure 11 below shows the comparison of reviews received over a 5 year period.

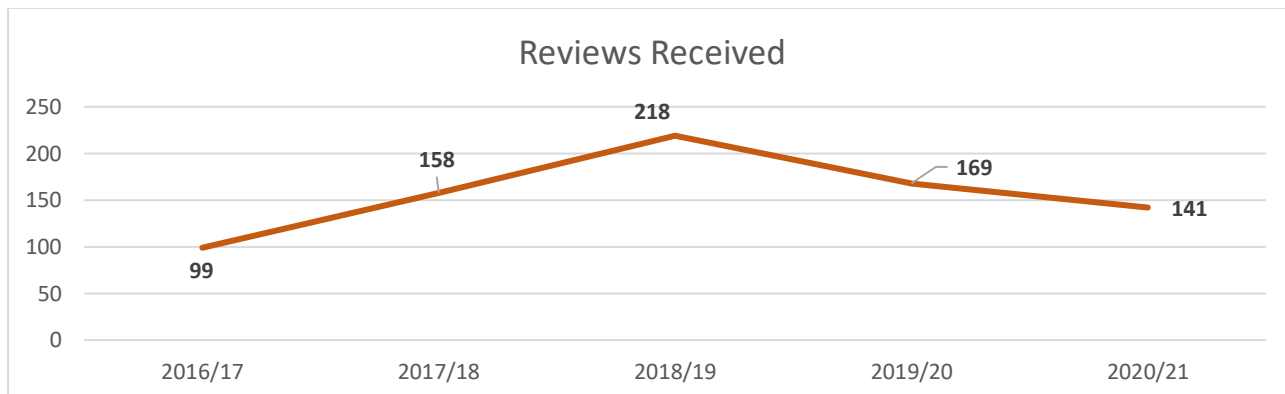


Figure-11 FC Requests for Reviews 2016/17 – 2020/21



4.5 Figure 12 below shows the review outcomes over a 3 year period.

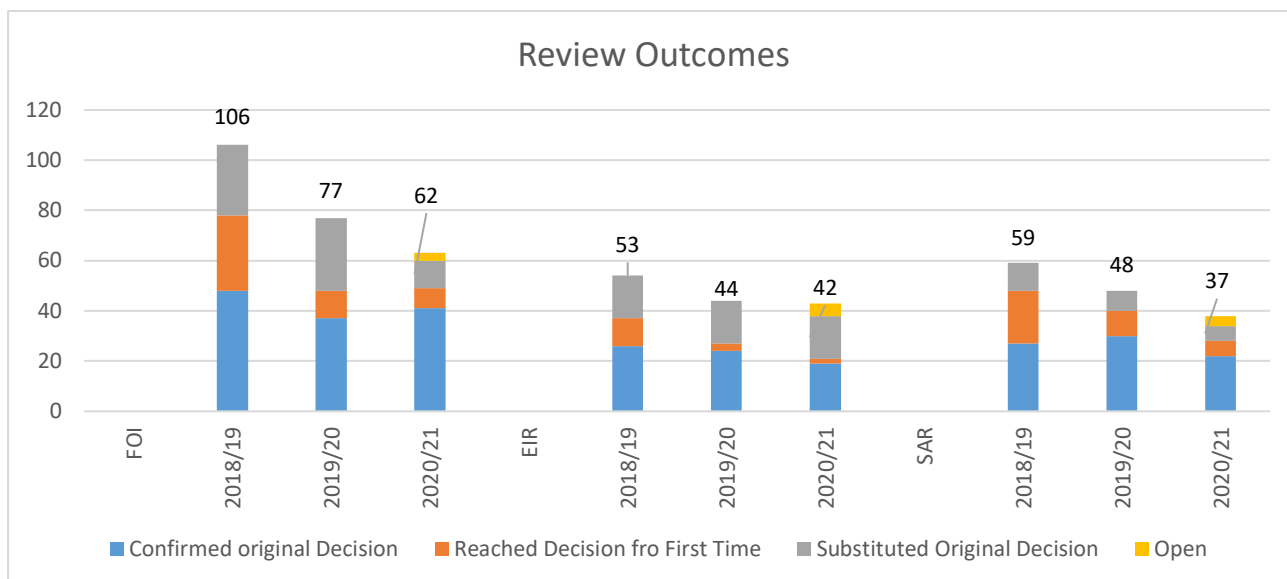


Figure-12 FC Review Outcomes 2018/19 – 2020/21

### Applications to Scottish Information Commissioner (FOISA & EIR Requests)

- 4.6 If an Applicant remains dissatisfied with the way the Council has responded to their request for review, they can refer their case to OSIC and apply for a Decision on how their request was dealt with.
- 4.7 In 2020/21 applications for decision to OSIC rose dramatically. At the time of writing the report 10 out of the 13 applications remain open and 3 were withdrawn after further clarification or information was provided to the applicant.

### Applications to Information Commisioners Office (DPA Subject Access Requests)

- 4.8 If an applicant remains dissatisfied with the result of a review which is classified as a Subject Access Request, this falls under the remit of the ICO.
- 4.9 Figures 13 & 14 below show a breakdown of the applications/appeals received and the outcomes from OSIC. Outcomes given are different between ICO and OSIC. The outcomes from ICO investigations all reached satisfactory conclusions.

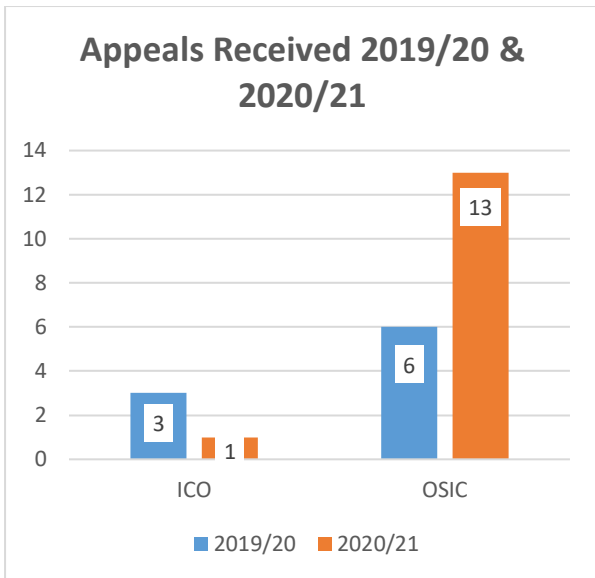


Figure-13 shows number of applications/complaints received

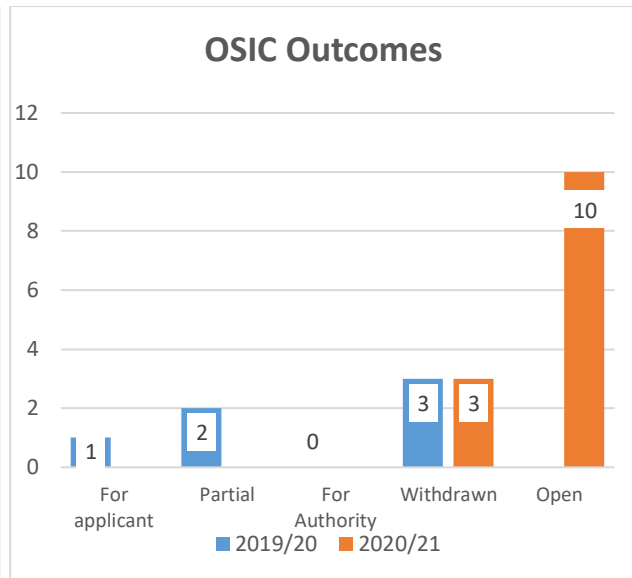


Figure-14 shows outcome of OSIC applications

4.10 In conclusion, figure 15 below shows the number of requests received that had the provision to be reviewed. This graph also shows the % of the total that relates to the number of reviews and applications/appeals received.

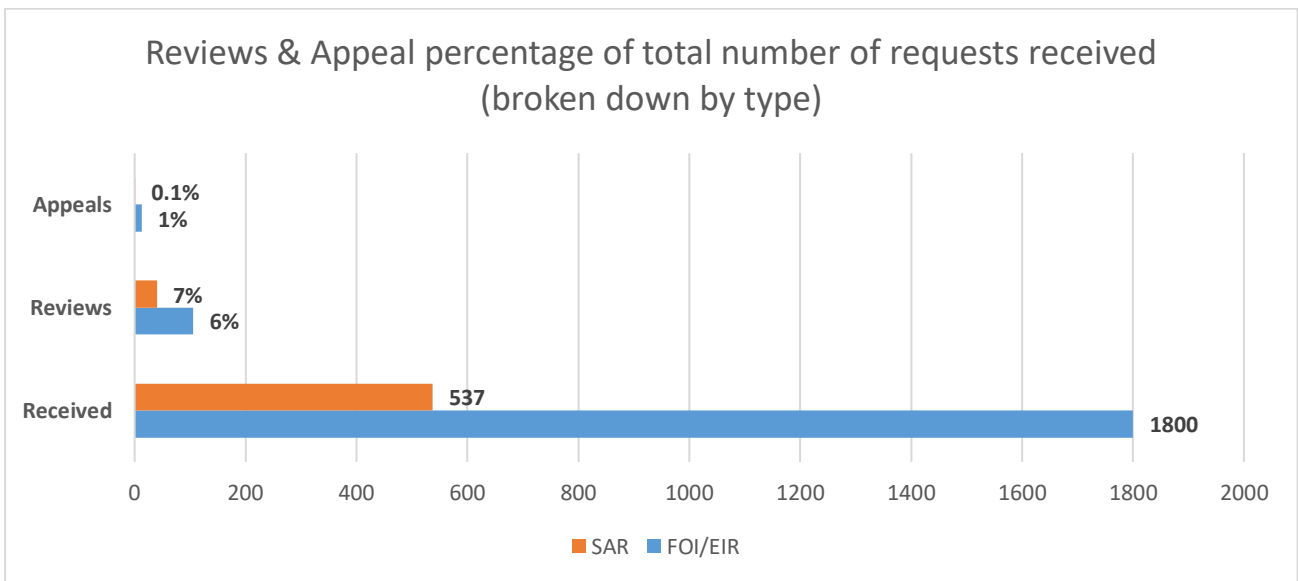


Figure-15 Total of number of requests received and the percentage of reviews and appeals from the overall totals.

## 5.0 Scottish Local Authority comparison 2020/21

5.1 All public authorities are requested to report statistical information to OSIC quarterly. Figure 16 below shows the total number of FOI/EIR's received by all local authorities and the performance achieved by each council. The local authorities are shown in order of population of the council area. Further information can be found at: <https://stats.itspubliknowledge.info/>

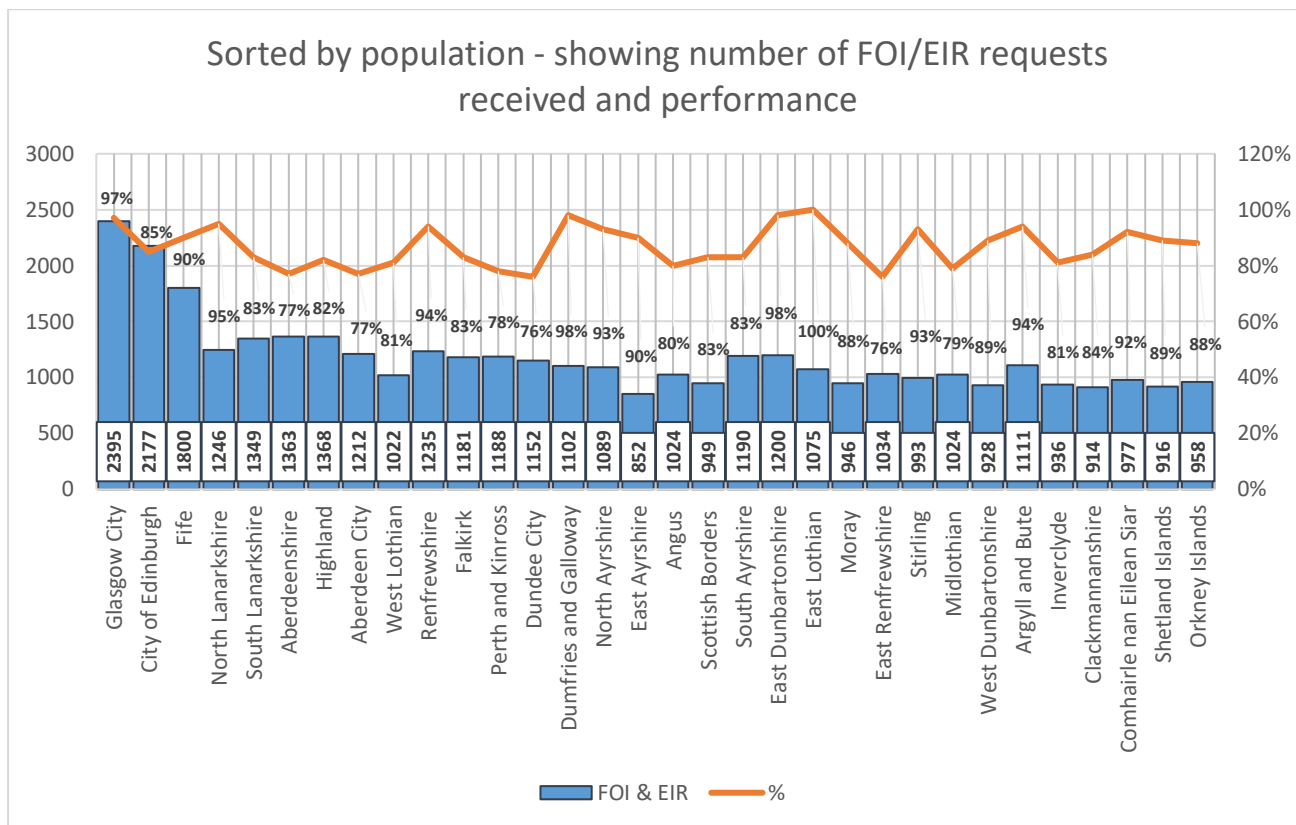


Figure 16 – Scottish Local Authority Information Requests 1 April 2020 – 31 March 2021

- 5.2 The chart above and the one below show that number of requests being received do not always relate to the size of the authority. There could be various factors for this such as how requests are managed and recorded, or particular events taking place in their local areas.
- 5.3 A request was made to all local authorities for accurate FOI/EIR data and to provide information relating to SAR performance, however only 16 responses were received.
- 5.4 Where data was not supplied, the information was taken from the Scottish Information Commissioners website. However, time taken to respond to SAR is not available on this website. In 5 instances, local authorities had not recorded the number of SAR's received on this site and have been removed from the data below.
- 5.5 Figure 11 below shows the comparison between the number of SARs received by each local authority. Those without % did not provide SAR performance data in response to our request. As above, the Authorities are sorted by population.

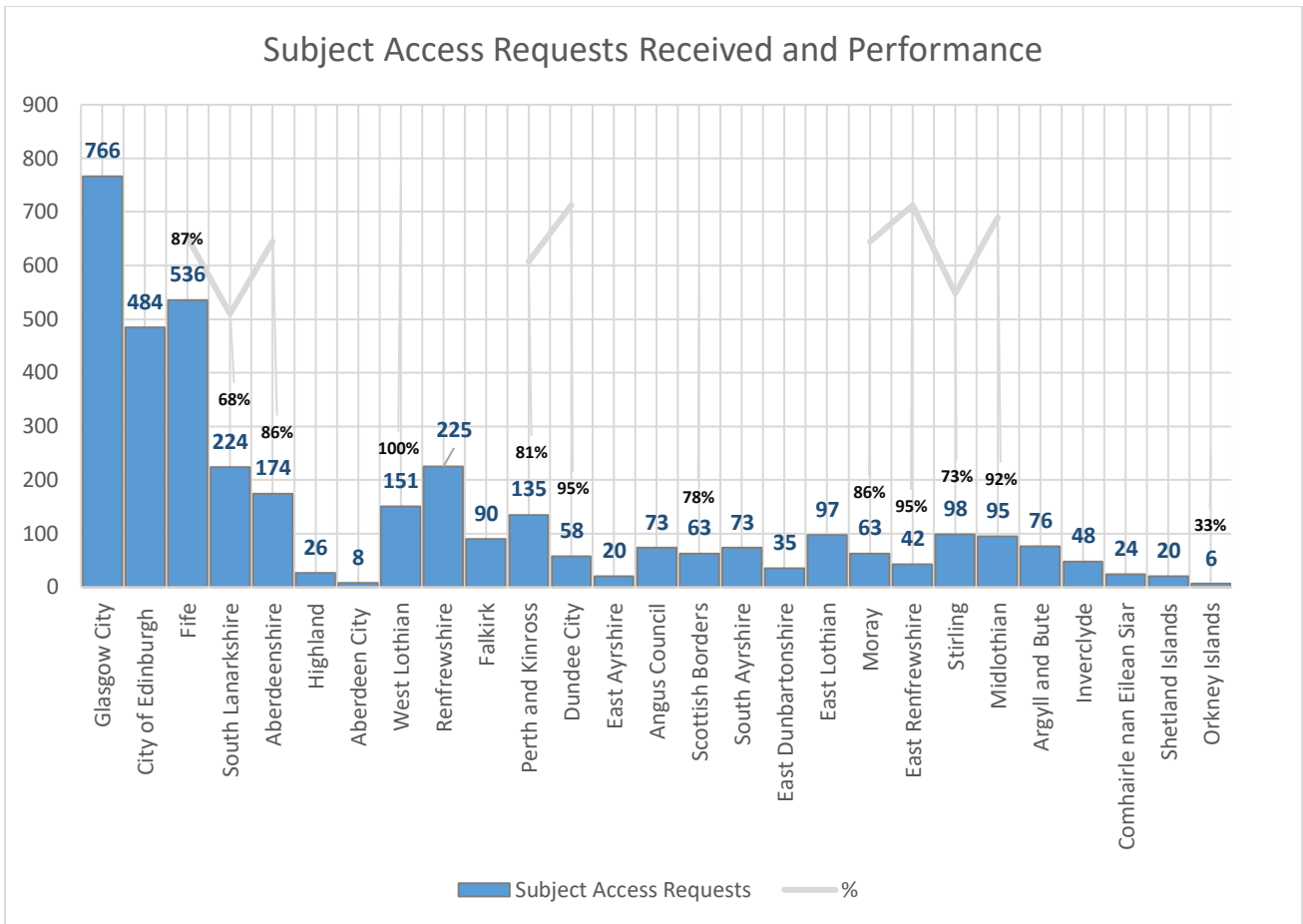


Figure 17 – shows the number of SAR's received by Local Authorities during 2020/21

## 6.0 Conclusions

- 6.1 Fife Council's level of performance when processing information requests over the past year has increased slightly. This is due to improved processes; service reporting and support being provided to the team by 3 Improvement Assistants.
- 6.2 Cultures and behaviours are improving in relation to the relevant regimes, however further work is still required for this to be fully addressed.
- 6.3 Although the council remains below the expected 95% performance by OSIC and ICO, improvements being made are continuing to increase our annual performance over the current year.

### List of Appendices

Appendix 1 – AR Info Requests 2020/21

### Report Contact

Laura McDonald  
 Customer Experience Lead Officer (Information Requests)  
 Fife House (West)  
 Glenrothes  
 Telephone: 03451 55 55 55 444170  
 Email – [laura.mcdonald-im@fife.gov.uk](mailto:laura.mcdonald-im@fife.gov.uk)

Appendix 1 - AR Info Requests 2020/21	Total	Ontime	Service Performance %	% of Total Requests	Service	IMRT	Other	No. Escalated	% Escalated
<b>Assets, Transport &amp; Environ - Environ &amp; Building</b>									
Building Services	19	16	84	0.5	2	0	1	6	32
Fleet	5	5	100	0.1	0	0	0	0	0
Park, Streets & Open Spaces	14	13	93	0.4	0	1	0	3	21
Waste Operations	30	28	93	0.8	1	1	0	6	20
<b>Assets, Transport &amp; Environ</b>									
Facilities Mgt	19	16	84	0.5	2	1	0	8	42
Property & Bereavement	68	66	97	1.8	1	1	0	6	9
<b>Assets, Transport &amp; Environ - Roads &amp; Transport</b>									
Asset Mgt & Commercial	11	11	100	0.3	0	0	0	0	0
Passenger Transport	15	13	87	0.4	1	1	0	2	13
Roads & Lightening Contracts	6	5	83	0.2	0	1	0	0	0
Roads Maintenance	130	114	88	3.5	12	3	1	51	39
Roads Network Mgt	71	64	90	1.9	0	1	0	15	21
Structural Services	14	14	100	0.4	0	0	0	3	21
Sustainable Transport & Parking	49	44	90	1.3	4	1	0	8	16
Roads Design & Build	3	3	100	0.1	0	0	0	1	33
<b>Economy, Planning &amp; Employment Services</b>									
Protective Services	202	189	94	5.5	4	7	2	20	10
Planning	73	66	90	2.0	4	2	1	21	29
Business & Employability	17	16	94	0.5	0	1	0	3	18
<b>Children &amp; Families, Criminal Justice</b>									
Criminal Justice	386	308	80	10.5	40	28	10	71	18
Education	318	249	78	8.6	58	7	4	89	28
<b>Communities - Communities &amp; Neighbourhoods</b>									
Area Services	71	59	83	1.9	6	5	1	16	23
Corporate Development	46	45	98	1.2	1	0	0	7	15
Safer Commuities	4	2	50	0.1	0	1	1	2	50
<b>Communities - Housing</b>									
Housing	339	332	98	9.2	4	3	0	19	6
<b>Communities - Customer &amp; Online Services</b>									
Customer Service Improvement	247	237	96	6.7	6	3	0	9	4
IMRT	50	50	100	1.4	0	0	0	0	0
Escalation & Resolution	5	5	100	0.1	0	0	0	0	0
Customer Service Centres	2	0	0	0.1	1	0	0	2	100
Revenue Assessment & Collection	117	115	98	3.2	1	1	0	1	1
Scottish Welfare Fund	1	1	100	0.0	0	0	0	0	0
<b>Finance &amp; Corporate Services</b>									
Audit & Risk Management	41	36	88	1.1	4	1	0	8	20
Business Support	4	4	100	0.1	0	0	0	0	0
Business Technology Solutions	64	45	70	1.7	14	2	3	35	55
Democratic Services	13	13	100	0.4	0	0	0	3	23
Financial Services	135	128	95	3.7	5	0	2	24	18
Human Resources	85	80	94	2.3	3	2	0	17	20
Investment	46	43	93	1.2	1	2	0	5	11
Legal Services	72	65	90	2.0	2	5	0	9	13
Procurement	42	36	86	1.1	3	0	3	9	21
Shared Services	22	20	91	0.6	1	1	0	1	5
Revenue & Shared Services	582	559	96	15.8	19	2	2	34	6
<b>Health &amp; Social Care</b>									
Adults	107	90	84	2.9	8	9	0	13	12
Older People Services	93	81	87	2.5	8	4	0	20	22
Resources	42	34	81	1.1	5	2	1	9	21
<b>Chief Exec</b>									
Assessors	2	2	100	0.1	0	0	0	0	0
Chief Exec	2	2	100	0.1	0	0	0	0	0
Multiservice	2	1	50	0.1	0	1	0	1	50

7th October, 2021

Agenda Item No. 5

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## Data Protection Annual Report

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Report by: Fiona Stuart, Data Protection Officer, Legal and Democratic Services

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Wards Affected: All

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### Purpose

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This is the annual report highlighting key data protection statistics for Fife Council and developments in relation to data protection law and practice. It also highlights data protection priorities for Fife Council over the last year and steps taken to action these.

### Recommendation(s)

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That the Committee:-

1. Note the work of the Data Protection Officer and the Data Protection Team to ensure continued compliance across the Council with the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018 and in continuing to adapt processes to enable vital COVID related data sharing initiatives and projects to take place in a compliant way.
2. Comment on the performance detailed in this report.
3. Note the steps being taken via the Information Governance Working Group; the ICT Governance Board and staff communications to improve performance.
4. Consider whether further action is required in relation to data protection training and note the recommendation to reassess the statistics towards the end of 2021.

### Resource Implications

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This report does not have any resource implications.

### Legal & Risk Implications

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Failure to comply with UK GDPR leaves the Council exposed to reputational damage, and potential enforcement action from the Information Commissioner's Office (ICO) including monetary penalty notices (up to £17.5 million for serious/repeated breaches).

## Impact Assessment

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An IIA Checklist is not required as this is a performance report and does not recommend changes to Council policy and does not require a decision.

## Consultation

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None

## 1.0 Background

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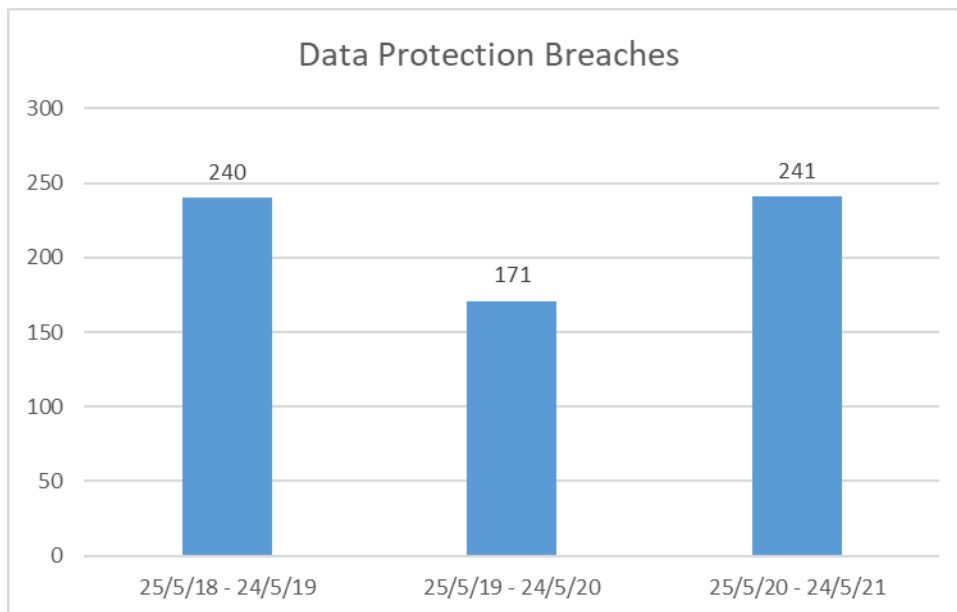
- 1.1 As a result of Brexit (see further below), the relevant Data Protection Legislation is now known as the UK GDPR and the Data Protection Act 2018. The EU GDPR (which is the original GDPR) only still applies where organisations offer goods and services to, or monitors the behaviour of, EU residents. The UK GDPR and the EU GDPR are almost identical. It should be noted that the UK Government's Taskforce on Innovation, Growth and Regulatory Reform has recommended replacing the UK GDPR with a new UK framework of citizens data rights to encourage growth in the digital economy. Developments in this area will be monitored.
- 1.2 Between May 2020 - May 2021, work has continued in raising awareness of UK GDPR requirements and Council processes and the following key tasks have been actioned:
- The mandatory Data Protection Training has been updated and transferred to Oracle Cloud and toolbox talks for manual workers have been updated and issued to relevant teams upon request;
  - A biannual staff communication was prepared and issued (in February 2021 and in August 2021) via a global email; the staff bulletin and the intranet to remind staff of the requirement to complete Data Protection training every 2 years; how to report data breaches within the Council and to raise awareness of the need to consider whether a Data Protection Impact Assessment is required for a project/new system/change of policy (see further below);
  - The Data Protection Team have contributed to the annual Information Governance Audit undertaken by Internal Audit and actioned the recommendations;
  - Participation in relevant internal groups such as the Brexit IMT and the Social Media Steering Group;
  - Updating existing Information Sharing Protocols; amending privacy notices; and revising/agreeing amendments to existing contracts to ensure UK GDPR compliance;
  - Working with BTS colleagues to develop a technical specification to ensure UK GDPR ready systems are purchased;
  - Continuing to attend Service Meetings/internal training events virtually, where possible/ applicable, to raise awareness of UK GDPR and to address any specific areas of concern;
  - Following the workplan as agreed for the ICT Governance Board to ensure relevant processes and guidance are updated at agreed intervals and communicated to Services.

- 1.3 The COVID pandemic highlighted the importance of ensuring staff have access to accurate and up to date information. One of the key priorities for the Data Protection Team has been continuing to support urgent data sharing and other COVID related projects to ensure they can take place quickly and in a compliant way. The Data Protection Team continue to adopt shorter form processes, such as a short form COVID Data Protection Impact Assessment in appropriate instances.
- 1.4 Data Protection statistics continue to be reported to the Information Governance Working Group and the ICT Governance Board quarterly together with any recommended actions. This report summarises the key data protection statistics.

## 2.0 Personal Data Breaches

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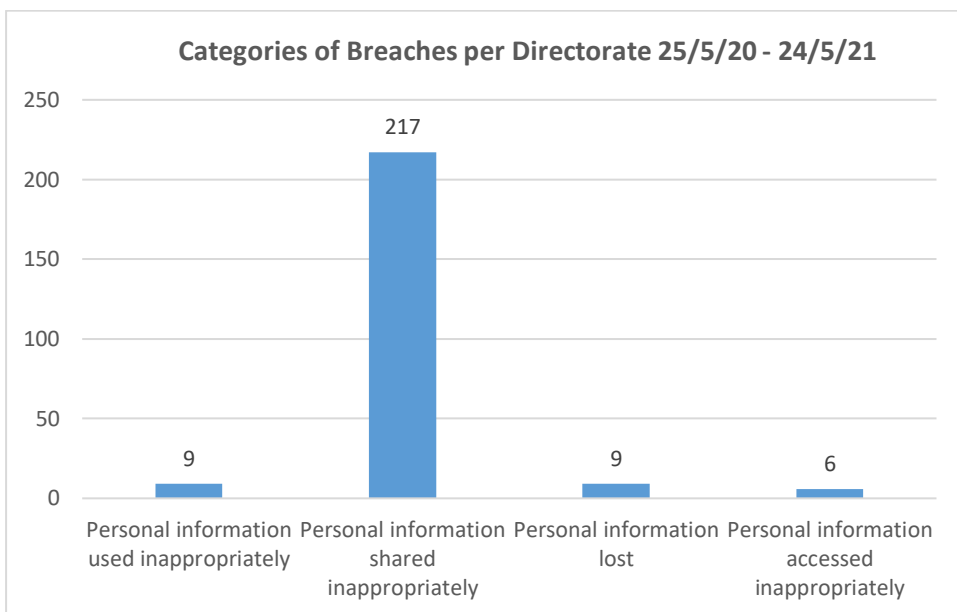
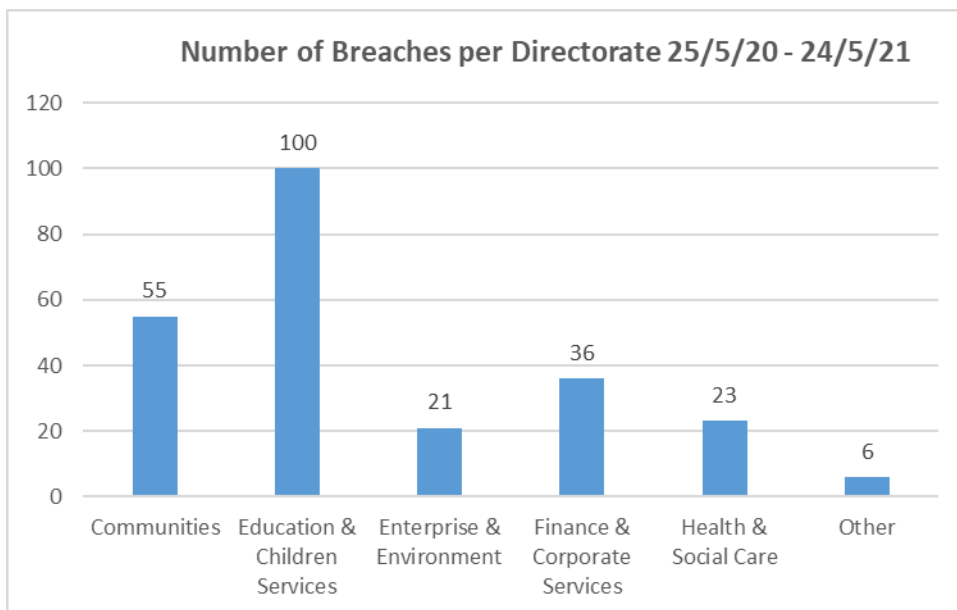
- 2.1 Personal Data Breaches must be reported to the Information Commissioner’s Office within 72 hours where it is likely to result in a risk to people’s rights and freedoms. Where a data protection concern has been reported but does not comprise a breach, this is recorded as a Data Protection Incident. We record both Incidents and Breaches however, it has been concluded that reporting on breaches is more useful to the organisation. The following represents a comparison between the number of data protection breaches received between 25 May 2018 – 24 May in the last three years:



- 2.2 In line with other local authorities and as reported to the ICT Governance Board on a quarterly basis, the number of Data Protection Breaches reported to the Council has increased since GDPR came into force. Whilst the number of reported breaches decreased in 2019/2020, the number has increased for 2020/2021 albeit the figure is very similar to those recorded in 2018/2019.



2.3 The charts below illustrate the numbers reported per Directorate over the last year (25 May 2020 – 24 May 2021) and the reasons for the breaches:



2.4 Due to the increased staff awareness around UK GDPR, it is understandable that the number of reported breaches increased from 25 May 2018. The increased number of breaches in 2020/21 may be due to the change in working arrangements as a result of the pandemic or as a result of the staff communication issued (as noted above). In terms of the category of breaches, the Council (and other organisations including the Information Commissioner’s Office) has received most breaches within the “Personal Information Shared Inappropriately” category. This includes, for example, emails containing personal data, being sent to the incorrect recipient.

2.5 The Data Protection Team has been monitoring trends in data protection breaches. Recommendations are made in response to breaches and where repeated or significant breaches have been identified across the Council, proportionate and targeted communications are issued to staff. Given the continuing increase in “data shared inappropriately” breaches, reminders were included in the staff bulletins issued during the pandemic of the need to comply with the Data Handling Guidance.

- 2.6 Of the 240 breaches identified in 2018/2019, 13 data protection breaches were reported to the ICO. Of the 171 breaches identified in 2019/20 (25 May – 24 May), 8 data protection breaches were reported to the ICO. Of the 241 breaches identified in 2020/2021 (25 May – 24 May), 3 data protection breaches were reported to the ICO. The ICO concluded that all 3 amounted to breaches but no further action was being taken.

## **3.0 Subject Rights Requests (excluding Subject Access Requests)**

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- 3.1 Under UK GDPR, individuals now have additional subject rights, such as the right of erasure, and restriction of processing. The Council continues to receive these requests, however, the rates are currently well below our breach or Subject Access Request statistics. So far, there have been 25 Right of Erasure requests, 17 Right to Rectification and 1 Restriction of Processing. This can be broken down since 25 May 2018 as:
- 16 upheld
  - 15 not upheld
  - 3 withdrawn.
  - 3 ongoing
  - 4 partially upheld
  - Closed – No ID or Clarification Received – 2
- 3.2 The Subject Access Request (SAR) performance has been captured within the Information Request Annual Report.

## **4.0 Training and Data Protection Impact Assessments (DPIAs)**

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- 4.1 As noted above, the previous Data Protection Tier 2 E-Learning Training has been updated and transferred to Oracle Cloud. Toolbox talks are still available for Services. In line with the recommendation contained within the internal audit Information Governance Audit, a communication has been issued to all staff bi-annually to remind them that data protection training must be completed every 2 years and how to access the training.
- 4.2 The ICO Audit follow up report concluded that the Council “should continue to pursue a target of 95% compliance” for Data Protection Training. Overall, the number of staff who have completed Data Protection Training across the Council within the last 2 years sits at 40%.

### **DP Training Undertaken in last 2 years (% of staff)**

<b>Directorate</b>	<b>Feb- 20</b>	<b>Sept-20</b>	<b>Mar-21</b>	<b>June-21</b>	<b>Aug-21</b>
Finance and Corporate Services	73%	79%	71%	70%	70%
Education and Children Services	49%	56%	56%	43%	44%
Communities	39%	43%	49%	41%	42%
Enterprise & Environment	20%	49%	52%	23%	24%
Health & Social Care	29%	37%	42%	38%	39%
<b>Total</b>	<b>42%</b>	<b>52%</b>	<b>54%</b>	<b>39%</b>	<b>40%</b>

- 4.3 It was hoped that moving the training module to Oracle Cloud would result in improved and more accurate reporting of training statistics. Whilst the training statistics are accurate in that they include only staff who have completed the training within the last 2 years and staff are now able to view from their dashboard if mandatory training is due for renewal, a number of limitations have been identified within the reporting which may be attributing to the low figures. For example, the completion of toolbox talks (largely within Enterprise & Environment) have to be manually input by Managers. Also, whilst services have requested accurate reports to target relevant staff, the reports only highlight those staff who have completed the training as opposed to those who have not completed it. BTS are reviewing whether it is possible for a dashboard to be developed which will highlight to managers when staff are due to complete training and they are also investigating the issues with the reporting. Services are asked at every Information Governance Working Group and ICT Governance Board to ensure that staff are reminded to undertake the mandatory Data Protection Training and to check whether this has been done within the last 2 years.
- 4.4 All Directorates have sought to obtain accurate training reports from the Data Protection Team to improve the training statistics and staff have been reminded via staff communications; managers; and team meetings to undertake the training. It is difficult to recommend a specific action to take given the ongoing work with regards to training reports within Oracle Cloud. At this time, it is recommended that these current actions continue and training statistics are reassessed towards the end of 2021.
- 4.5 Whilst Data Protection Impact Assessments (formerly known as Privacy Impact Assessments, PIAs) were recommended good practice under the old Data Protection Act 1998; they are mandatory under UK GDPR in certain circumstances and they must be completed at the outset and develop with the project (it is a living document). The DPIA is a process for ensuring that when a new initiative/project or substantial change to existing practice is underway, the risks to individuals' interests and the proper handling of personal data are fully considered. A pre-DPIA is completed first to identify if a full DPIA is required.
- 4.6 There have been a number of instances whereby DPIAs have not been completed at the outset thereby posing delays to projects and putting pressure on the Data Protection Team. Previously, an email was circulated to the ICT Board members to remind Services of the need to consider whether a DPIA is required at the outset of the process. An update was also circulated to relevant colleagues within BTS to build upon the processes already in place. As this remains an area of concern, an update

was included in the biannual staff communications referred to above. This has resulted in early engagement in most cases although the position is being monitored in case further action is required.

## 5.0 Personal Data Transfers outwith the UK: US Transfers and Brexit

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- 5.1 Fife Council is only permitted to “process” personal data in the US, directly or via suppliers, if *adequate safeguards* are in place. Previously, if a US based supplier signed up to Privacy Shield, then they were deemed to have adequate safeguards in place. The European Courts struck down the use of Privacy Shield, so we can no longer rely on this to provide adequate safeguards.
- 5.2 Another option – the Standard Contractual Clauses (SCCs), remain valid however we must also consider the law and practices in the country to which the data is transferred. Updated guidance from the European Data Protection Board has been awaited alongside the publication of updated template SCCs. These have recently been published together with an ICO Consultation and a position on this will be progressed shortly via the ICT Governance Board.
- 5.3 In the meantime, the interim recommendation remains in place, namely, that we refrain from entering into new personal data transfers to the US unless they are business critical; SCCs are entered into; we are satisfied as to the organisational and technical measures in place (i.e. due diligence); we document the position and the risks; and these are deemed necessary and acceptable by the Information Asset Owner.
- 5.4 The EU has recently adopted the UK adequacy decisions therefore personal data can flow freely between the EU and the UK. The EU has however stated that they will keep the position under review and, for the first time, the EU adequacy decision has a sunset clause. This means the decisions automatically expire in 4 years’ time (unless renewed). The DPO is working with BTS to ensure data flows are identified and documented and to determine a position on the preferred location of cloud hosting arrangements.

## 6.0 Conclusion

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- 6.1 The Data Protection Team continue to monitor the Data Protection breaches and recommend relevant steps to address any repeated breaches. No additional actions are required at this point.
- 6.2 Training statistics remain low despite repeated efforts to remind Services and staff of the need to complete the mandatory DP training. It is important that these statistics improve shortly however, given the current reporting limitations with Oracle Cloud and the positive engagement from all Services, it is recommended that no specific action is taken pending a review of the statistics towards the end of 2021.

### List of Appendices

None

## **Background Papers**

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973:

None

## **Report Contact**

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7th October, 2021  
Agenda Item No. 6

## Complaints Update

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Report by: Mike Enston Executive Director - Communities

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Wards Affected: All

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### Purpose

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To provide a brief update on complaints closed between 1 April 2020 and 31 March 2021 (performance and information)

### Recommendation(s)

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That the Committee:

- Comment on the Council's performance during the pandemic, noting the increased volume, the subject matter of complaints received, and the associated responsiveness.

### Resource Implications

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There are no direct resource implications arising from this report.

### Legal & Risk Implications

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There are no direct legal and risk implications arising from this report.

### Impact Assessment

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An EqIA has not been completed and is not necessary as the report does not propose a change or revision to existing policies and practices.

### Consultation

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No specific consultation has been carried out in relation to this report however there is continuous consultation with many Services through daily chasers, weekly status updates, quarterly and ad hoc performance reports.

## 1.0 Background

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- 1.1 The Council responds to over 7 million contacts from customers across Fife every year. This figure then puts into context the comparatively small number of corporately defined complaints received. When we do receive complaints, we aim to resolve these quickly, and to learn from feedback to improve future services.
- 1.2 Reports on customer complaints made to the Council are presented twice a year to this Committee. We also publicly report complaints performance information quarterly online and benchmark with other local authorities. No update report was requested into 2020/21 and therefore reporting has been annual only over the last year.
- 1.3 The areas highlighted for improvement from the 2019/20 report included:
- Improving upon current responsiveness rates, such as targeting poorer performing Services (more effective queue management and professional administrative support).
  - Learning and improving from complaints received (better corrective actions leading to revised processes or service provision)
- 1.4 Scottish Councils must follow the model complaint handling procedure developed by the Scottish Public Services Ombudsman (SPSO). The model was designed to provide a simpler, more consistent process for customers to follow and encourages local authorities to make best use of lessons learned from complaints. A revised version of the procedure with minor changes was launched in April 2021.

## 2.0 Performance and Issues Arising from Complaints

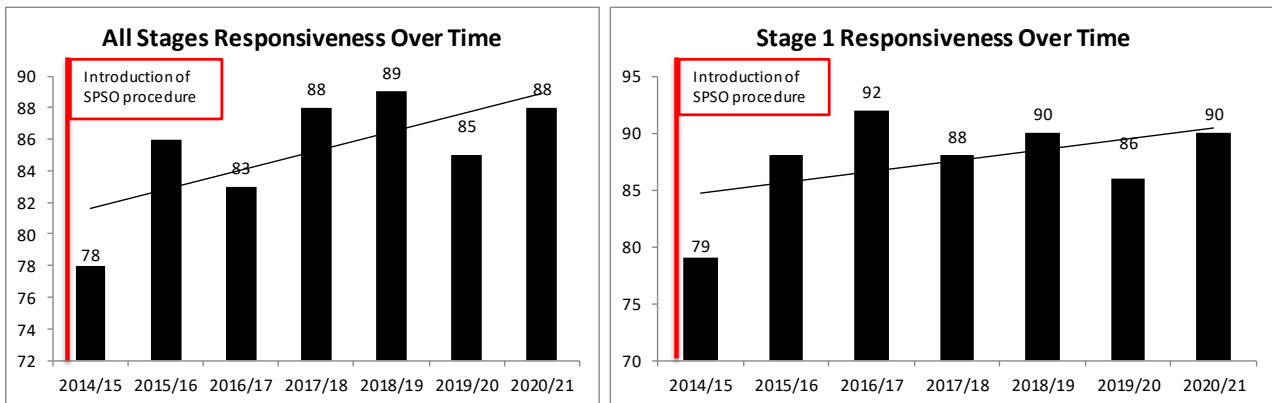
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- 2.1 From the 3,217 complaints received from 1st April 2020 to 31 March 2021, 2,903 of these were closed (the remainder were still open, withdrawn or pending an allocation decision). This is a 33% increase on the same period last year when 2,425 complaints were received. The volume of complaints had generally been reducing however this increase can be attributed to changes to service provision throughout the Council's response to the pandemic where services were reduced, withdrawn, or amended following safe working restrictions.
- 2.2 To improve customer satisfaction and reduce costs, we aim to complete 80% of complaints at Stage 1, and within 5 working days and the remaining 20% at Stage 2, within 20 working days. 87% of complaints were successfully handled at stage 1 in period, 89.5% of which were handled in timescale.

**Table 1**

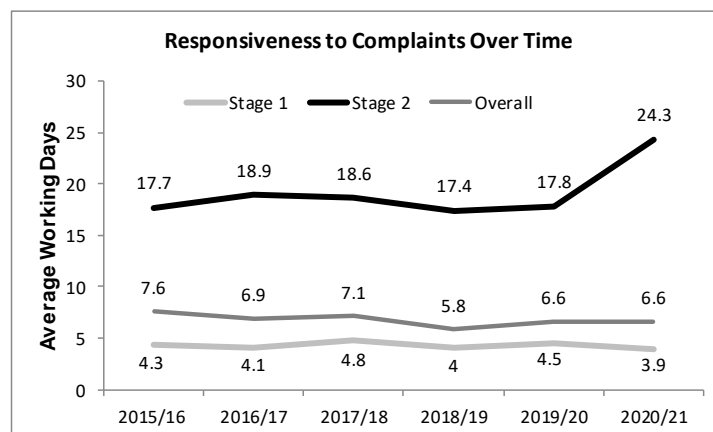
Stage	Total No. of complaints closed	No. closed in target timescales	% closed in target timescales
	2,903	2,562	88.3% (85.4 in 19-20)
Stage 1 (5 days)	2,522 (87%)	2,256	89.5% (85.6 in 19-20)
Stage 2 (20 days)	381 (13%)	306	80.3% (84.2 in 19-20)

2.3 The graphs below show our performance over the last 7 years. The general trend is one of improvement, however performance is challenging to describe for this period. Where complaint volumes did increase, particularly for Domestic Waste, these were generally straightforward to respond to and a consequence of government restrictions at the beginning of the pandemic. Responsiveness to these increased volumes has driven up the overall performance. Other areas of the organisation require improvement as detailed throughout this report.



2.4 This year generally sees an improvement over last from all complaints and stage 1 complaints in timescale. Not shown is the fall in stage 2 cases in timescale from last year as detailed in the table following Paragraph 2.9, and the drop in performance for many Services from last year's result. The general improvement in responsiveness may therefore simply be the effect of Domestic Waste volumes answered quickly.

2.5 The following graph shows the average working days to close a complaint and that from 2015 (and before) we have generally become quicker at responding to all the complaints received. The trend is an improving picture despite this year's spike with the average working days to complete stage 2 cases. This increase (poorer performance) is a consequence of closing stagnant Education cases. Education complaints that had been open for 4 months or more with no change communicated were closed.



2.6 These Education cases were highlighted weekly to the Service contact on status reports and routinely expedited directly with the named complaint handlers. No evidence of formal closure or progress was provided however there was also no evidence of customers chasing these cases or approaching the SPSO to report any lack of responsiveness. 17 such cases were closed, from which 11 cases had



remained open for greater than 100 working days and 5 were more than 280 working days. It should be recognised that some Education complaints will naturally run into additional working days as working days take no account of term time. School closure during the pandemic is also likely to have impacted on performance.

2.7 The following table provides a breakdown of the average working days at each stage by respective Services relative to the volume of complaints closed in 2020/21. The Volume Context offers some scale between the volume of complaints received and an indicative number of the activities carried out by the Services. The Volume Context is based upon indicative figures from 2018/19 however it should be recognised that the pandemic and safe working practices with less service provision available means these volumes may not be representative of 2020/21.

**Table 2**

Service	W days St 1	W days St 2	W days All	Total Volume	Volume Context (generally pre Pandemic volumes)
Education	13	55.2	34.1	156	170 schools and establishments serving 56,600 pupils
Planning	4	20.9	15.4	46	>700 planning enforcement investigations per annum
Protective Services	6.7	18.6	14	24	Food and workplace safety alone has 4500 annual jobs
Children & Families	5.6	25.4	12.2	105	1000 looked after children and another 2000 families on a voluntary basis per annum
Roads & Transportation	5.8	16.6	6.8	237	Filled >22,000 potholes, fixed >5,000 street lights, provided >110,000 passenger journeys and gritted >100,000 km
Housing	4.6	16.3	6.6	486	>30,000 households managed
Safer Communities	4.5	14.6	6.4	43	
Parks Streets & Open Spaces	4.5	5	4.5	90	>4500 job requests per annum (grass, street cleaning etc.)
Recycling Centres	3.2	19.4	4.4	71	480,000 recycle centre bookings since July 2020
Building Services	3.6	14.4	4	257	>170,000 repairs per annum
Benefits / C-Tax	3.4	11.3	4	210	>64,000 calls relating to the assessment of housing benefit per annum
Catering Cleaning & Facilities	4	N/A	4	30	Regularly clean 600 buildings and provide 22,000 meals a day
Bereavement Services	2.6	12	3.1	20	>700 burials & 3000 cremations per annum
Domestic Waste	2.7	10	3.1	1000	13 million bins serviced
Contact Centre	1.8	4.8	2.1	54	Over 600,000 calls offered per annum
<b>Total (includes remaining Services)</b>	<b>3.9</b>	<b>24.3</b>	<b>6.6</b>	<b>2,903</b>	

2.8 Complaints that necessarily run into extra time (procedural extensions) are counted for statistical purposes as having not met timescale. Customers are however informed when an extension becomes strictly necessary. The procedure allows for such extensions. Overall, 39% of cases that are determined in this report as out of timescale, fell within extended timescale. This then provides the statistic that 93% of all complaints were in either procedural or customer agreed timescales.

2.9 The table shows complaint responsiveness by the Services / departments in receipt of >90% of FC complaints. Ordered by percentage all in timescale, worst to best. Please note that 8% of Building Services' complaints were attributed to 3<sup>rd</sup> parties (20 out of the total of 257).

**Table 3**

Service	Vol allocated Stage 1	% Stage 1 in Timescale	Vol allocated Stage 2	% Stage 2 in Timescale	Total Volume 20/21	Total Volume 19/20	% Complaints upheld /partially upheld	% All in timescale 2020/21	% All in timescale 2019/20	Change in responsiveness from last year
Education	78	76.9%	78	55.1%	156	132	51.0%	66.0%	78.0%	-15.4%
Children & Families	70	77.1%	35	57.1%	105	82	46.0%	70.4%	48.8%	44.3%
Roads & Transportation	214	75.2%	23	95.7%	237	214	57.0%	77.2%	84.1%	-8.2%
Catering & Facilities Mgt	30	83.3%	0	N/A	30	39	69.0%	83.3%	84.6%	-1.5%
Safer Communities	35	85.7%	8	87.5%	43	25	44.0%	86.0%	88.0%	-2.3%
Housing	405	86.0%	81	86.4%	486	445	41.0%	86.0%	91.0%	-5.5%
Planning	15	100.0%	31	81.0%	46	53	38.0%	87.0%	88.7%	-1.9%
Protective Services	6	66.7%	18	94.4%	24	20	45.0%	87.5%	80.0%	9.4%
Recycling Centres	66	89.0%	5	80.0%	71	2	14.0%	88.7%	100.0%	-11.3%
Parks Streets & Open Spaces	89	88.8%	1	100.0%	90	73	77.0%	88.9%	79.5%	11.8%
Benefits / C-Tax	195	89.7%	15	100.0%	210	122	42.0%	90.5%	91.0%	-0.5%
Building Services	247	92.3%	10	90.0%	257	303	74.0%	92.2%	81.5%	13.1%
Domestic Waste	946	94.6%	54	96.3%	1000	373	68.0%	94.7%	89.5%	5.8%
Contact Centre	49	98.0%	5	100.0%	54	68	78.0%	98.1%	97.1%	1.0%
Bereavement Services	19	100.0%	1	100.0%	20	20	76.0%	100.0%	95.2%	5.0%
<b>Total FC Overall (includes remaining Services)</b>	<b>2,522</b>	<b>89.5%</b>	<b>381</b>	<b>80.3%</b>	<b>2,903</b>	<b>2,109</b>	<b>57.0%</b>	<b>88.3%</b>	<b>85.4%</b>	<b>3.4%</b>

**NB: Grey areas highlight a reduction over the previous year and overall responsiveness worse than the Council average.**

2.10 From the greyed figures in the “% All in timescale 2020/21” column the comparative performance allowing for agreed extensions is as follows:

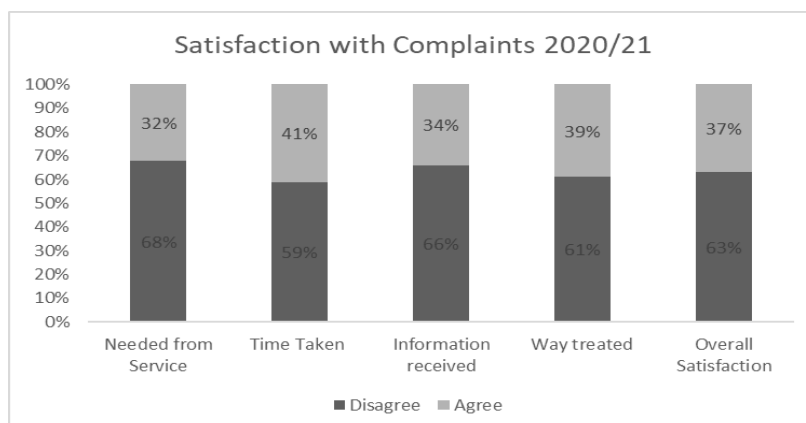
Service / Department	% Cases out of timescale with agreed extensions	% Overall in procedural or customer agreed timescale
Education	25%	74%
Children & Families	71%	91%
Roads & Transportation	26%	83%
Catering & Facilities Mgt	20%	87%
Safer Communities	67%	95%
Housing	37%	91%
Planning	67%	96%
Protective Services	67%	96%
<b>FC Overall</b>	<b>39%</b>	<b>93%</b>

2.11 Escalation & Resolution continued to support Services in day-to-day business including providing information, procedural support, qualitative review and information around performance. They are also engaged daily in reminding Services of due dates in advance of their deadlines and supporting the administration of extensions and following due process.

### Qualitative Checks

2.12 Last year’s report detailed that the qualitative methodology would continue. Call backs were replaced by the Council’s approach to satisfaction where a short online survey was emailed automatically to all customers that we hold an email address for, four weeks after their case was recorded. Following the launch of the new website [fife.gov.uk](http://fife.gov.uk) the transaction survey needed replaced as this was previously coded to suit older technology. Work to replace the transactional survey that included complaints remains pending.

2.13 There were 365 complaint survey forms returned this year, however only 37% of customers were satisfied overall with the elements surveyed relating to their complaint. This has improved from last year’s data where 35% of customers had overall satisfaction. Emails are issued to customers in receipt of the full range of decisions, including a percentage where their complaint was not or only partially upheld. See paragraph 2.14



2.14 There were both positive and negative comments received from the surveys:

**Positive Comments:**

- Very well handled, thank you.
- Prompt and effective response assuring remedial action would be taken.
- Complaint was taken in a professional manner. Further information requested was dealt with on time.
- I was treated courteously and with respect throughout my complaint return call. I now know what to do should a similar incident occur.
- Was very happy with how complaint was dealt with by the lady who I spoke to on the phone and how she also dealt with complaint in writing.

**Negative Comments:**

- The response I got was pathetic & I was left hanging. Basically, take it or leave it attitude.
- The issue has still not been rectified.
- I think Fife Council's complaints system is a waste of time because our complaint has never been resolved.
- Despite my complaint, all the issues I have raised remain unresolved
- I do feel that if I was not the kind of person to persist with this that my complaint may well have been dismissed at this stage.
- No feedback or update was given

2.15 The following table provides the details of complaint decisions across Fife:

**Table 4**

	<b>Upheld</b>	<b>Not Upheld</b>	<b>Partial Upheld</b>
Overall Complaints	35%	48%	17%
Stage 1	36%	48%	16%
Stage 2	27%	49%	25%

**Other Customer Issues**

2.16 The complaints procedure includes a clear definition of a complaint which means that some issues are recorded as fault reports or requests for service rather than as complaints. Some of these customer issues may have been recorded as complaints prior to the revised definition as the Council definition at the time allowed issues to be considered as a 'complaint' where a customer requested this.

2.17 Service requests considered outside of the definition include the volumes as shown in Table 5. Note that missed bins are generally considered as complaints however given the complexity and volumes, these are logged outside of the complaints system unless there is clear evidence of repeated failures or broader issues that are more than a missed collection.

**Table 5**

Enquiry Type	Volume 2016/17	Volume 2017/18	Volume 2018/19	Volume 2019/20	Volume 2020/21	Remarks
Dog Fouling	1,249	1,161	1,078	999	606	Relates to dog mess, reporting of dog owners or heavily soiled areas.
Missed Bins	8,812	8,618	9,574	9,434	10,223	Actual complaints around missed bins will overlap with service requests.
Aggressive dogs	558	470	571	472	417	
RAF Roadfaults pothole	2,064	1,305	985	1,522	1,227	Carriageway potholes
RAF FD Potholes	-	3,236	4,378	7,854	9,697	Web submitted pothole reports
Fallen trees	50	46	145	50	50	
Overhanging trees	-	205	478	408	133	No data before 2017
Litter bin issues	336	283	275	294	186	Bin requests and overflowing bin reports
Needles	211	210	192	118	101	Discarded needle reports
Street cleaning	1,928	1,788	1,354	1,470	982	Request for street cleaning
Illegal dumping	3,208	3,384	4,430	3,810	3,505	Fly tipping
Garden mess	815	691	781	732	607	
Abandoned vehicle	1,639	1,484	1,523	1,712	921	
Bird nuisance	104	122	134	112	58	Seagulls, pigeons etc.

**Note:** The table is an extract from our CMS providing the volume of enquiries logged against an enquiry type. Services may express enquiry volumes differently

2.18 Provision of this sort of data continues to be developed for future reports to provide Committee members with a fuller picture of matters raised. No further comment is offered on the changing volumes over time as any interpretation could be flawed as often changes are made to how such requests are made and recorded therefore influencing an extract from the database. Additional information is also available from the Enterprise and Environment Directorate Section/Service Performance Reports that formed part of the Environment and Protective Services Sub Committee meeting of 2 September 2021. Annual figures for all of Fife Council such as illegal dumping, grounds maintenance requests etc. are available. See the link within Background Papers.

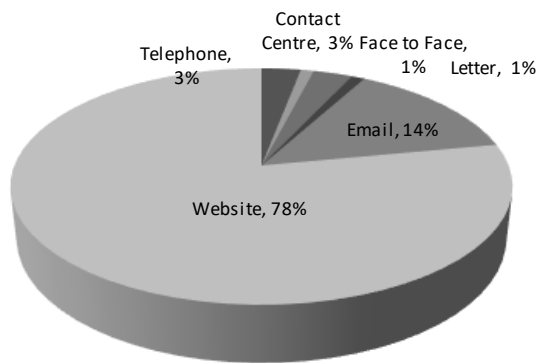
### Area Comparison

2.19 Table 7 provides the latest comparison of the volume of main Service complaints by area (presented per million of the population to provide better readability). Note that complaints made anonymously or from outside of Fife are not attributed to any Area Committee (therefore the grand total will not sum to 2,903 complaints). Population information copied over from last year's report.

**Table 6**

Area Committee	Dunfermline	Cowdenbeath	Glenrothes	Kirkcaldy	Levenmouth	North East Fife	South West Fife
Population Volume	56,832	41,288	50,257	60,214	37,288	74,674	49,777
Service Complaints by 1Million Population	Per 1M	Per 1M	Per 1M	Per 1M	Per 1M	Per 1M	Per 1M
Benefits - C/Tax	510	533	398	448	563	415	382
Bereavement	18	97	40	33	27	27	60
Building Services	440	<b>945</b>	<b>816</b>	<b>664</b>	<b>805</b>	<b>522</b>	382
Catering & Facilities	35	0	40	33	0	147	100
Contact Centre	70	194	199	166	54	121	40
Customer Service	35	48	20	17	27	40	20
Domestic Waste	<b>2745</b>	<b>2204</b>	<b>2507</b>	<b>2475</b>	<b>2145</b>	<b>2745</b>	<b>2150</b>
Education	387	291	139	382	215	201	141
Housing	<b>1425</b>	<b>1284</b>	<b>1333</b>	<b>1810</b>	<b>1153</b>	<b>643</b>	<b>542</b>
Local Office	0	48	60	33	27	0	0
Parks Streets	194	315	279	183	188	94	161
Planning	53	97	20	66	54	201	80
Protective Services	53	48	40	66	27	27	40
Safer Communities	53	145	60	66	107	94	121
Sustainability	158	170	239	83	215	228	100
Transportation	<b>721</b>	557	617	515	456	429	<b>462</b>
Total	6968	7096	6984	7141	6141	6066	4781

- 2.20 The table identifies in bold the top 3 Committee area complaints received by Service. Domestic Waste and Housing are in the top 3 for each area with the biggest percentage of complaints concerning failure to collect or empty bins. Housing complaints with the highest volumes refer to dissatisfaction with policy or current delivery arrangements.
- 2.21 There is some variation in area responsiveness to complaints. This ranges from 86% (down from 90% in 2019/20) of all complaints responded to in timescale in the City of Dunfermline area to 92% (up from 87% in 2019/20) of all complaints in the North East Fife area. Work continues to explore the nature of the variation however the high volume of missed bin complaints that were readily addressed in timescale will have influenced this result.
- 2.22 The majority of complaints increasingly come in via our website, the table displays the shift over time away from traditional methods of receiving complaints (letters and telephone calls) to electronic, best value channels. The increase in web traffic during 2020/21 is an impact of the pandemic.



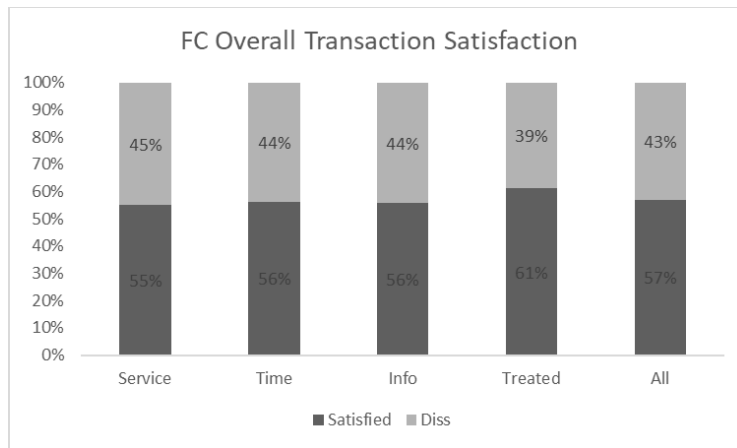
	2017/18	2018/19	2019/20	2020/21
<b>Website</b>	45%	49%	55%	78%
<b>Contact Centre</b>	17%	13%	11%	3%
<b>Letter / Form</b>	8%	6%	2%	1%
<b>Telephone</b>	8%	5%	3%	3%
<b>Email</b>	12%	15%	21%	14%
<b>Face to Face</b>	9%	11%	7%	1%
<b>Social Media</b>	0%	0%	1%	0%

**% Complaints Received by Channel**

## 3.0 Customer Satisfaction

- 3.1 A new council wide approach to measuring customer satisfaction was launched in 2017. A link to a short online survey is emailed automatically to all customers that we hold an email address for, 4 weeks after their case is logged on our customer management system (Lagan). Some of the transaction types selected for the survey include:
- Repairs i.e., housing
  - Reporting faults i.e., potholes, street lighting
  - Environmental i.e., domestic waste
- 3.2 The satisfaction survey methodology has us ask customers how much they agree or disagree with the following statements 4 weeks after they have completed a range of transactions:
- I got everything I needed from the service
  - I was happy with the time taken to deal with my request or enquiry
  - I got all the information I needed
  - I was happy with the way I was treated
- 3.3 The automated distribution of this new, short customer satisfaction survey to high volumes of customers has generated a high response levels where we have seen a peak of an 18% return rate. By linking up to Lagan, feedback is based on real transactions and gives us a comprehensive picture of customer satisfaction with the transaction undertaken.
- 3.4 The expectation is for Services to consider the customer feedback, particularly the comments, following up by contacting customers where required, with the aim of improving service delivery. Services are simply asked to consider the content of quarterly reports with the aim of improving service delivery or introducing corrective action to mitigate repeat circumstances that cause dissatisfaction.
- 3.5 The Fife Council overall results for 2020/21 has 57% of those surveyed (58% 2019/20) agree with the satisfaction statements (see 6.2), graph as shown (6904 surveys returned):





3.6 The breakdown by transaction family type is as shown in table 7 below:

**Table 7**

Transaction Family	No of Surveys	Overall Satisfaction
Bins/Waste	3521	57%
Blue Badge	17	91%
Comments/Enquiries	3	42%
Community Alarms	92	95%
Complaint	365	37%
Concessionary Travel	3	75%
Environmental Complaint	16	53%
Garden Maintenance	1	100%
Housing	328	68%
Licence	1	100%
Meals on Wheels	36	87%
MyFife Card	378	95%
Payment Receipt	159	87%
Pest Issue	77	91%
Road or Street Fault	1879	43%
Traffic or Streetlight Fault	28	57%
<b>Total</b>	<b>6904</b>	<b>57%</b>

## 4.0 Learning from Complaints

4.1 One key element of handling complaints is using customer feedback to rectify or improve upon the service provided. It has previously been reported that the improvements introduced allowed for more and better corrective actions to be captured.

- 4.2 Every upheld or partially upheld complaint presents an opportunity for the Council to address the failings identified, and this is also a requirement of the procedure. As was reported last year there are very few instances of no corrective action statements being entered when it was appropriate to do so.
- 4.3 There remains some corrective action statements that refer simply to the outcome of the complaint, rather than specific actions that could prevent future reoccurrence. Outcome statements now have a place in the latest version of the procedure given the new decision category of 'resolved'. Previously the choices were simply upheld, not upheld or partially upheld.
- 4.4 There are particularly good examples when the Council applies corrective action by listening to customer feedback and making improvements. Some from this reporting period included:
- A complaint concerning the location of goal posts in a local play park will be moved accordingly to avoid ball strikes to a nearby building's window. More reasonable consideration of such an issue to be incorporated into the planning of parks in future.
  - The discharging procedure for glass collection vehicles was changed following complaints about glass fragments left on a road and liable to cause punctures. Glass collection vehicles are now steam cleaned to remove traces of glass shards that were falling into the road.
  - The letter templates used with planning enforcement were updated to provide additional clarity. This ensures that developers are aware of their responsibility in the initial letter that planning permission should have been obtained where an unauthorised development conflicts with a land use policy of Fife Council's development plan.
  - Bereavement Services have improved upon practice in the event of damage to graves during routine grounds maintenance where pro-forma will capture details of any accidental damage, date, times and location therefore allowing Service administrators to contact any families to discuss any accidental damage when necessary in advance of bereaved families finding such damage of their own accord.
  - Where complaints were about the actions of employees (behaviour, poor driving, wrong information provided, process / procedure not followed etc.) the complaint has been addressed directly with employees, so they are aware of the impact on their customers.

## 5.0 Conclusions

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- 5.1 Performance has generally improved over the previous year in terms of all complaints responded to in timescale despite the increased volumes however notably many complaints raised were responded to with a generic response that reflected the necessity for service reduction during the pandemic.

### List of Appendices

1. Appendix 1: Complaint type summary by Service
2. Appendix 2: Summary table of SPSO cases

## **Background Papers**

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973:

1. Standards & Audit Complaints Update Annual Report from October 2020 [Link](#)
2. SPSO revised model complaint handling procedure for 2021 [Link](#)
3. Enterprise and Environment Directorate Section / Service Performance Reports  
[Performance Report](#)

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## Appendix 1: Complaint and compliment examples (from Services that take >75% of all the complaints received by the Council)

Service type	Summary data	Complaint & compliment examples, including details of any learning (all from upheld complaints)
<b>Benefits &amp; Council Tax</b>	<p><b>Received:</b> 7% of FC complaints</p> <p><b>Main categories:</b> Procedures/Policy (25%)</p>	<p><b>Complaint Examples:</b> Hi, I am trying to apply for a council tax discount due to being a student. I enquired and sent my offer letter which very promptly I was told was not adequate. I then sent my matriculation letter which I was asked for and received no response. So, on 23rd September I sent an email asking if what I had sent was appropriate and chasing it up. I then received a very unprofessional response. "I am delighted to be assisting you today. NOTHING ATTACHED. Thank you." This person did not give a name, however I very promptly replied attaching my matriculation letter for a 2nd time this month. I would appreciate that my student discount is looked at and applied with response from the department. I am not pleased with the email I received, I do not feel it is appropriate or professional for the capital letters in an email, had the person dealing with my email looked at my case they would have seen the matriculation letter required.</p> <p><b>Outcome:</b> Complaint Upheld. Service has apologised to customer for how application has been handled. Service have spoken to scanning and indexing team and templates used will be looked at and amended to provide a more professional and consistent approach.</p> <p><b>Compliments:</b> I would just like to pass on some feedback about one of your employees in the benefits team who I spoke to on the phone about my mums Council tax reduction. His name was Gordon, and he was polite and cheerful and very helpful. Very often you come across people on the other end of the phone who sound like they 'can't be bothered' but he was a credit to your organisation. I hope this can be passed onto him.</p>
<b>Bereavement Services</b>	<p><b>Received:</b> 1% of FC complaints</p> <p><b>Main categories:</b> Damage / Vandalism to Property e.g., Headstones (40%)</p>	<p><b>Complaint Examples:</b> I am deeply upset to find that my father's memorial stone has been damaged at Hayfield Cemetery- Kirkcaldy, by your workers trimming the grass. The stone is less than 6 months old and cost me a lot of money. It's devastating to see that chip out of the slate caused by a strimmer. I feel this is very careless and utterly disrespectful - I now have the distress of seeing this imperfect memorial every time I visit my father's resting place. I would appreciate if you could fix this or provide me with some compensation so that I can get this restored. I look forward to hearing from you.</p> <p><b>Outcome:</b> Complaint upheld with apology offered. Third party claim form sent to customer for the damage and advised the grass cutting squad to be more careful when cutting grass in the cemetery.</p> <p><b>Compliments:</b> Everything went without a hitch. My Dad got a beautiful send-off considering the covid19 restrictions. Thank you so much for all your help and support. I really appreciate it all.</p>
<b>Building Services</b>	<p><b>Received:</b> 9% of FC complaints</p> <p><b>Main categories:</b> Failure to fix first time (14%)</p>	<p><b>Complaint Examples:</b> Over the past few months, I have struggled with no hot water coming through my shower. I have had at least 8 different engineers coming and going 'this job is not for me'. Had a man come from Rosyth on Thursday to fix the problem and he barely communicated with myself. I understand work being stressful with everything going on but, he took my name and number to pass on to someone else and I never heard back, he has left me with no hot water and the boiler is left uncovered as he said this other man was 'in the area' and would take the cover off anyway. I suffer from <i>medical condition</i> and the pain has been unbearable over the past few days due to this ongoing situation. I am not amused nor am I happy about my boiler being left uncovered. I am aware it was the start to a</p>

Service type	Summary data	Complaint & compliment examples, including details of any learning (all from upheld complaints)
		<p>bank holiday weekend but that's no reason to rush a job? 'he does not want you left with no hot water' is what I got from the guy before he left on Thursday and off he went? I don't want to cause grief to anyone but it's clear the job was just left?</p> <p><b>Outcome:</b> Complaint upheld. Apology given and new contractor was sent out who were able to repair fault. Note also put on council system for this contractor to deal with future issues in this street as they are aware of the system.</p> <p><b>Compliments:</b> Customer would like to say thank you to an electrician who visited her today. His name was Greg, he was so kind and patient with me I'm 80 years old. He was such a pleasure to have such good service from a young man. He should be commended for his fantastic service. I thank him very much.</p>
<p><b>Catering &amp; Facilities</b></p>	<p><b>Received: 1%</b> of FC complaints</p> <p><b>Main categories:</b> Inconsiderate / inappropriate use of council vehicle (30%)</p>	<p><b>Complaint Examples:</b> Hello, we have an older lady who lives in our road (it's more like a lane, as it's unadopted and very narrow) who receives daily meals from FC - which is great. During lockdown we had some very thoughtful drivers who drove slowly and at an appropriate speed past our houses, which open directly onto the lane. Sometimes however, there are drivers who pass much faster. We've spoke to some drivers in the past and asked them to slow down and explained why (children, pets, deaf person and older people) and they have always responded well. In wet weather the puddles in our lane mean that fast drivers splash water over our windows and doors, as has happened, I work for the Council, and there are frequently a lot of complaints here about the speed of the FC drivers here - it would be a simple thing to address. I do understand that there are a lot of people to get around and time is always pushed but the difference between driving carefully and dangerously here makes not even 10 seconds of time difference. The driver today drove past far too fast, faster than any of the worse delivery drivers we get on occasion. Please could this message be passed to whoever manages the Meals on Wheels team to tell them to drive very slowly (5mph) past the houses. We're getting tired of speaking to drivers individually and the problem never being properly addressed. Thank you</p> <p><b>Outcome:</b> Complaint upheld. Drivers have been spoken to remind them of driving safely and the rules in the highway code, apology email sent on behalf of the Council.</p> <p><b>Compliments:</b> I just wanted to write to say thank you for providing meals for my aunt in St Andrews each day. You cannot begin to imagine the relief that her son and I feel knowing that she now has food delivered daily. Without your service I quite simply do not know what we would have done. You take your place alongside NHS staff for me as being among the many unsung heroes of the current crisis. Well done. Keep going.</p>
<p><b>Children &amp; Families</b></p>	<p><b>Received: 4%</b> of FC complaints</p> <p><b>Main categories:</b> Dissatisfaction with assessment outcome - Parent/Carer (21%)</p>	<p><b>Complaint Examples:</b> I'm writing regarding the information I have received regarding a copy of social work reports I have had accessed for my daughter, now I have phoned regarding the treatment my daughter is receiving due to paternal alienation and that my step daughter is no longer having contact with any of her parents which was the only reason she was placed in care of my mother and the things my 4 year old daughter is saying for you to say its malicious well its far from malicious it was in concern for my daughters wellbeing to be removed from all contact and for my mother to be playing all the games with a child whom 1 does not see any of her parents and I have now thought that you have not got my daughters best interest at heart when I called more than once to say that the behaviour is going affect the girls later in life and to read it was malicious is I want to make a formal complaint against who made the decision to say my worry and concerns are not appropriate it's my daughter and I want the best for her and her to be used as a pawn is not acceptable and far from malicious phone calls</p>

Service type	Summary data	Complaint & compliment examples, including details of any learning (all from upheld complaints)
		<p><b>Outcome:</b> Complaint Upheld. The service offered an apology for the referral to social work being recorded as 'malicious'; The service agreed that this is not an appropriate way to record the outcome of a duty assessment. It was agreed that the service would record a manager's note on the customers daughter's SW record to reflect this apology. In addition, in terms of SW practice, it will be highlighted to the team to use appropriate terminology, as well as making the service manager aware of the outcome of our discussion.</p> <p><b>Compliments:</b> Mrs Cook called wishing to compliment all the good work social work do as they always hear the bad press. She said that Social Work helped her grandchildren.</p>
Contact Centre	<p><b>Received: 2%</b> of FC complaints</p> <p><b>Main categories:</b> Inappropriate staff attitude / behaviour (41%)</p>	<p><b>Complaint Examples:</b> Tenant called faults &amp; repairs line &amp; spoke with an advisor customer not sure how to report a fault with her thermostat. Advisor was very rude &amp; made the tenant feel inadequate with his attitude. He advised to reset the boiler &amp; which tenant wasn't sure how to do that &amp; he replied that it wasn't rocket science. He then proceeded to advise tenant to reset the boiler by pushing the button again tenant wasn't sure how to do this as there was 5 buttons on the boiler, she also advised him she couldn't see very well &amp; he responded by saying well put the light on which there wasn't a light in the cupboard. Then she told him she would go &amp; find a torch &amp; her glasses &amp; pushed a random button, he advised her to go to the thermostat &amp; turn it off till she heard a click which she did but didn't hear the click, then was told if she had any more problem to call the 99 number after 5pm. Thermostat still not working.</p> <p><b>Outcome:</b> Complaint Upheld. Service apologised for the advisor's behaviour and had an appointment scheduled with advisor to pick up points from call regarding lack of customer skills.</p> <p><b>Compliments:</b> Tenant would like to pass on her thanks for the service she has received following no heating and hot water. This includes the contact centre who she said were most helpful.</p>
Domestic Waste	<p><b>Received: 34%</b> of FC complaints</p> <p><b>Main categories:</b> Failure to collect / empty bin (30%)</p>	<p><b>Complaint Examples:</b> My green bin was collected today. Some of the contents were left in the bottom of the bin, and part contents of other bins were left on the street. I cleaned up what was left in the road. I have a photo, but I am unable to attach it. With the reduced service that we are receiving, I would have thought that now more than ever, those collecting our waste would be more conscientious about ensuring a good service. I do hope that your teams are able to up their game on future collections. I look forward to your reply.</p> <p><b>Outcome:</b> Complaint Upheld. Apology given to customer and bin will emptied when crews are next in area.</p> <p><b>Compliments:</b> This is not a complaint but a thank you to brown bin collectors today who waited a few seconds whilst I ran for my bin, am so grateful, thanks to them for that and for being at work at this horrible time , I really appreciate what they do!</p>
Education	<p><b>Received: 5%</b> of FC complaints</p> <p><b>Main categories:</b></p>	<p><b>Complaint Examples:</b> Vaccine given without consent. My son attends the local primary school and yesterday they were doing flu vaccination. My son has never had flu vaccine or been given permission for it to be given. Yesterday he came home saying he had been given it and the school has admitted he has been although unsure how he has been given another child's vaccine for a child with the same first name</p>

Service type	Summary data	Complaint & compliment examples, including details of any learning (all from upheld complaints)
	<p>Dissatisfaction with policy current arrangements (27%)</p>	<p>in his class although spelled differently. I would like this investigated so it never happens again in any school. I'm sure your aware children can have reactions to the vaccine including severe allergic reactions, luckily my son did not but now expect him to get minor cold symptoms due to this. School has said due to my son bringing other child's information home they will alert Fife Council about the breach for confidentiality (GDPR) Although unsure they would have done this is if I hadn't mentioned it. My son is off school today as I feel I cannot trust the school due this massive breach on their part, I want something put in place, so this never happens again.</p> <p><b>Outcome:</b> Complaint upheld. Service apologised by bringing flowers and card to customer. Further staff training will be completed to ensure procedures are tight. NHS staff delivering the vaccine should have been more careful and double checked. NHS have contacted customer and apologised.</p> <p><b>Compliments:</b> I wanted to send a quick message to thank you very much for providing so many tasks for us to do at home. Carla and her sisters are getting into a rhythm with their home learning, and I am trying my best to ensure they all get plenty done while managing the obvious frustrations of trying to teach them all at once!</p>
<p><b>Housing</b></p>	<p><b>Received: 17%</b> of FC complaints</p> <p><b>Main categories:</b> Dissatisfaction with policy / current delivery arrangements e.g., timescales, priorities, criteria (11%)</p>	<p><b>Complaint Examples:</b> I have just returned home to a note saying I have missed 2 appointments for my gas service. I wish to make a formal complaint that this is completely incorrect. First of all, a work person just arrived at my property one day expecting someone to be in. Myself and my husband both works. After he/she left a card I contacted the relevant people and rearranged for <i>date</i> as my husband does not work on a Monday. My husband stayed in between 8 and 1 as advised on the phone call they would attend between them times. Today is <i>date</i> both myself and my husband work and someone attended today and now we have a slip saying we have missed 2 appointments. Completely inaccurate and we did not miss a 2nd appointment your work person did not turn up!! I therefore did adhere to making sure someone was in for the check and now I'm being given one final opportunity to allow some in to complete the service! This is not my fault. You can't expect to just turn up at a property unannounced for a service and expect someone who works full time to be in and class that as an appointment. I am more than happy to allow the service to be carried out at a time when I am in the property. Now housing services are going to contact me to rearrange for one last opportunity to allow someone in! Please reply to this formal complaint confirming someone will attend at a time suitable and someone will be in the property.</p> <p><b>Outcome:</b> Complaint Upheld. Apology given as card was not left for first appointment. Appointment has been arranged for gas check to be carried out at a time that suits complainant.</p> <p><b>Compliments:</b> I wanted to thank my housing officer Sam Young and the communities officer Tracey for all their help removing rubbish out of my neighbour's garden so efficiently, he is disabled and could never have done this himself. I was really worried about rats and mice and pest control came out. Thank you both again, I am really very impressed.</p>
<p><b>Parks Streets Open Spaces</b></p>	<p><b>Received: 3%</b> of FC complaints</p> <p><b>Main categories:</b> Grass Cutting (24%)</p>	<p><b>Complaint Examples:</b> The employee cutting the grass outside my house drove his ride-on mower over my front path while turning his machine. The concrete slabs my path is made of will not withstand the weight of this machine and I do not want this to happen again. The slab he drove over is one we had to replace because it was broken and we never knew how it got broken, but we now suspect it was damaged when it was driven over previously. The mower also drove over the edge of the public tarmac path bordering my front garden. The edge of the public path is being broken up by the machine driving over it, as this has happened several times before. I have complained about this in previous years, and I did not expect to have to do so again. I spoke to the operative and was told he</p>

Service type	Summary data	Complaint & compliment examples, including details of any learning (all from upheld complaints)
		<p>could not help driving on my path as he had to turn his machine, but he wouldn't be cutting the grass again anyway. I would like an assurance that the area directly in front of my house will be cut with a smaller mower in future so that there is no need to drive large machinery over my property. I tried to insert a picture showing exactly where the mower left tracks inside the boundary of my garden but couldn't - I can provide this if required. I would appreciate a prompt reply and an assurance it will not happen again, and that this area will no longer be cut with a ride-on mower.</p> <p><b>Outcome:</b> Complaint upheld. Service apologised to Customer. Customer advised from now on Service will get a small machine to cut this grass. This will ensure the slabs don't get damaged.</p> <p><b>Compliments:</b> Please pass on my thanks to all the Parks etc Teams - just seeing a couple of lads strimming in Braehead St Monans doing a great job. All the best and keep safe.</p>
<p><b>Planning</b></p>	<p><b>Received:</b> 1% of FC complaints</p> <p><b>Main categories:</b> Failure to follow process (20%)</p>	<p><b>Complaint Examples:</b> Planning application ref: <i>reference number</i> and Listed Building consent ref: <i>reference number</i>, we refer to our email sent, attached below. It forms part of the objection to the planning application and listed building consent application. Although a formal letter of acknowledgement was emailed to us, the substantive issues raised in our email have yet to be addressed. The letter sent was merely an acknowledgement. We call on the Council to provide a substantive response and to reject the applications made for Full Planning Permission and Listed Building Consent because they have not been made in respect of the properties affected or by the whole owners thereof. A false and misleading statement about ownership and property affected by the applications has been made in the planning application. The agent signing off the application is the son of the owners of the property. He should be aware of the extent of ownership of his parents, Please, see attached extract from Land Register title sheet <i>reference number</i> which confirms that it is owned.</p> <p><b>Outcome:</b> Complaint was partially upheld. Full letter of explanation issued BSS to follow up on the Building Standards question and a reminder has been issued to Enforcement Officers to stick to response dates.</p> <p><b>Compliments:</b> Many thanks also for your prompt reply to my enquiry and glad to note business appears to be as best as can be expected during this period.</p>
<p><b>Protective Services</b></p>	<p><b>Received:</b> 1% of FC complaints</p> <p><b>Main categories:</b> Unsatisfactory response to previous complaint / request for service / enquiry / reported fault (33%)</p>	<p><b>Complaint Examples:</b> Your irresponsible unfounded Facebook post re mask is in salons posted on Friday, I have a letter from local MSP, Jason Leitch team, government guidelines, my insurance company and your EHO who all say we can perform treatments from the side and behind including facials. Your EHO also informed me face masks is not a council matter but a police matter, I want the name of the person, their position, a written copy of the post to pass onto my lawyer as well as the Information you have that supersedes Jason Leitch. I will also be looking for compensation, for defamation of character and loss of business. This weekend alone I have been insulted, people trying to set up false facial appointments in a hatred bid and clients questioning and cancelling appointments. This is disgusting and I want an immediate reply and an apology posted on your Facebook page, a pub you can go in no mask get drunk, we wear mask visor gloves and disposable apron and are way cleaner than a supermarket pub or anywhere else. Your post is disgusting, and I want answers I'm trying to get my business to survive ... you are so irresponsible and uneducated it's disgusting.</p> <p><b>Outcome:</b></p>



Service type	Summary data	Complaint & compliment examples, including details of any learning (all from upheld complaints)
		<p>Partially Upheld. Apology letter sent for incorrect information received and MSP provided with correct information.</p> <p><b>Compliments:</b></p> <p>Just a note to say that I'm sure you are well aware, but your team are awesome. They are so understanding of our unknowns at the moment and have been so patient with our patchwork communication. It's really enjoyable every time I have a call with them, and I look forward to speaking to them knowing it's a safe space for good conversations with really kind and understanding people.</p>
<p><b>Recycling Centres</b></p>	<p><b>Received: 2%</b> of FC complaints</p> <p><b>Main categories:</b></p> <p>Dissatisfaction with policy / current organisational arrangements including opening times (75%)</p>	<p><b>Complaint Examples:</b></p> <p>I attended Dunfermline recycling centre today which turned out to be a total waste of time. When I arrived, I was asked what type of waste I had. I started reeling off the multiple types of waste and I had to be stopped in my tracks at the first item. Tyres. I checked your A to Z of waste where it states tyres cannot go to landfill but must go to recycling centres. After wasting my time today I've now checked the individual page for every recycling centre in Fife where they all say they don't take tyres. The next item on my list, engine oil, which I specifically drove to that site to dispose of, could also not be done. Engine oil tank was full. The look on the staff members face indicated he wanted me to continue reeling off items which I'm sure he would find issue with. So, I left. I'm sure coronavirus will be the excuse for the oil tank being full but please change you A to Z regarding the tyres.</p> <p><b>Outcome:</b></p> <p>Partially Upheld. The A-Z recycling list does have a large COVID disruption banner in red at the top directing the customer to look at the individual site information, where it does say tyres are not accepted.</p> <p>The booking system does not have a disposal option of tyres on the materials list – they should currently be disposed of via tyre dealers when they are being replaced. An apology was given regarding the oil bank being full, the oil bank was emptied eventually. The service was not taking oil for some time and were initially unable to have uplifts due to Covid restrictions.</p> <p><b>Compliments:</b></p> <p>Fantastic service at Dunfermline waste site this afternoon. Staff were excellent. Well done.</p>
<p><b>Safer Communities</b></p>	<p><b>Received: 1%</b> of FC complaints</p> <p><b>Main categories:</b></p> <p>Unsatisfactory response to previous complaint / request for service / enquiry / reported fault (26%)</p>	<p><b>Complaint Examples:</b></p> <p>We are aware that the initial complaint <i>reference number</i> was treated incorrectly as a service request despite the fact that it was sent as a complaint, clearly worded as a complaint, we have repeatedly made service requests to Safer Communities in the past, and we are more than capable of selecting the correct forms for the circumstances. If we do not receive the final response, we will proceed with escalating the complaint to the SPSO.</p> <p><b>Outcome:</b></p> <p>Complaint partially upheld. Apology letter sent for poor level of Service received and copy of Service processes in tackling antisocial behaviour documents posted.</p> <p><b>Compliments:</b></p> <p>Stuart the gentleman who dealt with the rat that was under our hut, was so professional in every way. Was so informative, phoned every time before arrival, maintained social distancing, masks etc. A credit to Fife Council. Please pass this on to his boss Mr Graeme Anderson. Stuart is a credit to Fife Council.</p>

## Appendix 2 – Summary of SPSO Decisions

A2.1 The final stage for complainants is the Scottish Public Services Ombudsman (SPSO) and the following table presents the decisions taken by this office to Fife Council complaints they received in period.

SPSO Ref No	Service Responsible	SPSO Decision
SPSO 202002768	Area Services	Not taken forward for investigation
SPSO 201911806	Assessor / Ben C-Tax	Not taken forward for investigation
<b>SPSO 202006321</b>	<b>Benefits Council Tax</b>	<b>Not Upheld</b>
<b>SPSO 202007167</b>	<b>Benefits Council Tax</b>	<b>Not Upheld</b>
<b>SPSO 201900081</b>	<b>Children &amp; Families</b>	<b>Partially Upheld <sup>1</sup></b>
SPSO 202005453	Children & Families	Not taken forward for investigation
SPSO 202000643	Children & Families	Not taken forward for investigation
SPSO 202003046	Children & Families	Not taken forward for investigation
SPSO 201911026	Customer Service Improvement	Not taken forward for investigation
SPSO 202000637	Education	Not taken forward for investigation
SPSO 201908869	Education	Not taken forward for investigation
SPSO 202003300	Education	Not taken forward for investigation
SPSO 202003944	Education	Not taken forward for investigation
SPSO 201907985	Education	Not taken forward for investigation
SPSO 202004180	Education	Not taken forward for investigation
SPSO 202001000	Environment	Not taken forward for investigation
SPSO 202002487	Environment	Not taken forward for investigation
SPSO 202002905	Environment	Not taken forward for investigation
SPSO 201906888	Housing	Not taken forward for investigation
SPSO 202002670	Housing	Not taken forward for investigation
SPSO 202002797	Housing	Not taken forward for investigation
SPSO 202002248	Housing	Not taken forward for investigation
SPSO 202006844	Housing	Not taken forward for investigation
SPSO 201911870	Housing	Not taken forward for investigation
SPSO 201905952	Housing	Not taken forward for investigation
SPSO 201908565	Housing	Not taken forward for investigation
SPSO 202001988	Housing	Not taken forward for investigation
SPSO 202005051	Housing	Not taken forward for investigation
SPSO 202005911	Housing	Not taken forward for investigation
SPSO 202006235	Housing	Not taken forward for investigation
SPSO 201911004	Planning	Pending
<b>SPSO 201904682</b>	<b>Planning</b>	<b>Partially Upheld <sup>2</sup></b>
SPSO 202007566	Risk Management	Not taken forward for investigation
SPSO 201907647	Roads & Transportation	Not taken forward for investigation
SPSO 202000921	Welfare Fund	Not taken forward for investigation

A2.2 Not taken forward for investigation typically means that the SPSO decision was that these complaints were either, out of their jurisdiction, the complainants' outcome is unachievable or that in the opinion of the SPSO they can add

nothing further to the decision already reached. The SPSO remain obliged to alert the Council of these cases under their governing Act.

A2.3 The overwhelming decision to not take cases forward for investigation may suggest that resolutions provided are the correct ones. The decisions from the two cases where the SPSO did uphold some element of the complaints investigated are detailed below. These decisions are also available on the SPSO's website.

1. *The SPSO decision was that the Council had not acted reasonably in response to the concerns Mr C has raised regarding what was in child A's best interest however they did not uphold that the Council failed to reasonably communicate and engage with Mr C. The SPSO recommended that the Council offer an apology for the failing identified and that these findings were fed back to staff concerned in a supportive manner. The findings identified were that the Council's complaint response did not address a number of Mr C's points of complaint and that it failed to include an apology for a service failing identified during the investigation.*
  
2. *The SPSO decision was that the Council had failed to carry out a reasonable and appropriate assessment of planning application A in line with obligations however they did not uphold that the Council failed to act reasonably in respect of the sale of land that application A proposed to develop on. The SPSO recommended that the Council offer an apology for failing to consider certain matters appropriately in their assessment of the planning application A and that the report of handling did not contain sufficient detail about parts explaining the decision making. The outcome the SPSO required from the Council were that reports of handling should be sufficiently detailed and contain clear justifications for the decisions reached.*

7th October, 2021

Agenda Item No. 7

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## **Fife Council – Management Report 2020-21**

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Report by: Elaine Muir, Head of Finance

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Wards Affected: all

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### **Purpose**

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This report presents the Fife Council Management Report provided by Audit Scotland. The management report provides a summary of the key issues identified during the interim audit work carried out at Fife Council by Audit Scotland as well as the management responses from Council officers. The findings in the report will determine the approach to the audit of the 2020/21 annual accounts carried out by Audit Scotland.

### **Recommendation(s)**

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It is recommended that Committee

- consider the contents of this report; and
- note that Audit Scotland will use the results of this interim audit work when determining their approach to the audit of the 2020-21 annual accounts.

### **Resource Implications**

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There are no direct resource implications associated with this report.

### **Legal & Risk Implications**

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There are no direct legal and risk implications associated with this report.

### **Impact Assessment**

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An EqIA is not required because the report does not propose a change or revision to existing policies and practices.

### **Consultation**

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## 1.0 Background

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- 1.1 The attached report is known as the Management Report and is produced by Audit Scotland to provide commentary on interim audit work carried out.
- 1.2 The interim audit work includes testing of key controls within financial systems to gain assurance over the processes and systems used in preparing the annual accounts.
- 1.3 The results of this interim work recognise the significant impact of COVID-19 on the Council as well as the changes as a result of key systems implementation during the course of the year and the impacts on the control environment as a result of these. The work carried out will be used by Audit Scotland when determining their approach to the audit of the 2020-21 annual accounts.
- 1.4 Following completion of the interim audit work, a number of areas have been identified that require additional testing during the accounts process.

## 2.0 Issues

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- 2.1 Exhibit 2 of the report details the issues identified and action plan for 2020-21 from the audit work undertaken. There are 8 actions identified with corresponding recommendations and responses provided by officers of the Council.
- 2.2 For each issue identified, additional audit work required has been identified.
- 2.3 Council officers continue to co-operate and assist Audit Scotland throughout the course of their audit work.

## 3.0 Conclusions

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- 3.1 This report provides details of the interim audit work carried out by Audit Scotland, the key findings, management responses and actions required to complete the audit of the Council's financial statements.

### List of Appendices

Fife Council Management Report 2020/21 – Report by Audit Scotland

### Background Papers

None

### Report Contact

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# Fife Council

Management report 2020/21



 AUDIT SCOTLAND

Prepared by Audit Scotland  
September 2021



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# Audit findings

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## Introduction

1. This report contains a summary of the key issues identified during the interim audit work carried out at Fife Council. This work included testing of key controls within financial systems to gain assurance over the processes and systems used in preparing the annual accounts. We consider the results of this testing when determining our approach to the audit of the 2020/21 annual accounts.

2. Our responsibilities under the Code of Audit Practice require us to assess the system of internal control put in place by management. We seek to gain assurance that the audited body:

- has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements
- has systems of internal control which provide an adequate means of preventing and detecting error, fraud or corruption
- complies with established policies, procedures, laws and regulations.

## Conclusion

3. We identified several control weaknesses as summarised in [Exhibit 2](#). These findings inform our approach to the 20/21 financial statements audit.

4. Any weaknesses identified represent those that have come to our attention during the course of normal audit work and therefore are not necessarily all the weaknesses that may exist. It is the responsibility of management to decide on the extent of the internal control system appropriate to Fife Council.

## Work summary

5. In accordance with *ISA 330: the auditor's response to assessed risk*, our audit judgements are based on current year testing of controls and where appropriate prior year results. Our risk-based audit approach allows us to take a three-year cyclical approach to controls testing. This approach enables us to place reliance on previous years' audit work where controls remain unchanged and no significant weaknesses had been identified. Also, where possible we place reliance on the work of internal audit to avoid duplication of effort.

6. Our 2020/21 testing covered key controls including budget monitoring and control, bank reconciliations, payroll validation and exception reporting, authorisation of journals, feeder system reconciliations, and IT access controls. Additionally, our testing covered key areas for preventing and detecting fraud including changes of supplier bank details, taxation receipts, welfare benefits, grants and other claims.



## COVID-19 has had a significant impact on the council

7. During 2020/21 Fife council has operated in challenging circumstances presented by COVID-19. The introduction of remote working, and changes to financial regulations and key systems (necessary to respond to changing priorities), have impacted on the control environment.

8. The council has also chosen to implement new general ledger, accounts payable and payroll systems as planned during 2020/21. These went live in July 2020 and November 2020. The new systems have been used to produce the 2020/21 financial statements, and, as with any major change in financial systems, there is an increased risk of misstatement in the figures and balances. As part of our work, we tested and confirmed the accuracy of transfer of balances to the new general ledger system and we also reviewed the processes and controls in the new systems.

9. The contents of this report have been discussed with relevant officers to confirm factual accuracy. The co-operation and assistance we received during the course of our audit is gratefully acknowledged.

### Additional follow-up work

10. Interim testing identified systems weaknesses which required us to reconsider our audit procedures and the level of testing required for the financial statements audit.

11. Budget monitoring was not as systematic in 2020/21 as in previous years. Due to Covid-19 pressures, the council prioritised higher level risk-based monitoring and forecasting. Budget reporting to P&C committee increased during 2020/21 and targeted reviews were performed rather than the usual systematic process for all services and cost centres. Due to the implementation of the new ledger system and budgeting module in July 2020, budget holders were unable to perform comprehensive systematic reviews of expenditure as detailed budget reports could not be produced. Therefore, our audit procedures have been revised and we will review outturn reports and perform detailed substantive testing on variances. We will also increase our sample testing on journals, non-pay expenditure and payroll to provide assurances over the outturn figures reported in the Annual accounts (see Exhibit 2 [Budget monitoring and control](#)).

12. Due to weaknesses in controls over user access we will review whether individuals with inappropriate access posted transactions and review the detail of these (see Exhibit 2 [User access - General Ledger, Payroll, Accounts Payable, Banking](#)).

13. The introduction of remote working has presented capacity and capability challenges which have impacted on the operation of key controls. We found that:

- some reconciliations were delayed by several months. Due to the delays in reconciliations being performed, we will review year-end bank and feeder system reconciliations and sample test any significant reconciling items in more detail (see Exhibit 2 [Key controls reconciliations](#)).

- there were no second officer checks over the processing of new or amended claims for housing benefit, council tax reduction, discounts and exemptions during 2020/21. We will increase our sample size for detailed testing of Council Tax Reduction, Discounts and Exemptions and Housing Benefit during the financial statements audit (see Exhibit 2 [Council Tax and Housing Benefit – Second Officer Checks](#)).
- journals were not reviewed by finance officers during the year, only a year end check was performed. We will perform a detailed check of officers' year-end review of journals and we will increase our sample testing of journals. (see Exhibit 2 [Authorisation of Journals](#)).

**14.**As stated in paragraph 8 above, the implementation of any new system creates an increased risk of misstatement in the figures and balances. We found control weaknesses in payroll verification, exception reporting and delays in posting to ledger.

**15.**We will increase our substantive testing of payroll expenditure. We will also substantively test a sample of paid employees to ensure they exist as current employees of the council, through confirmation to other records (see Exhibit 2 [Payroll verification, exception reporting and delays in posting to ledger](#)

## Fraud and Irregularity

**16.**Audit Scotland's report on [Fraud and Irregularity 2020/21](#) highlights the importance of key controls and recognises some the weaknesses that contribute to increased risk of Fraud.

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### Exhibit 1

Common control weaknesses contributing to fraudulent activity

## Common control weaknesses

A review of fraudulent and irregular activity highlights common control weaknesses which have contributed to the fraudulent and irregular activity reported by external auditors.



A lack of management checking and review



Procedures not followed



Weak security arrangements



A lack of staff training



Missing indicators within emails that the email is not genuine



Not verifying applications for funding to existing records



Poor budget monitoring



System reconciliation weaknesses



Poor record keeping

## Exhibit 2

Key findings and action plan 2020/21

Issue identified	Management response	Additional Audit Procedures
<b>Financial statements work – Systems and controls</b>		
<p><b>Budget Monitoring and control</b></p> <p>The new general ledger system and budgeting module introduced in July 2020 resulted in weaknesses in budgetary control during 2020/21.</p> <p>Eight formal budget monitoring exercises to committee were carried out in year, however the processes did not include the systematic production of detailed pay and non-pay cost monitoring reports for scrutiny by budget holders.</p> <p><b>Risk: Unexpected financial outturns develop during the</b></p>	<p>The main priority of the Council was response to COVID-19 and development of financial strategies to deal with potential of un-budgeted costs of £78m. Resources were deployed to work closely with Service Management Teams to identify and mitigate against these costs. The forecasting was necessarily focussed on areas of high financial risk. Frequency of financial forecasts being reported to the Council's main Policy and Co-ordination</p>	<p>We will review the year end provisional outturn report and agree a sample of significant reported variances to ledger analysis undertaken by finance officers.</p> <p>Any unusual or unidentified variances will be verified by performing additional detailed testing of relevant transactions.</p> <p>We will also increase our sample testing on</p>

Issue identified	Management response	Additional Audit Procedures
<p><b>year and reduced scrutiny of detailed reports increases the risk of fraud and error remaining undetected.</b></p>	<p>Committee was increased to an unprecedented level.</p> <p>Although systematic budget monitoring information was impacted, relevant financial information and forecasts and monitoring information was issued to management teams for high risk areas. This is consistent with the Council's risk based approach to budget monitoring but adapted to deal with the situation that unfolded.</p>	<p>journals, non- pay expenditure and payroll.</p>
<p><b>Control account reconciliations</b></p> <p>Due to the challenges of COVID-19 and the introduction of remote working there were delays of at least four months in completing the following reconciliations during 2020/21:</p> <ul style="list-style-type: none"> <li>• General Fund bank account</li> <li>• Accounts payable to bank account</li> <li>• Payroll suspense account</li> <li>• Payroll to ledger</li> <li>• Housing Rents</li> <li>• Non-Domestic Rates to ledger.</li> </ul> <p>We also found that accounts payable reconciliations were not evidenced to demonstrate review.</p> <p><b>Risk: A delay in preparing and/or authorising reconciliations increases the risk of error in the ledger, as transactions are not confirmed to third-party evidence (bank) and this can also increase the risk of fraud.</b></p>	<p>Delays were experienced in the completion of reconciliations for a variety of reasons, most notably the COVID-19 pandemic. It took time for all team members to be mobilised with the appropriate IT kit to enable them to complete all work at home.</p> <p>In some instances delays were also experienced following the phased implementation of Oracle Cloud system throughout the year.</p> <p>Reconciliations were brought up to date by the 31 March 2021.</p> <p>Regular monitoring is taking place and it is intended that support will be provided to the Revenues teams to ensure the most efficient processes can be adopted.</p>	<p>We will review year-end bank and feeder system reconciliations and increase our sample testing of any significant reconciling items.</p>

Issue identified	Management response	Additional Audit Procedures
<p><b>Payroll verification, exception reporting and delays in posting to ledger</b></p> <p>Verification exercises confirming employee existence and accuracy of costs were not carried out during 2020/21.</p> <p>We tested 30 payroll exception reports and found two instances where checks were incomplete.</p> <p>As stated in point 1 above, detailed staff cost monitoring reports were not provided to budget holders as part of budget monitoring controls.</p> <p>Following the introduction of the new general ledger system in July 2020, staff cost transactions in the general ledger were not processed until November 2020. As a result, detailed, regular and systematic scrutiny of staff costs was not in place.</p> <p><b>Risk: Additional staff costs incurred through fraud or error are not detected.</b></p>	<p>An extensive verification exercise was carried out prior to migration to Oracle Cloud.</p> <p>Following go-live all managers were instructed to review their establishment and direct-line reports within Oracle. Managers were advised to raise a call should rectification be required.</p> <p>Throughout the parallel running phase both systems were being reconciled to 100% accuracy along with various other checks.</p> <p>A further verification exercise is planned to commence August 2021.</p> <p>Longer term, the intention is to avoid duplication of work and using the budget process for verification.</p> <p><b>Staff Costs Transactions</b></p> <p>With the timing of the implementation and the parallel running of payroll modules, before costs were posted to the ledger, payroll costing files from source systems were available to allow scrutiny of staff costs.</p>	<p>We will undertake detailed reconciliation work to ensure staff costs recorded in the two general ledger systems can be reconciled to amounts in the two payroll systems.</p> <p>We will increase our sample size used for the substantive testing of individual payroll entries.</p>
<p><b>Council Tax and Housing Benefit – Second Officer Checks</b></p> <p>In prior years, Revenues Officers in the revenues team carried out sample spot checks over the processing of new or amended claims for housing benefit, council tax reduction and discounts and exemptions.</p> <p>Due to the additional workload on the revenues team as a result of the Covid-19 pandemic these</p>	<p>Second officers checks were ordinarily carried out using software known as e-copy but this is not available in the home working environment.</p>	<p>We will review and test exception reports to identify potential errors and partially completed actions.</p> <p>We will increase our sample size used for detailed testing of Council Tax Reduction, Discounts and Exemptions and Housing Benefit.</p>

Issue identified	Management response	Additional Audit Procedures
<p>second officer checks were not carried out in 2020/21.</p> <p>In addition (with agreement from the Department of Work and Pensions) the level of income verification required to support Housing Benefit applications was reduced.</p> <p><b>Risk: that new claims or discounts are awarded incorrectly.</b></p>		
<p><b>User access - General Ledger, Payroll, Accounts Payable, Banking</b></p> <p>Regular checks have not been undertaken to ensure user access rights are appropriate and up to date across the key financial systems. We have identified three users who have had inappropriate access three users who have had access prior to authorisation:</p> <ul style="list-style-type: none"> <li>• Accounts Payable – Three users where enquiry access had been granted incorrectly.</li> <li>• Bankline - Three users where access had been granted prior to approval by their managers.</li> </ul> <p><b>Risk: There is a risk of fraud or error.</b></p>	<p>Enquiry access was incorrectly granted. Reports have now been designed to provide these officers the with information required to do their jobs, therefore access is not now required. Staff will be reminded not to grant access where it is not appropriate and a report can provide the information.</p> <p>Bankline user approvals - This is correct, view only access was granted in advance of approval, however, the requests were being managed with ongoing dialogue, therefore approval was expected.</p> <p>Approval is required prior to setting up Bankline access and processes are in place. The team has been reminded of these.</p>	<p>We will review whether the individuals with inappropriate access posted transactions and review the detail of these.</p>
<p><b>Authorisation of Journals</b></p> <p>The new financial ledger enables journals to be posted directly by finance, accounts payable and service users through a new self-service journal input. No authorisation controls are in place</p>	<p>The agreed change to our processes was to enable service users to post their own journals, thereby removing duplication and increasing efficiency. A control was agreed when</p>	<p>We will perform a detailed check of officers year-end review of journals as part of our financial statements audit and we will increase our</p>



Issue identified	Management response	Additional Audit Procedures
<p>meaning journals can be posted without requiring approval by a second officer. To mitigate the risk of fraud or error, officers in finance introduced a system of performing regular reviews of journals and following up any which appeared unusual or at risk of error.</p> <p>Due to the additional work pressures created by the pandemic this control was not implemented until after the financial year end.</p> <p><b>Risk: There is an increased risk of error and management override.</b></p>	<p>this decision was made and was developed following implementation.</p> <p>The control report was developed, and a year-end detailed review of journals was performed and no issues were highlighted.</p> <p>The control is now built into business as usual processes.</p>	<p>sample testing of journals.</p>

## Wider Dimension work - Governance

### Changes to Supplier details

The new Accounts payable system is still in development and at the time of our audit we were unable to obtain a listing of all amendments to supplier details including bank account information.

We were also unable to obtain a log of requested changes held by the accounts payable team along with evidence that the fraud prevention controls have been applied.

**Risk: That changes to supplier details are made inappropriately and fraudulently.**

A report known as Supplier Change Approvals will provide details of approvals against supplier changes. This is currently in development and awaiting testing then sign off.

### Common Good Fund

The 2014 Common Good policy, is ambiguous about the use of Common Good funds, was due to be reviewed by the council in early 2021 but this has been delayed due to pressures brought about by the pandemic.

**Risk: There is a continued lack of clarity over expenditure that**

A review of the Common Good policy is scheduled to commence from September 2021 with the intention to conclude in the new calendar year. This will address any points of clarification.

Issue identified	Management response	Additional Audit Procedures
is appropriately charged to the Common Good or borne by the Council.		

Source: Audit Scotland

## 2019/20 risks and action plan update

17. Our 2019/20 management report identified two control weaknesses and five wider dimension issues which were reported to the Audit Committee in August 2020. Exhibit 3 outlines the progress made by management where planned action was agreed in response to the audit recommendations made.

### Exhibit 3

Key findings and action plan 2019/20

Issue identified	Management response	Progress
<p>1    <b>Reconciliation Controls</b></p> <p>Reconciliations between accounts payable and the general ledger and the housing rents system and the general ledger are not subject to a review by second officer.</p> <p>Updated audit approach:</p> <p>We will perform a detailed review of the year end reconciliations between the accounts payable and the general ledger and the housing rents system and the general ledger and follow up any unreconciled differences.</p>	<p>Reconciliation procedures include the requirement for approval.</p>	<p><b>Recommendation partially implemented.</b></p> <p>We tested the control in 2020/21 and identified further weaknesses relating to reviews of the accounts payable to general ledger reconciliation.</p> <p>See Exhibit 2 - Control account reconciliations.</p>
<p>2.    <b>Access Controls</b></p> <p>Access to the banking system is only granted following approval from management. Our testing of new users in 2019/20 identified two examples out of</p>	<p>The Lead Officer has the authority to request a new user be set up on bankline.</p> <p>Procedures are in place for approvals to be sought but in this</p>	<p><b>Recommendation not implemented</b></p> <p>We tested the control in 2020/21 and identified further weaknesses.</p>



six sampled where access was given without any approval.

Updated audit approach:

We will perform data analytical procedures to assess whether unauthorised users have made any unauthorised changes to the banking system and review transactions for unusual entries

case this was missed. The team have been reminded to follow up approval.

See Exhibit 2 - User access - General Ledger, Payroll, Accounts Payable, Banking.

**3. Treasury management and investment strategy approval**

The treasury management and investment strategy and reports are currently approved by the Policy and Co-ordination committee. Statutory guidance that supports relevant regulations requires approval by full Council.

Arrangements will be made to have this ratified by full Council when committee process resumes.

**Recommendation not implemented.**

The treasury management and investment strategy and annual reports continue to be approved and considered by the Policy & Co-ordination Committee.

There remains a risk that this approach is non-compliant with the regulations.

**4. Loans fund repayment policy**

The original treasury management and investment strategy for 2019-20 included a commitment to a continuation of the exiting loans fund repayment policy. However, officers have subsequently reviewed the policy with the intention that the Council approves a revised approach for 2019-20 and subsequent years.

The change to the repayment policy was documented in Treasury strategy and approved under delegated powers.

This decision will be ratified at Council when committee process resumes.

**Recommendation not implemented**

As per the recommendation above the strategy has not been ratified by the full council.

There remains a risk that this approach is non-compliant with the regulations.

**5. Content**

Statutory guidance on loans fund repayment policy requires annual strategy and reports to include specified loans fund account information, including prior year comparators. Existing reports are not fully compliant with statutory guidance.

**Complete**

The 2020/21 treasury strategy is compliant with the disclosures requirements in the capital accounting statutory guidance.

**Recommendation implemented**

<p><b>6. Prudential indicators</b></p> <p>Prudential indicators go to full Council along with the budget and General fund capital investment plan. However, the indicator for Debt to Capital Financing Requirement needs to be updated, in line with the latest Prudential Code, to refer to gross debt.</p>	<p><b>Complete</b></p> <p>The prudential indicator for Debt: CFR is now based on gross debt in line with the revised requirements.</p>	<p><b>Recommendation implemented.</b></p>
<p><b>7. Burntisland Common Good Fund</b></p> <p>The Kirkcaldy Area Committee authorised a contribution of £100,000 to fund new cabling for the Burntisland Links.</p> <p>Our review of the paper produced for area committee authorisation found that it included an inaccurate policy reference, did not properly reference the 2014 common good policy, did not mention the FRI basis of the notional lease and did not include the Council's judgement (that this cost did not constitute a repair under this arrangement). As a result, the area committee was not fully informed at the time of reaching its decision to authorise the £100,000 contribution.</p>	<p>Discussion will take place with the convener of the Area Committee to determine what action, if any, will be taken on this matter.</p>	<p><b>Recommendation partially implemented.</b></p> <p>See Exhibit 2 – Burntisland Common Good Fund.</p>

**18.** All our outputs and any matters of public interest will be published on our website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).

# Fife Council

## Management report 2020/21

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7th October, 2021

Agenda Item No. 8

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## Update on 2021/22 Audit Performance and Analysis of Issued Reports

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**Report by:** Carolyn Ward, Audit Team Manager, Risk Management Service

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**Wards Affected:** All

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### Purpose

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To update the Committee on 2021/22 audit performance information and provide an analysis of the findings in audit reports issued since the last report to this Committee. The report highlights any areas of concern and instances where Services are not taking appropriate action.

### Recommendation(s)

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Members are asked to note the contents of this report and the Analysis of Issued Audit Reports at Appendix 1.

### Resource Implications

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None

### Legal & Risk Implications

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Without suitable internal controls, there is an increased risk that Services and/or the Council will not achieve their objectives.

### Impact Assessment

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An EqIA is unnecessary as this report is not proposing a change or revision to existing policies and practices.

### Consultation

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Audit Services has consulted all subjects of the audit reports.

## 1.0 Background

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- 1.1 Audit Services provides an assurance function that gives the Council an independent and objective opinion on the control environment by evaluating its effectiveness in achieving its objectives. We examine, evaluate and report, objectively, on the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 1.2 This report updates the Committee on 2021/22 audit performance information and provides a summary of audit reports issued since the last report to this Committee. It describes key findings and highlights areas of concern.

## 2.0 Update on 2021/22 audit performance

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- 2.1 Audit Services' Scorecard has recently been reviewed by the Finance Management Team and revised to focus on three key indicators: customer satisfaction, planned work completed and adherence to the Annual Audit Plan.
- 2.2 Due to the agreed extension of the 2020/21 Annual Operational Audit Plan this year's plan covers the ten month period from June 2021 to end of March 2022. As a result of this and the revisions required to our scorecard we intend to measure performance at weeks 24 and 44 of the plan period. Our reporting will then coincide with the timing of the results we are required to input to Pentana.
- 2.3 The results for week 24 will be presented in the next update report submitted to Committee.

## 3.0 Analysis of Issued Audit Reports

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- 3.1 To enable the Standards and Audit Committee to form an opinion on the effectiveness of the internal control environment, to provide assurance where internal controls are working well and to highlight areas for concern, the Service Manager (ARM), prepares a report which provides a summary of the audit reports issued by Audit Services.
- 3.2 The reports issued in the current period cover a number of Services and areas. The summaries relate to Fife Council Audits and Corporate Fraud reports.
- 3.3 In line with the Fife Integration Board (IJB) Audit Output Sharing Protocol, IJB audit report summaries, are included for noting.
- 3.4 A short outline of each report is contained in Appendix 1.
- 3.5 For each completed audit / fraud risk review report, Services are asked to complete a Post Audit Review Action Plan (PAR). This indicates:
  - the Service's progress in implementing agreed actions;
  - reasons for non-implementation; and
  - explanations for redundant recommendations.
- 3.6 The results are reported twice-yearly to Standards and Audit Committee.

## 4.0 Conclusions

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- 4.1 This period's audits reveal some instances of non-compliance with the Council's governance arrangements. However, these are not systemic failings and, in general, satisfactory procedures are in place and being followed. Appropriate actions have been agreed in all instances to address these shortcomings.
- 4.2 I conclude that the findings do not pose a significant risk and implementation of all actions will improve the Council's control framework.

## List of Appendices

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### 1. Summary of Audit Reports Issued

Report Contact:

Carolyn Ward

Audit Team Manager, Audit and Risk Management

Email – [Carolyn.Ward@fife.gov.uk](mailto:Carolyn.Ward@fife.gov.uk)

SERVICE, REPORT and PURPOSE	SUMMARY OF FIFE COUNCIL AUDIT REPORTS
<p><b>1. Business Technology Solutions</b> Change Management Follow Up (Report 61)</p>	<p>This audit reviewed the adequacy of Business Technology Solutions' (BTS) controls for all changes to the IT infrastructure. This is a follow-up to Audit Report 6 issued on 25/07/2019.</p> <p><u>Findings:</u></p> <p>This follow-up review identified that seven out of the eight recommendations in Audit Report 6 had been implemented. In our opinion, this poses a low level of risk. Further action agreed is that the Release and Development Strategy Document Revision would be discussed and agreed at the Change Advisory Board meeting on 1 June 2021.</p> <p>Satisfactory action has been agreed for the one recommendation in the report (1 substantial) by 01/06/2021. The Service has advised this action has now been implemented.</p>
<p><b>2. Property Services</b> Asset Management - Land and Buildings (Report 62)</p>	<p>This audit reviews how well Property Services controls the Asset Management of Land and Buildings and ensures compliance with current regulations and guidance.</p> <p><u>Audit Opinion:</u></p> <ul style="list-style-type: none"> <li>• Level of Assurance    Grade 3</li> <li>• System Materiality    Grade 5</li> <li>• Overall risk            Grade High</li> </ul> <p><u>Findings:</u></p> <p>The following areas for improvement were identified:</p> <ul style="list-style-type: none"> <li>• Amendments to procedures are not dated and the documents are not version controlled.</li> <li>• There is no formal process for checking the accuracy of the inventory.</li> <li>• There is no formal link from the Capital Plan to the Asset Register.</li> <li>• The Asset Register is not regularly reconciled to the Insurance Register.</li> <li>• The condition of land without buildings is not monitored in the asset management system.</li> <li>• Repairs are not always promptly authorised and completed.</li> <li>• Meetings between Property Services and client services are held where issues arise but there is no set programme, and Property Services do not receive assurance from Services that property is being used effectively.</li> </ul>

SERVICE, REPORT and PURPOSE	SUMMARY OF FIFE COUNCIL AUDIT REPORTS								
	<ul style="list-style-type: none"> <li>• Operating costs of buildings are not reported and monitored on an individual basis and advice is not provided to manage these costs.</li> <li>• Review dates are not stated on the Building Compliance Guidebook and it is not version controlled.</li> <li>• There is no process to ensure Council Services have signed an agreement on occupancy conditions for all properties.</li> </ul> <p>Satisfactory action has been agreed for the seven recommendations made (5 substantial) by 31 March 2022.</p>								
<p><b>3. Roads and Transportation Services, Assets Transportation &amp; Environment</b> Capital Expenditure – Service level (Report 63)</p>	<p>This audit reviews how well Roads and Transportation Services controls and monitors its capital expenditure and ensures compliance with current regulations and guidance.</p> <p><u>Audit Opinion:</u></p> <ul style="list-style-type: none"> <li>• Level of Assurance   Grade 1</li> <li>• System Materiality   Grade 5</li> <li>• Overall risk           Grade Low</li> </ul> <p><u>Findings:</u></p> <p>There were no areas for improvement.</p>								
<p><b>4. Children &amp; Families and Criminal Justice Services</b> Human Resources (Report 64)</p>	<p>This audit reviews whether Children &amp; Families and Criminal Justice Services follows current HR policies and procedures when managing employees and ensures compliance with current regulations and guidance.</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Audit Opinion</u></th> <th style="text-align: left;"><u>Grade</u></th> </tr> </thead> <tbody> <tr> <td>• Level of Assurance</td> <td>3</td> </tr> <tr> <td>• System Materiality</td> <td>5</td> </tr> <tr> <td>• Overall Risk</td> <td>High</td> </tr> </tbody> </table> <p><u>Findings:</u></p> <ul style="list-style-type: none"> <li>• There are no areas for improvement.</li> </ul>	<u>Audit Opinion</u>	<u>Grade</u>	• Level of Assurance	3	• System Materiality	5	• Overall Risk	High
<u>Audit Opinion</u>	<u>Grade</u>								
• Level of Assurance	3								
• System Materiality	5								
• Overall Risk	High								



SERVICE, REPORT and PURPOSE	SUMMARY OF FIFE COUNCIL AUDIT REPORTS
<p><b>5. Customer and Online Services</b> Non-Domestic Rates (Report 65)</p>	<p>This audit reviews how well Revenue Services and Customer and Online Services ensures compliance with current regulations and guidance for assessment, billing, collection and recovery of Non-Domestic Rates (NDR).</p> <p><u>Audit Opinion:</u></p> <ul style="list-style-type: none"> <li>• Level of Assurance   Grade 2</li> <li>• System Materiality   Grade 3</li> <li>• Overall risk           Grade Low</li> </ul> <p><u>Findings:</u></p> <p>The following areas for improvement were identified:</p> <ul style="list-style-type: none"> <li>• Documented procedures are not up-to-date, subject to annual review or version controlled.</li> <li>• Independent checks for weekly reconciliations are not evidenced.</li> </ul> <p>Satisfactory actions have been agreed for the two recommendations made (no substantial) by 31 January 2022.</p>
<p><b>6. H&amp;SC Adult Services (Resources)</b> Management of Information (Report 66)</p>	<p>This audit reviews how well Health &amp; Social Care, Adult Services (Resources) controls management of information and ensures compliance with Data Protection Legislation. At the time of issue, we had not managed to obtain agreement of the report by the Head of Complex and Critical Care Services.</p> <p><u>Audit Opinion:</u></p> <ul style="list-style-type: none"> <li>• Level of Assurance   Grade 2</li> <li>• System Materiality   Grade 3</li> <li>• Overall risk           Grade Low</li> </ul> <p><u>Findings:</u></p> <p>The following areas for improvement were identified:</p> <ul style="list-style-type: none"> <li>• Documented procedures for information-related activities are not up to date.</li> </ul>

SERVICE, REPORT and PURPOSE	SUMMARY OF FIFE COUNCIL AUDIT REPORTS
	<ul style="list-style-type: none"> <li>• The Mandatory Training List has not been updated in line with Data Protection Legislation.</li> </ul> <p>Satisfactory actions have been agreed for the two recommendations made (no substantial) by 31 December 2021.</p>
<p><b>7. H &amp; SC Children and Families</b>            Bus Service Operators Grant            (Report 67)</p>	<p>This audit reviews how well Health and Social Care, Children and Families, and Business Support control the management of the Bus Service Operators' Grant and ensure compliance with current regulations and guidance.</p> <p><u>Audit Opinion:</u></p> <ul style="list-style-type: none"> <li>• Level of Assurance   Grade 3</li> <li>• System Materiality   Grade 2</li> <li>• Overall risk           Grade Low</li> </ul> <p><u>Findings:</u></p> <p>The following areas for improvement were identified:</p> <ul style="list-style-type: none"> <li>• Establishments are using different Driver's BSOG Forms</li> <li>• Procedures do not provide guidance on full completion of the Electronic BSOG Weekly Return.</li> <li>• Driver's BSOG Forms are not always signed by the driver and authorised by a senior member of staff.</li> <li>• Procedures regarding retention are not accurate and require amendment.</li> </ul> <p>Satisfactory actions have been agreed for the five recommendations made (all substantial) by 6 August 2021.</p>

SERVICE, REPORT and PURPOSE	SUMMARY OF CORPORATE FRAUD REPORTS
<p><b>1. Education and Children's Services</b>            Payments to Third Party Organisations            (Report CF16)</p>	<p>This fraud risk review looked at potential fraud risks within Education &amp; Children's Services for payments to third party organisations.</p> <p><u>Findings:</u></p> <p>The following areas for improvement were identified:</p> <ul style="list-style-type: none"> <li>• Specific reference to recording any potential conflicts of interest, either actual or perceived, is not included in the Link Officer Guidelines.</li> <li>• Grant application evaluation decisions are not documented.</li> <li>• No grant recipients, in the sample checked, were provided with a formal award letter.</li> <li>• Monitoring and Forward Plans for recurring grant awards under £10,000 per annum are not always completed.</li> <li>• Staff have not been provided with guidance on the actions to take if they suspect fraud by another member of staff.</li> </ul> <p>Satisfactory actions have been agreed for the five recommendations (all substantial) made by 31 March 2022.</p>

SERVICE, REPORT and PURPOSE	SUMMARY OF INTEGRATION JOINT BOARD REPORTS (FOR NOTING)
<p><b>1. Health and Social Care Partnership</b> Transformation and Change Governance (Report IJB 8)</p>	<p>This audit focused on how IJB transformation and change governance arrangements align to its priorities and the IJB's overall governance structure.</p> <p><u>Audit Opinion:</u></p> <ul style="list-style-type: none"> <li>• Level of Assurance      Grade 4</li> <li>• System Materiality      Grade 5</li> <li>• Overall risk              Grade High</li> </ul> <p><u>Findings:</u></p> <p>Generally, controls were sound. However:</p> <ul style="list-style-type: none"> <li>• Alignment of transformation and change to IJB strategic priorities is not always clear.</li> <li>• Mechanisms for developing the IJB Strategic Plan for Fife 2019/22, and the resultant list of transformation and change initiatives, and ensuring the Strategic Plan aligns with Plan for Fife, and HSCP's role within the Fife Partnership, is not documented.</li> <li>• Terms of Reference for the ITB shows no role for Finance &amp; Performance Committee in transformation.</li> <li>• A structured approach to IJB transformation and change, and on reporting progress and outcomes of these initiatives to Committee has not yet been developed.</li> <li>• Risks have not been updated for the creation of Integrated Transformation Board, nor the definitions for types of change as revised in Medium Term Financial Strategy.</li> <li>• The Stage and Gate process and documentation requires alignment to ensure that information provided and checklists for gate approvals match and are pitched at a level appropriate to each stage.</li> </ul> <p>Satisfactory action has been agreed for the six recommendations (all substantial) in the report by 30/04/2022.</p>
<p><b>2. Health and Social Care Partnership</b> IJB Financial Regulations (Report IJB 9)</p>	<p>This audit assesses whether the IJB has appropriate Financial Regulations for the proper financial management of the Fife Health and Social Care Partnership (HSCP).</p> <p><u>Audit Opinion:</u></p> <ul style="list-style-type: none"> <li>• Level of Assurance      Grade 3</li> <li>• System Materiality      Grade 2</li> <li>• Overall risk              Grade Medium</li> </ul>

SERVICE, REPORT and PURPOSE	SUMMARY OF INTEGRATION JOINT BOARD REPORTS (FOR NOTING)
	<p><u>Findings:</u></p> <p>Generally, controls were sound. However:</p> <ul style="list-style-type: none"> <li>• It is unclear how and to whom the Regulations were communicated.</li> <li>• The Regulations have not been formally reviewed and updated.</li> <li>• The Regulations are unclear on the financial management requirements and responsibilities for the HSCP.</li> </ul> <p>Satisfactory action has been agreed for the seven recommendations (three substantial) in the report by 30/04/2022.</p>

7 October 2021

Agenda Item No. 9

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## Integration Joint Board Annual Audit Report 2020/21

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Report by: Elaine Muir, Head of Finance

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Wards Affected: All

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### Purpose

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The Internal Audit Output Sharing Protocol requires the Integration Joint Board (IJB) Annual Audit Report to be presented to the Fife Council Standards and Audit Committee for noting as part of the overall assurance portfolio in support of the governance statement. In return, the Fife Council Annual Audit Report is shared with the IJB Audit and Risk Committee.

### Recommendation(s)

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The Fife Council Standards and Audit Committee is asked to note the IJB Annual Audit Report 2020/21.

### Resource Implications

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None.

### Legal & Risk Implications

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The Internal Audit Output Sharing Protocol has been prepared in accordance with the General Data Protection Regulation principles and seeks to ensure that information required for assurance purposes is shared appropriately within the partnership.

### Impact Assessment

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An EqIA has not been completed and is not necessary as this report is not proposing a change or revision to existing policies and practices.

### Consultation

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No consultation required.

## 1.0 Background

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- 1.1 The Internal Audit Output Sharing Protocol sets out the following principles in relation to the sharing of internal audit outputs and granting of access to information:
- the Internal Audit plans of Fife Council and NHS Fife will be presented to the IJB Audit and Risk Committee, and summaries of audits identified as relevant to the IJB, or issues from within those reports, will be presented to the IJB Audit and Risk Committee at the next meeting, following presentation at the parent body Audit Committee.
  - In return, the IJB Internal Audit Plan and a summary of IJB reports will be shared with the Fife Council and NHS Fife Audit Committees following presentation at the IJB Audit and Risk Committee
  - Fife Council and NHS Fife Internal Audit Annual Reports will be presented to the IJB Audit and Risk Committee for noting, as part of the overall assurance portfolio in support of the governance statement. In return, the IJB Internal Audit Annual Report, will be shared with the parent bodies and reported through their own internal audit reporting procedures.
- 1.2 This will help ensure that plans are coherent over the whole system of internal control, and also provide each Audit Committee, whilst respecting the primacy of the organisation for whom the report is prepared, with the opportunity to identify any relevant audits from another body which they may wish to receive assurance from and to highlight any areas where they might wish to ensure that particular issues, relevant to their IJB are taken into account.

## 2.0 IJB Annual Audit Report 2020/21

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- 2.1 This report includes an assessment of the adequacy, reliability and effectiveness of the internal control system of the Fife IJB. It also contains an overview of audit activities relating to the IJB during the year.
- 2.2 The report is included at Appendix 1

### List of Appendices

1. IJB Annual Internal Audit Report 2020/21

### Report Contact

Avril Cunningham  
Service Manager, Audit & Risk Management

Email: [avril.cunningham@fife.gov.uk](mailto:avril.cunningham@fife.gov.uk)



<b>Meeting Title:</b>	<b>IJB Audit &amp; Risk Committee</b>
<b>Meeting Date:</b>	<b>4 June 2021</b>
<b>Agenda Item No:</b>	
<b>Report Title:</b>	<b>IJB Annual Audit Report 2020-21</b>
<b>Responsible Officer:</b>	<b>Nicky Connor, Director of Health and Social Care</b>
<b>Report Author:</b>	<b>Avril Cunningham, Chief Internal Auditor (2021-21)</b>

## **1 Purpose**

An annual audit report is a requirement of the Public Sector Internal Auditing Standards (PSIAS). This report contains the Annual Assurance Statement 2020/21, a performance overview, and an update on compliance with the PSIAS.

### **This Report is presented to the Board for:**

- Awareness
- Discussion

### **This Report relates to the following National Health and Wellbeing Outcome:**

- 9 Resources are used effectively and efficiently in the provision of health and social care services.

### **This Report aligns to the Integration Joint Board 5 Key Priority:**

- Managing resources effectively while delivering quality outcomes.

## **2 Route to the Meeting**

During the compilation of this report, consultation has taken place with Health & Social Care Partnership management and FTF Fife Internal Audit Service Chief Internal Auditor.

## **3 Report Summary**

### **3.1 Situation**

It is considered important, that at least annually, members of the Audit & Risk Committee should receive a report from the Chief Internal Auditor that includes



an assessment of the adequacy, reliability and effectiveness of the internal control system of the Fife Integration Joint Board (IJB).

## 3.2 Background

### Assurance Statement:

The annual statement of assurance on the adequacy and effectiveness of corporate governance and the internal control system of the IJB for the year ended 31 March 2021 is included at Appendix 1.

### Performance Overview 2020/21

The Fife Integration Joint Board (IJB) Operational Plan for 2020/21 was approved at the IJB Audit & Risk Committee on 13 March 2020. This included two audits, Risk Management and Transformation Programme, brought forward for completion from 2019/20, and Financial Information audit and a follow up audit (subsequently replaced by a high-level self-assessment on governance during the pandemic).

All audit reports were issued by 31 March 2021, with the governance review self-assessment report issued on 10 May 2021.

Work undertaken on post audit reviews is reported separately to Committee.

### Public Sector Internal Audit Standards –Audit Services, Fife Council

Audit Services operates in accordance with the Public Sector Internal Audit Standards (PSIAS) which apply to Local Government. This was confirmed by the last External Quality Assessment report in April 2017.

The Scottish Local Authority Chief Internal Auditors Group provides the opportunity for EQAs to be performed as a peer review by the CAE of another Scottish Local Authority at least once every five years. The next independent external assessment of Audit Services' compliance against the PSIAS will be carried out in 2022 by the CAE of Aberdeen City Council.

An annual PSIAS self-assessment is underway, the outcome of which will be reported to Standards and Audit Committee in October 2021 in the Fife Council Annual Audit Report, and subsequently provided for information only to the IJB Audit & Risk Committee.

### Public Sector Internal Audit Standards –FTF Internal Audit Service

An External Quality Assessment of FTF Internal Audit Service was undertaken by the Chief Internal Auditor, Midlothian Council and Scottish Borders Council, on behalf of the Chief Internal Auditors' Group in 2018/19. The annual self-assessment is underway and the outcome will be provided to this Committee for information in the Fife Council Annual Audit Report 2020/21 later in the year.

Overall, the EQA assessment undertaken concluded that “following completion of the comprehensive EQA Checklist and, based on the work undertaken, it is my opinion that the FTF Internal Audit service for Fife and Forth Valley generally conforms with the PSIAS.”

### **3.3 Assessment**

Covid-19 has had a significant impact and the IJB has had to adapt to new ways of working in difficult circumstances. Risk management, governance and internal controls and assurance have been key considerations in the recovery and redesign of services, with decision making supported by financial management and reporting. However, as may be expected, there are still challenges and further action required to build on the work already undertaken.

I would like to take the opportunity to thank the Committee, NHS FTF Internal Audit Service, Audit Scotland and Health and Social Care Partnership management and staff for their support, guidance and assistance, and Audit Services staff for their efforts to fulfil the audit plan in difficult circumstances this year.

#### **3.3.1 Quality/ Customer Care**

Fife Council Audit Services and FTF Internal Audit (NHS Fife) comply with the Public Sector Internal Auditing Standards.

#### **3.3.2 Workforce**

There are no workforce implications arising directly from this report.

#### **3.3.3 Financial**

There are no financial impacts arising directly from this report.

#### **3.3.4 Risk/Legal/Management**

There are no risk or legal implications arising directly from this report.

#### **3.3.5 Equality and Diversity, including Health Inequalities**

An EqIA has not been completed and is not necessary for the following reasons. There are no EqIA implications arising directly from this report.

#### **3.3.6 Other Impact**

There are no other impacts arising directly from this report.

#### **3.3.7 Communication, Involvement, Engagement and Consultation**

During the compilation of this report, consultation has taken place between FTF Internal Audit Service and Fife Council Audit Services.

### **3.4 Recommendation**

#### **For awareness and discussion:**

The Committee is asked to note the contents of this report, and in particular, my opinion that a medium level of control exists, and that reasonable assurance

can be placed on the adequacy and effectiveness of the systems of corporate governance and internal control in the year to 31 March 2021.

However, it should be noted that there has been further progress this year on improving financial management, which it is hoped that, if continued alongside planned governance and transformation reviews lead to improvements next year, would lead to a medium/high grade in future.

#### **4 List of Appendices**

Appendix 1- Annual Assurance Statement

Appendix 2 - Evaluation Criteria

#### **5 Implications for Fife Council**

Not applicable – report will be provided to Standards and Audit Council for information

##### **Implications for NHS Fife**

Not applicable– report will be provided to FTF Audit Service for information

#### **6 Implications for Third Sector**

Not applicable

#### **7 Implications for Independent Sector**

Not applicable

#### **8 Directions Required to Fife Council, NHS Fife or Both**

<b>Direction To:</b>	
<b>1</b>	<b>No Direction Required</b>

#### **Report Contact**

Author Name

Avril Cunningham

Author's Job Title

Chief Internal Auditor

E-Mail

avril.cunningham@fife.gov.uk

## ANNUAL ASSURANCE STATEMENT

### To the Director of Health and Social Care and the Chief Finance Officer

As Chief Internal Auditor of Fife Integration Joint Board (IJB), I am pleased to present my annual statement on the adequacy and effectiveness of corporate governance and the internal control systems of the Integration Joint Board for the year ended 31 March 2021.

### Respective responsibilities of management and internal auditors in relation to corporate governance and internal control

Health and Social Care senior management is responsible for establishing an appropriate and sound system of corporate governance and internal control and monitoring the continuing effectiveness of these systems.

The Chief Internal Auditor is responsible for providing an annual overall assessment of the robustness of the corporate governance and internal control systems. However, only reasonable assurance can be given that control weaknesses or irregularities do not exist.

The IJB Audit and Risk Committee provides independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. In doing so, it places reliance on the NHS Fife and Fife Council systems of internal control that support compliance with each organisations' policies and promote achievement of each organisation's aims and objectives, as well as those of the IJB. By overseeing internal and external audit, the IJB Audit and Risk Committee plays a crucial role in ensuring effective assurance arrangements are in place.

### Sound internal controls

The main objectives of the IJB's corporate governance and internal control systems are to:

- ensure development of and adherence to management policies and directives in order to achieve the IJB's objectives;
- safeguard assets;
- ensure the proper, economic, efficient and effective use of resources;
- secure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records and
- ensure compliance with statutory requirements.

A sound system of corporate governance and internal control reduces, but cannot eliminate, the possibility of:

- poor judgement;
- human error;
- control processes being deliberately circumvented by employees and others;
- management overriding controls;

- unforeseeable circumstances;
- failure to meet objectives or
- material errors, losses, fraud or breaches of law or regulations.

There are a number of areas of high-level control and direction across the IJB's activities which contribute positively to the standards of internal control in place, for example:

- ongoing development of a sound corporate governance framework, including a review of the Integration Scheme and the development of an Integrated Transformation Board;
- a governance framework is in place, with further review of governance arrangements planned to follow the Integration Scheme review;
- a Strategic Risk Register, a Risk Management strategy and processes are in place, with further development planned to follow the Integration Scheme review.
- the medium-term financial strategy, and regular reviews of periodic and annual financial reports which indicate financial performance against forecasts;
- an approved strategic plan for the 2019-2022 and performance framework, with plans for improved performance reporting;
- unqualified annual accounts for the last 4 years (2016-17 was the first year of operational responsibilities);
- well-defined Chief Officer responsibilities
- a well-established IJB Audit and Risk Committee.

### **The work of internal audit**

The IJB Chief Internal Auditor plays a critical role in delivering the IJB's strategic objectives by:

- championing best practice in governance;
- objectively assessing the adequacy of governance and management of existing risks;
- commenting on responses to emerging risks and proposed developments and
- giving an objective and evidence-based opinion on all aspects of governance, risk management and internal control.

Fife Council's Audit and Risk Management and the NHS FTF Audit Services, as IJB Internal Audit, provide the internal audit function for the IJB. Both operate in accordance with the Public Sector Internal Audit Standards which apply to Local Government. IJB Internal Audit undertakes an annual programme of work approved by the IJB Audit and Risk Committee based on a five-year strategic audit plan. The strategic audit plan is based on a formal risk assessment process and continually updated to reflect evolving risks and changes within the IJB.

An Internal Audit Output Sharing Protocol has been agreed between the IJB, Fife Council and FTF Audit and Management Services (NHS Fife) Chief to enable sharing of internal audit outputs in a controlled manner with Audit Committees for assurance purposes.

All IJB internal audit reports, including those identifying system weaknesses and/or non-compliance with expected controls, are issued to the Director of Health and Social Care,

and copied to Divisional Managers, who are responsible for implementing all agreed recommendations in internal audit action plans.

The Chief Internal Auditor is responsible for determining whether appropriate action has been taken on internal audit recommendations or that management has understood and assumed the risk of non-implementation. This is done by means of follow up procedures, and bi-annual reports to the IJB Audit and Risk Committee.

IJB internal audit reports are also issued to the IJB Audit and Risk Committee, the Chief Finance Officer and the External Auditor. Audit reports are provided to the Audit and Risk Committee for its scrutiny. Where necessary, the Audit and Risk Committee can seek further reports from the Director of Health and Social Care or the appropriate Divisional Manager.

Similar arrangements are in place both in NHS Fife and Fife Council, and the Chief Internal Auditor places reliance on any relevant work carried out by the internal audit functions of both organisations.

## **Basis of opinion**

My evaluation of the control environment is informed by a number of sources:

- the assessment of risk completed during the preparation and updating of the IJB Strategic Audit Plan;
- internal audit work undertaken (in all three organisations) for the year to 31 March 2021, and work carried out in prior years with agreed improvements being implemented in that year or later;
- reports issued during the year by Audit Scotland;
- my knowledge of the IJB's governance, risk management and performance monitoring arrangements.

The level of assurance provided for the year ended 31 March 2021 by the audit work undertaken is not limited by the onset of COVID-19 as all audit fieldwork was completed in the year.

## **Audit Findings**

Internal and External Audit findings provide evidence that the Health and Social Care Integration Joint Board is developing a sound system of corporate governance and internal control which is appropriately monitored and reviewed.

The internal and external audits carried out in 2020/21 identified that, overall, processes and procedures had met the control requirements, or are working towards them, and revealed only relatively minor non-compliance or system weakness. Where audits identify processes where control objectives have not been fully achieved or there is a lack of compliance, action is agreed to address these areas for improvement.

## Key findings include

- The Risk Management review identified the need for clarity on whether development of a shared risk management strategy has been delegated to the IJB, and the need for a timetable to drive completion of the risk review actions. These actions are delayed because they are dependent on the outcome of the IJB Integration Scheme review.
- The Transformation and Change Governance review focused on how IJB transformation and change governance arrangements align to its priorities and the IJB's overall governance structure. The recommendations related to clearly linking the IJB Strategic Plan and its resultant transformation programmes to the Plan for Fife, updating the Governance Manual to include strategic planning and transformation governance processes, developing a change management framework, and highlighting areas of improvement in the transformation governance process.
- The IJB Financial Regulations Audit confirmed that the IJB has approved regulations, which are included in the Governance Manual, but highlighted that these require to be reviewed and updated to clearly set out financial management responsibilities for the Health and Social Care Partnership.
- The overall outcome of the self-assessment on Governance arrangements during Covid-19 highlights that risk management, governance and internal controls and assurance have been key considerations in the recovery and redesign of services, with decision making supported by financial management and reporting.

In addition, my opinion on the level of internal controls, with recognition that this has been a challenging year, where progress has been impacted due to addressing Covid-19 requirements, takes the following into account:

- While progress has been made, further work is still required, in conjunction with Fife Council and NHS Fife in relation to addressing accountability, assurance and governance, clarity over the ownership of risks regarding delegated services, and to drive transformation change through collaborative relationships with Fife Council and NHS Fife. Progress has been impacted by the need to prioritise the COVID-19 response, and the integration scheme review is ongoing, with some issues still to be addressed by Fife Council and NHS Fife.
- The delay in completing the integration scheme review has impacted on IJB governance and risk management reviews, which are required to develop the governance framework and address areas for improvement identified in the key findings above.
- The delivery of transformation and change has not made significant progress this year due to the pandemic, although some redesign of processes has occurred as a result of the pandemic response. However, positive steps have been made in appointing a Senior Leadership Team Lead for Transformation and discussion on refreshing both transformation projects and processes is underway.
- Progress is being made on strengthening financial and performance management, with the incorporation of Project Initiation Documents detailing efficiency and service redesign proposals into the revised Medium-Term Financial Strategy, recovery actions being identified to balance the budget and create capacity to take forward change projects, improved performance management reporting, and the development of a Directions Policy.

## **Level of opinion**

Overall, internal controls were operating well and continued improvements to processes are being made. As part of each audit, a detailed action plan improving controls was agreed, and the outcome monitored. Where control failings or weaknesses were identified, management responded well and have agreed appropriate remedial action in line with an agreed, monitored action plan. However, as can be identified from the Post Audit Review Report, implementation of actions in relation to areas for improvement identified during audits has been significantly impacted by the Covid-19 response.

In determining the level of opinion to be provided, I have had regard to five possible categories as detailed in Appendix 2

## **Opinion**

It is my opinion that a medium level of control exists, and that reasonable assurance can be placed upon the adequacy and effectiveness of the Health and Social Care Integration Joint Board's systems of corporate governance and the internal control system in the year to 31 March 2021.

However, it should be noted that there has been further progress this year on improving financial management, which it is hoped that, if continued alongside planned governance and transformation reviews lead to improvements next year, would lead to a medium/high grade in future.

**Avril Cunningham**

**Service Manager, Audit and Risk Management Services, Fife Council**

**06 May 2021**



## Evaluation Criteria

1 <b>High</b> level of assurance / well controlled - clean opinion	:	internal control objectives have been met - any non-compliance or weaknesses are insignificant.
2 <b>Medium/high</b> level of assurance / adequately controlled - clean opinion or qualified opinion	:	internal control objectives have been met - any non-compliance or weaknesses are relatively minor and / or relate to specific areas.
3 <b>Medium</b> level of assurance / inadequately controlled - qualified opinion	:	control objectives have not been fully achieved - control weaknesses or non-compliance are relatively minor but have been identified in a number of areas.
4 <b>Low/medium</b> level of assurance - qualified opinion or adverse opinion	:	control objectives have not been met - significant or material non-compliance and/or control weaknesses have been identified.
5 <b>Low</b> level of assurance – adverse opinion	:	control objectives overall have not been met – systemic significant or material non-compliance and/or control weaknesses have been identified.

<b>Standards and Audit Committee of 16th December 2021</b>			
<b>Title</b>	<b>Service(s)</b>	<b>Contact(s)</b>	<b>Comments</b>
Minute of meeting 28.10.21		Wendy MacGregor Legal and Democratic Services	
Fife Council and Charitable Trusts Annual Audit Report and Audited Annual Accounts 2020-21		Elaine Muir Head of Finance	
The Standards Commission for Scotland Annual Report 2020/21		Lindsay Thomson Head of Legal and Democratic Services	Annual Report, expected Nov/Dec 2021
RISPA Legislation - Annual Report		Lindsay Thomson Head of Legal and Democratic Services	Annual report on the Council's use of its surveillance powers under RIPSAs legislation. Report submitted 2020 covering 18 months as it was delayed due to Covid, next report due Oct/Dec mtg 2021. Previous report by Morag Ferguson
National Fraud Initiative Update			Manager Pamela Redpath, Service Manager, Audit and Risk Management Services
Update on audit plan & summary of audit reports			contact - Pamela Redpath Service Manager, Audit and Risk Management Services
Risk Management Strategy Report			Pamela Redpath, Service Manager - Audit and Risk Management Services
Strategic Risk Register Report			Pamela Redpath - Service Manager, Audit and Risk Management Services
Post Audit Review Report			Pamela Redpath - Audit and Risk Management Services

<b>Standards and Audit Committee of 16th December 2021</b>			
<b>Title</b>	<b>Service(s)</b>	<b>Contact(s)</b>	<b>Comments</b>
Safeguarding & Self- Assessment Action Plan, including Committee Self- Assessment 2021-22			Pamela Redpath - Service Manager, Audit and Risk Management Services

<b>Standards and Audit Committee of 17th February 2022</b>			
<b>Title</b>	<b>Service(s)</b>	<b>Contact(s)</b>	<b>Comments</b>
Minute of meeting 16.12.21		Wendy MacGregor Legal and Democratic Services	

<b>Unallocated</b>			
<b>Title</b>	<b>Service(s)</b>	<b>Contact(s)</b>	<b>Comments</b>
Financial Overview Report		Elaine Muir Head of Finance	
Local Government in Scotland: Challenges and Performance		Niki Ross	report from Audit Scotland - TBC