



Securing the future... • *Improving services*
• *Enhancing quality of life* • *Making the best use of public resources*

Council Building
2 High Street
Perth
PH1 5PH

11 September 2019

A Meeting of the **Audit Committee** will be held in **the Council Chamber, 2 High Street, Perth, PH1 5PH** on **Wednesday, 18 September 2019** at **10:15**

If you have any queries please contact Committee Services on (01738) 475000 or email Committee@pkc.gov.uk.

KAREN REID
Chief Executive

Those attending the meeting are requested to ensure that all electronic equipment is in silent mode.

Please note that the meeting will be recorded and will be publicly available on the Council's website following the meeting.

Members:

Councillor Eric Drysdale (Convener)

Councillor Stewart Donaldson (Vice-Convener)

Councillor David Illingworth

Councillor Anne Jarvis

Councillor Xander McDade

Councillor Mike Williamson

Councillor Willie Wilson

Audit Committee

Wednesday, 18 September 2019

AGENDA

MEMBERS ARE REMINDED OF THEIR OBLIGATION TO DECLARE ANY FINANCIAL OR NON-FINANCIAL INTEREST WHICH THEY MAY HAVE IN ANY ITEM ON THIS AGENDA IN ACCORDANCE WITH THE COUNCILLORS' CODE OF CONDUCT.

- 1 WELCOME AND APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTE OF MEETING OF THE AUDIT COMMITTEE OF 26 JUNE 2019 FOR APPROVAL AND SIGNATURE** **5 - 10**
(copy herewith)
- 4 WELFARE RIGHTS-EMERGING ISSUES**
Presentation by L Brady, Revenue and Benefits Service Manager
- 5 AUDITED ANNUAL ACCOUNTS 2018-19 AND ANNUAL REPORT TO THE MEMBERS OF PERTH AND KINROSS COUNCIL AND THE CONTROLLER OF AUDIT FOR THE YEAR ENDED 31 MARCH 2019**
Report by Head of Finance (copy to follow 19/251)
- 6 INTERNAL AUDIT FOLLOW UP** **11 - 18**
Report by Chief Internal Auditor (copy herewith 19/252)
- 7 INTERNAL AUDIT UPDATE** **19 - 24**
Report by Chief Internal Auditor (copy herewith 19/253)
- 7(i) CORPORATE AND DEMOCRATIC SERVICES**
- 7(i)(a) 19-02 DIGITAL STRATEGY** **25 - 38**
(copy herewith 19/254)

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

AUDIT COMMITTEE

Minute of meeting of the Audit Committee held in the Council Chamber, 2 High Street, Perth on Wednesday 26 June 2019 at 9.30am.

Present: Councillors E Drysdale, S Donaldson, H Anderson (substituting for M Williamson), A Coates, D Illingworth, X McDade and W Wilson.

In Attendance: J Clark, C Irons, S Mackenzie, A O'Brien, L Simpson, S Walker and M Willis (all Corporate and Democratic Services); J Cockburn (Education and Children's Services) and F Crofts (Housing and Environment).

Apology: Councillor M Williamson.

Councillor Drysdale, Convener, Presiding.

. **WELCOME AND APOLOGIES/SUBSTITUTIONS**

The Convener welcomed everyone to the meeting. An apology and substitution was noted as above.

. **DECLARATIONS OF INTEREST**

There were no declarations of interest in terms of the Councillors' Code of Conduct.

. **MINUTE**

The minute of meeting of the Audit Committee of 22 May 2019 (Arts. 270-279) was submitted and approved as a correct record and authorised for signature.

With regard to the Interim Management Report and Audit Status Summary (Art. 279), Councillor S Donaldson requested an update on the difference of opinion on the Loans Fund and L Simpson advised that Audit Scotland had taken legal advice which had resolved the issue and there would be no detriment to the Council. S Mackenzie confirmed that Audit Scotland had issued revised guidance to clarify points which had resolved the matter.

F Crofts advised that a training session for all Councillors was being arranged on climate change in response to Councillor W Wilson's request at the previous meeting for advice to respond to enquiries from constituents. (Art. 272)

The Convener advised that a presentation would be given to the Audit Committee on 18 September 2019 on Universal Credit when further information had become available. (Art 275 (i)(a))

Councillor S Donaldson advised that following discussion at the previous meeting he had contacted the Courts and Tribunal Service and had circulated the response to Committee members advising that there were no plans to introduce a Perth hearing venue for welfare rights appeals.

Councillor W Wilson suggested the Council could perhaps help facilitate accommodation for the venue if that was a problem.

The Convener thanked Councillor S Donaldson for raising the matter with the Courts and Tribunal Service and confirmed that the whole issue of Universal Credit would be discussed at the next meeting of this Committee. (Art 275(i)(a))

. **INTERNAL AUDIT UPDATE**

There was submitted a report by the Chief Internal Auditor (19/193) presenting a current summary of Internal Audit's work.

Councillor X McDade asked the reason why there had been nine requests for advice/guidance in a two month period compared to seven requests in the previous year. J Clark advised that services were now recognising the consultancy role that Internal Audit offer and that they were encouraging services to make contact for advice; guidance; support and assurance.

Resolved:

The completion of assignments since the last Audit Committee on 22 May 2019, be noted.

. **INTERNAL AUDIT FOLLOW UP**

There was submitted a report by the Chief Internal Auditor (19/194) presenting a summary of Internal Audit's follow up work.

In response to questions from Councillors X McDade and H Anderson, F Crofts confirmed that LEADER payments from the Scottish Government were being made to the Council and that issues with the national IT system were being resolved.

Councillor W Wilson asked for confirmation that the ResourceLink/MyView would reflect the current operational structure from 30 June 2019 and S Walker advised the deadline would not be met but he would contact services to ensure the required information was forwarded to payroll so that the system could be updated as soon as possible.

Resolved:

- (i) The current position in respect of the agreed actions arising from internal audit work, be noted.
- (ii) The action plans be progressed, taking into account the recorded audit opinions.

INTERNAL AUDIT STRATEGY AND PLAN 2019/20

There was submitted a report by the Chief Internal Auditor (19/195) presenting the strategy for the delivery of Internal Audit and the proposed approach for the direction of planned Internal Audit work for 2019/20.

J Clark advised that a risk based Internal Audit Plan was prepared in accordance with the Public Sector Internal Audit Standards (PSIAS). The outcomes of the Best Value Review and the Health and Social Care Partnership external inspection were awaited and may influence the direction of some elements of Internal Audit activity within the year. Changes to the Risk Register would also influence the Plan.

The Convener thanked the Internal Audit Team for developing the Audit Plan with limited resources and added that a replacement was being recruited for the Senior Internal Auditor who had recently retired and that J Clark had taken on the role of Chief Internal Auditor to the Integration Joint Board for the next three years following a review of the service. He stated he was delighted with the thematic approach to the Plan which would be amended as appropriate and added that one third of staff time was spent on general activities, such as National Fraud Initiative checks; the Counter Fraud and Corruption Strategy; Continuing Professional Development; monitoring of agreed actions.

Councillor X McDade asked about progress of the Tay Cities Deal audit and J Clark advised that a collaborative approach was being taken and she was in negotiation with the other Local Authorities involved to ensure any risks were covered by the audit but the detail had not yet been agreed.

Councillor X McDade queried how Transformation projects would be audited with proposed changes for Transformation to be embedded into everyday activities rather than a separate Programme and J Clark confirmed that Internal Audit would react to the proposed changes and L Simpson added that there would continue to be a structured governance framework with reporting to the Strategic Policy and Resources or Audit Committees as necessary.

Councillor H Anderson referred to the proposed Recycling Centres audit and whether the review would consider the management of re-saleable goods from the centres or taking them elsewhere and J Clark confirmed it would look at all aspects, ensuring the protection of the staff against potential allegations of corruption/fraud.

Councillor W Wilson referred to a third of audit time being taken up with general activities and questioned if some of these activities, such as the verification of the Bus Service Operators Grant, could be undertaken every second year instead of annually to release extra resources. J Clark advised that the verification of the Bus Service Operators Grant had previously been carried out twice a year so resources had been released in reducing it to once a year and assured the Committee that the Team wanted to dedicate as much time as possible to the Plan as well as allowing time for consultancy and flexibility to respond to unplanned work.

Councillor S Donaldson suggested the Committee should not preclude a more specific approach in audits and J Clark advised that the scope of audits varies and could be wide or very targeted, for example, the Contracting audit would focus on specific contracts but the Inclusion audit would be more wide-ranging and a future audit on the Health and Social Care Partnership would be based on the outcomes from its inspection. J Clark added that she would report back to Committee when the inspection report was available.

Resolved:

The Internal Audit Strategy and Plan for 2019/20, be approved.

CORPORATE RISK MANAGEMENT – PROGRESS REPORT 2018-19

There was submitted a report by the Head of Legal and Governance Services (19/196) on (i) informing the Committee of progress made in respect of implementing improvements in relation to risk management; (ii) advising the Committee of the current key strategic risks facing the Council and (iii) providing assurance as to the effectiveness of the Council's Risk Management Framework.

L Simpson advised that following approval of a report by the Strategic Policy and Resources Committee on 8 February 2017 (Report No 17/63), a new approach had been taken to risk management and actions had been taken to embed the Risk Management Framework and establish certified risk practitioners; create a risk toolkit and hold risk based workshops. L Simpson stated that risks were seldom static and the risk register was a live document which required to be regularly monitored and reviewed.

It was noted that the following programme of risk management activity was planned for 2019/20:

- (i) Assessment of risks relating to Health and Social Care Partnership and the Council's role as a statutory partner and provider of commissioned services
- (ii) Assessment of risks relating to Arm's Length External Organisations
- (iii) Review of risks in light of findings from the Council's Best Value Audit, once published
- (iv) Development Session with Audit Committee
- (v) Development Session with all elected members
- (vi) Review of the Council's Risk Appetite Statement
- (vii) Further refine the Risk Management Framework as part of the wider governance review and CIPFA Governance Mark of Excellence accreditation process

Councillor W Wilson commended the report which was set out clearly but stated there was a risk of pressure on staff, following a reduction in staff numbers, to meet the expectations of the public.

L Simpson advised that the register referred to Corporate risks which required to be mitigated by all services but if the risks also exist within services they would be addressed there. There was a general risk in relation to workforce planning and resourcing and a key aspect of workforce management was ensuring the Council

had a suitably skilled workforce and that resources were directed to where they were needed.

Councillor X McDade referred to risk number seventeen on the register and queried the residual risk score. L Simpson advised that the scoring reflected the fact that the governance framework was currently the subject of review and advised that it would likely reduce once that work was completed.

Resolved:

- (i) Progress to date embedding the risk management strategy, be noted.
- (ii) The current key strategic risks identified through the risk management process, be noted.
- (iii) The assessment as to the effectiveness of the current Risk Management Framework, be noted.

UNAUDITED DRAFT ANNUAL ACCOUNTS 2018/19

There was submitted a report by the Head of Finance (19/197) presenting the Council's Unaudited Annual Accounts for the financial year 2018/19 in accordance with the Local Authority Accounts (Scotland) Regulations 2014 for submission to the Controller of Audit by 30 June 2019.

S Mackenzie advised members that the annual accounts had been prepared in accordance with the relevant regulations. The requirement to carry out an annual review of the effectiveness of a Local Authority's systems of internal control by elected members had been met with the approval of the Annual Governance Statement by the Scrutiny Committee on 12 June 2019. The unaudited annual accounts were being submitted to this Audit Committee prior to their submission to the external auditor, KPMG, and being made available for public inspection. The audited accounts would be submitted to the Audit Committee on 18 September 2019 prior to consideration by the Council on 25 September 2019.

The Convener thanked the Head of Finance and colleagues for the preparation of the unaudited accounts and highlighted the £1,000,000 underspend on Finance/Investment and Other due to the efforts of the Treasury Management Team and a Tayside Contracts surplus.

In response to a question from Councillor X McDade, S Mackenzie confirmed that retirement packages paid to senior officers were approved by the Strategic Policy and Resources Committee in accordance with approved procedure.

Councillor S Donaldson asked if a review of pensions, as recommended by KPMG, had been undertaken. S Mackenzie advised that a high level review was required and the Council would require to employ actuaries to undertake the review. Councillor S Donaldson referred to a list of Common Good properties to be compiled and L Simpson confirmed that the Community Empowerment (Scotland) Act 2015 required Councils to establish and maintain a list of property held as part of the Common Good. As there was currently not a list, a list was being compiled with additional resources employed over the next few months.

Councillor X McDade asked why PPP (Public-Private Partnership) buildings were included in the accounts as assets as the Council would not own these. A O'Brien advised that internal accounting procedures required them to be included to take account of future liabilities for the buildings. Councillor X McDade suggested the Council would be better to buy out the PPP contract with a low interest loan as other Local Authorities had done. S Mackenzie advised that financial support had previously been provided for PPP contracts but they would no longer be considered the most suitable way to provide a new building. Discussions were ongoing with the Futures Trust on an appropriate model for financing large projects. He added that the cost of buying out the contracts would be significant but would look at the figures.

Resolved:

- (i) The Head of Finance be authorised to sign the Unaudited Annual Accounts.
- (ii) That the unsigned Audited Annual Accounts be submitted to this Committee on 18 September 2019 for approval, be noted.

~~~~~

# **PERTH AND KINROSS COUNCIL**

## **Audit Committee**

**18 September 2019**

### **INTERNAL AUDIT FOLLOW UP**

**Report by Chief Internal Auditor (Report No. 19/252)**

#### **PURPOSE OF REPORT**

This report presents a current summary of Internal Audit's 'follow up' work relating to actions due for completion in May and June 2019.

#### **1. BACKGROUND AND MAIN ISSUES**

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require the Chief Internal Auditor to establish a follow-up process to monitor and ensure that management actions have been effectively implemented. Internal Audit request evidence from Services which confirms that actions have been implemented and, therefore, controls have been improved.
- 1.2 There were 30 actions arising from Internal Audit reports. Of these, 11 had a completion date of May and June 2019. 8 of these actions have been completed and details of the 3 actions which have yet to be completed are included within Appendix 1.

#### **2. PROPOSALS**

- 2.1 It is recommended that the Committee seeks assurance that there are clear and achievable action plans for completing the agreed actions noted above.

#### **3 CONCLUSION AND RECOMMENDATIONS**

- 3.1 The Audit Committee is asked to consider the most appropriate action to be taken to progress the agreed Action Plans.
- 3.2 It is recommended that the Audit Committee:
  - (i) Note the current position in respect of the agreed actions arising from internal audit work; and
  - (ii) Consider the most appropriate action to be taken to progress the agreed action plans, taking into account the recorded audit opinions.

**Author**

| <b>Name</b>  | <b>Designation</b>     | <b>Contact Details</b>                                                 |
|--------------|------------------------|------------------------------------------------------------------------|
| Jackie Clark | Chief Internal Auditor | <a href="mailto:InternalAudit@pkc.gov.uk">InternalAudit@pkc.gov.uk</a> |

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

## ANNEX

## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

| <b>Strategic Implications</b>                       | <b>Yes / None</b> |
|-----------------------------------------------------|-------------------|
| Community Plan / Single Outcome Agreement           | None              |
| Corporate Plan                                      | Yes               |
| <b>Resource Implications</b>                        |                   |
| Financial                                           | None              |
| Workforce                                           | None              |
| Asset Management (land, property, IST)              | None              |
| <b>Assessments</b>                                  |                   |
| Equality Impact Assessment                          | Yes               |
| Strategic Environmental Assessment                  | None              |
| Sustainability (community, economic, environmental) | None              |
| Legal and Governance                                | None              |
| Risk                                                | Yes               |
| <b>Consultation</b>                                 |                   |
| Internal                                            | Yes               |
| External                                            | None              |
| <b>Communication</b>                                |                   |
| Communications Plan                                 | None              |

### 1. Strategic Implications

#### Corporate Plan

- 1.1 The Council's Corporate Plan 2018– 2022 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.2 This report relates to all of these objectives.

### 2. Assessments

#### Equality Impact Assessment

- 2.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

- 2.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

#### Risk

- 2.3 There is a risk to the strength of the control environment if the agreed action plans are not carried out in a timely manner.

### **3. Consultation**

#### Internal

- 3.1 The Depute Chief Executive and the Executive Directors have been consulted in the preparation of this report.

### **2. BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

### **3. APPENDICES**

Appendix 1 – Actions with a completion date up to June 2019 which have yet to be completed

## Appendix 1

Actions with a completion date up to June 2019 which have yet to be completed

| Finding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Action                                                                                                                                                              | Action owner & Service                                                                  | Date(s)                                                | Current status                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Internal Audit Opinion |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <p><a href="#">16-22 - Roads Maintenance Partnership</a></p> <p>Action Point : 3b – Monitoring of Files<br/>Importance: Low<br/>Audit Committee Date: April 2017</p> <p>As part of an Improvement Plan presented to Audit Committee in September 2015 there was an ongoing action relating to the independent monitoring of files from out-with the Service.</p> <p>Items selected for review are manually extracted from a list of projects.</p> <p>The Service advised that a working group was being set up with the aim of producing management information via their Road Management System (RMS), which may assist in the production of such information.</p> | <p>A request will be submitted to the Road Management System working group regarding the system producing Roads Maintenance Partnership management information.</p> | <p>S D'All, Manager, Roads Maintenance Partnership</p> <p>Housing &amp; Environment</p> | <p>May 2017<br/>Jul 2018<br/>May 2019<br/>Apr 2020</p> | <p>The Roads Asset Management System will have two modules from November 2019. Lighting Management System (LMS) and Roads Maintenance System (RMS) will be delivered which will include the Purchase to Pay process, this will enable better reporting of management information.</p> <p>Testing of LMS, RMS and the Purchase to Pay process will commence in November 2019 with a view to finalising testing in January 2020. It is envisaged that the go live date will be April 2020.</p> | <p>Accepted</p>        |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                             |                                                                                        |                                                                     |                                                                                                                                                                                                                                                                                  |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <p><a href="#">16-27 - Events &amp; Festivals</a></p> <p>Action Point : 1 - Events &amp; Festivals Strategy and Reporting<br/>Importance: Low<br/>Audit Committee Date: April 2017</p> <p>There is a documented Events &amp; Festivals Strategy for 2013-2020, which was approved by the Enterprise &amp; Infrastructure Committee in June 2013.</p> <p>This would benefit from revision to update the strategic focus on events, the approach and governance and to include the frequency of Event Strategy Meetings.</p> | <p>It was agreed at the Events Strategy meeting held on the 15<sup>th</sup> March 2017 that the Events &amp; Festivals Strategy would be updated.</p>                       | <p>A Graham,<br/>Business Development Team Leader</p> <p>Housing &amp; Environment</p> | <p>Apr 2018<br/>Sep 2018<br/>Jun 2019<br/>Dec 2019<br/>Jan 2020</p> | <p>An Events &amp; Festivals Strategy, covering the period 2019-2024, has been drafted. This will be submitted to SMT in September 2019 and to Environment and Infrastructure Committee for approval thereafter.</p>                                                             | <p>Accepted</p>     |
| <p><a href="#">18-21 General Data Protection Regulation</a></p> <p>Action Point: 8 – Contracts and Data Sharing<br/>Importance: Medium<br/>Committee Date: March 2019</p> <p>GDPR training is available for users with access to the online platform Learn, Innovate, Grow and GDPR training is mandatory. There were also Learning</p>                                                                                                                                                                                    | <p>Further reminders to staff with links to the training updates continuing to promote the need and uptake of GDPR training, with clear message that this is mandatory.</p> | <p>D Henderson,<br/>Data Protection Officer</p>                                        | <p>Jun 2019<br/>Sep 2019</p>                                        | <p>The Corporate Management Group have been reminded of their responsibility to ensure that staff undertake this training. Whilst there has been an increase in the proportion of officers who have completed the on-line training, Internal Audit is awaiting evidence that</p> | <p>Satisfactory</p> |



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |  |  |                                                                    |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--------------------------------------------------------------------|--|
| <p>Lunches, updates on Eric and presentations to Service staff and staff groups.</p> <p>Training areas included for example, Data Protection Impact Assessments, common breaches and how to reduce these occurring.</p> <p>Across all Council Services, the up-take figures for the latest GDPR on-line training to Feb 2019 showed 373 had completed the GDPR.</p> <p>This suggests that not all users have completed mandatory GDPR training. It was reported that when there is a breach the ICO always request information about staff training.</p> |  |  |  | <p>this has cascaded effectively for all relevant staff groups</p> |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--------------------------------------------------------------------|--|



# PERTH AND KINROSS COUNCIL

## Audit Committee

18 September 2019

### INTERNAL AUDIT UPDATE

Report by Chief Internal Auditor (Report No. 19/253)

#### PURPOSE OF REPORT

This report presents a summary of Internal Audit's work.

#### 1. BACKGROUND / MAIN ISSUES

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor reports periodically to the Audit Committee on internal audit activity and on performance relative to the approved plan.
- 1.2 Internal Audit has been undertaking work associated with the assessment of risk arising from the Annual Governance Statement process. Assignments for inclusion within planned audit activity for 2019/20 were also identified during 2018/19 and have been progressed further. In addition, consultation regarding planned activity for 2019/20 has revealed some areas which would benefit from an early view from Internal Audit and these are being progressed.
- 1.3 Since April 2019, Internal Audit has been contacted 13 times for advice/guidance. Internal Audit will follow up on these areas during the year, where necessary. Where control issues arise as a result of this work, Internal Audit will provide the Audit Committee with a report.
- 1.4 In June 2019, the Chief Internal Auditor for Perth & Kinross Council was appointed to the role of Chief Internal Auditor for the Integration Joint Board. Work is being undertaken to develop an Internal Audit Plan for the Health & Social Care Partnership and to complete assignments from previous Plans.
- 1.5 In addition, Internal Audit has continued to work with Council Services to ensure that matches arising from the National Fraud Initiative are being investigated appropriately and in a timely manner.
- 1.6 Appendix 1 shows the areas of work which have been undertaken since the last Audit Committee.

#### 2. CONCLUSION AND RECOMMENDATIONS

- 2.1 This report presents a summary of Internal Audit's work.
- 2.2 It is recommended that the Committee notes the assignments undertaken by Internal Audit since the last meeting of the Audit Committee.

**Author(s)**

| <b>Name</b>  | <b>Designation</b>     | <b>Contact Details</b>                                                   |
|--------------|------------------------|--------------------------------------------------------------------------|
| Jackie Clark | Chief Internal Auditor | <a href="mailto:Internal.Audit@pkc.gov.uk">Internal.Audit@pkc.gov.uk</a> |

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

## ANNEX

## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

| <b>Strategic Implications</b>                       | <b>Yes / None</b> |
|-----------------------------------------------------|-------------------|
| Community Plan / Single Outcome Agreement           | None              |
| Strategic Plan                                      | Yes               |
| <b>Resource Implications</b>                        |                   |
| Financial                                           | None              |
| Workforce                                           | None              |
| Asset Management (land, property, IST)              | None              |
| <b>Assessments</b>                                  |                   |
| Equality Impact Assessment                          | Yes               |
| Strategic Environmental Assessment                  | None              |
| Sustainability (community, economic, environmental) | None              |
| Legal and Governance                                | None              |
| Risk                                                | Yes               |
| <b>Consultation</b>                                 |                   |
| Internal                                            | Yes               |
| External                                            | None              |
| <b>Communication</b>                                |                   |
| Communications Plan                                 | None              |

### 1. Strategic Implications

Community Plan/Single Outcome Agreement

Corporate Plan

- 1.1 The Council's Corporate Plan 2018 – 2022 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

- 1.2 This report relates to all of these objectives.

### 2. Assessments

Equality Impact Assessment

- 2.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations

between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

- 2.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

#### Risk

- 2.3 The risks are associated with the level of assurance provided on the control environment in the event that Internal Audit's planned work is not completed on time.

### **3. Consultation**

#### Internal

- 3.1 The Chief Executive and Head of Legal and Governance have been consulted in the preparation of this report.

### **2. BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

### **3. APPENDICES**

Appendix 1 – Internal Audit Activity

## Appendix 1

## INTERNAL AUDIT UPDATE

## Internal Audit Activity 2019/20

| Audit No. | Title                                 | Service(s)                                                         | Status as at August 2019       | Audit Committee |
|-----------|---------------------------------------|--------------------------------------------------------------------|--------------------------------|-----------------|
| A19-01    | ALEOs: Community Campus Income        | Corporate & Democratic Services<br>Education & Children's Services | Findings in discussion         | November 2019   |
| A19-02    | Digital Strategy                      | Corporate & Democratic Services                                    | Complete                       | September 2019  |
| A19-03    | Early Years Ordering & Stock Controls | Education & Children's Services                                    | Complete                       | November 2019   |
| A19-04    | Transformation                        | All Services                                                       | Findings in discussion         | November 2019   |
| A19-05    | LEADER                                | Housing & Environment                                              | Scheduled per grant conditions | February 2020   |
| A19-06    | Contracting                           | All Services                                                       | Not yet commenced              | February 2020   |
| A19-07    | Workforce Planning                    | Corporate & Democratic Services                                    | Not yet commenced              | February 2020   |
| A19-08    | Withdrawal from the European Union    | Corporate                                                          | In progress                    | February 2020   |
| A19-09    | Recycling Centre                      | Housing & Environment                                              | In progress                    | November 2019   |
| A19-10    | Cash                                  | All Services                                                       | In progress                    | November 2019   |
| A19-11    | Tay Cities Deal                       | Corporate                                                          | Not yet commenced              | April 2020      |
| A19-12    | ALEOs: Horsecross                     | Corporate & Democratic Services                                    | In progress                    | April 2020      |
| C19-30    | Inclusion Services                    | Education & Children's Services                                    | In progress                    | February 2020   |
| C19-31    | Risk Management                       | All Services                                                       | In progress                    | April 2020      |
| C19-32    | IDEA                                  | All Services                                                       | In progress                    | April 2020      |
| C19-33    | ALEOs: Culture Perth & Kinross        | Corporate & Democratic Services                                    | Complete                       | Not Required    |
| G19-40    | Bus Service Operators Grant           | Housing & Environment                                              | Complete                       | Not Required    |
| I19-50    | Payment of Duplicate Invoices         | Corporate & Democratic Services                                    | Complete                       | Not Required    |





## Internal Audit Report



Internal Audit Report  
Corporate & Democratic Services  
Digital Strategy  
Assignment No.19-02  
August 2019

## Final Report

(Report No. 19/254)

Legal and Governance  
Corporate and Democratic Services  
Perth & Kinross Council  
Council Offices  
2 High Street  
Perth  
PH1 5PH

## Internal Audit Report

### Internal Audit

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. Public Sector Internal Auditing Standards (PSIAS)

The Council’s Audit Committee approved the PSIAS as the relevant standard for its Internal Audit activity.

### Background and Introduction

This audit was carried out during May and June 2019 following identification of digital risks in Corporate and Services risk registers.

### Scope and Limitations

The Council’s Digital Strategy 2016-2020 was approved by the Strategic Policy and Resources Committee in November 2016. This focused on three key areas – ICT principles; the Customer Experience and putting the citizen at the centre of digital planning; Online by Design and Making us Mobile. A Development Plan related to the Strategy was also approved with named responsible officers and timeline to review progress against.

Following approval of the Digital Strategy, the ICT Transformation Board was to provide governance around delivery of the Digital Strategy and to monitor progress against the Digital Strategy Development Plan. The Board then reports progress to elected members at the Strategic Policy and Resources Committee.

As the Strategy is at a mature stage, the scope of the audit work focused on progress with the Strategy and Development Plan and management of risks for digital progress in its final year 2019 - 2020.

Key officers interviewed included IT Service Managers, ICT Transformation Project Lead Managers, the Chief Digital Officer, the Health & Social Care Partnership (HSCP) Business Improvement Manager and Customer Service Centre Management.

In the Strategy, Digital is defined as - ‘our wider culture and approaches to using new technologies to change the way we deliver our services; this encompasses our thinking around leadership, partnership working, customers, services and channel.’ Key to this is developing our capacity to innovate: making it possible to translate business ideas for new ways of working into operational, effective solutions that make a positive difference for the people and communities who use our services.

During the audit, the Council was completing a digital maturity self-assessment survey regarding HSCP Services. The digital services to support the local health and care professionals are delivered and managed by the Council and NHS Tayside, with Integration Authorities overseeing the delivery of local integrated health and social care services. This survey for the Scottish Government was intended to identify strengths and improvement opportunities in using digital services. A summary report of findings has been compiled for PKC Executive Management; this shows positive interest by staff stakeholders in the use of PKC digital services, particularly for business intelligence and enabling infrastructure.

## Internal Audit Report

In addition, another digital maturity self-assessment for all Council Services is planned for completion for the Local Government Digital Office (LGDO) in the last quarter of 2019.

Audit testing was carried out in May and June 2019, including interviews with relevant officers and review of documents on the ICT Transformation site.

### Control Objectives and Opinions

This section describes the purpose of the audit and summarises the results. A 'control objective' is a management objective that requires the maintenance of adequate and effective internal controls to ensure that it is achieved. Each control objective has been given a rating describing, on the basis of the audit work done, the actual strength of the internal controls found to be in place. Areas of good or poor practice are described where appropriate.

The primary objectives of the audit are to provide assurance over the arrangements in place throughout the Council for the implementation of the Digital Strategy.

**Control Objective:** To ensure that the Council is progressing with the Digital Strategy in alignment with Corporate strategic objectives.

#### Internal Audit Comments:

The Digital Strategy is progressing with evidence of targets within the Plan being achieved during its third year as follows:

Governance and management of digital risks is embedded within the terms of reference of the ICT Transformation Board - to provide scrutiny and assurance of investment in and planning around the Council's Digital ICT Strategy and strategic ICT objectives. Board meeting minutes confirm regular meetings are held and are reviewing digital projects planning and progress. The ICT Transformation Board offers stakeholders input into the governance and risk management process and includes Service representatives. Following the ICT Transformation Board review, further scrutiny is provided by the Executive Officer Team then progress is reported to the Strategic Policy and Resources Committee. This governance process is intended to reduce risks as the digital and IT programme is one of the biggest corporate transformation projects. Risks identified and managed include the risk of 'shadow IT'<sup>1</sup> which is inconsistent with the 'single approach' plan. Historic systems and alternative channels already in place prior to the transformation programme in 2016 have also been identified and managed within the ICT Transformation programme. The Council's Customer Service Centre is included in the ICT Transformation Programme as feedback from this Centre can identify where assisted service channels (phone, face to face) are used by customers in preference to self-service digital approaches.

The Digital Strategy was reported to be occasionally reviewed for any new and emerging risks as this may affect the wider Digital Strategy Development Plan.

The Digital Strategy is intended to develop ICT efficiently as a platform for citizen participation and positive change, with a strong focus on the Customer Experience.

<sup>1</sup> 'Shadow IT' is the investment in and use of technology and systems without approval, guidance or support of the Council's IT department

## Internal Audit Report

Digital inclusion is an integral part of this and the Strategy states the Council will work to remove the barriers that prevent some customers from using our online services - providing free of charge, accessible “assisted digital” services in person, webchat or over the telephone to help customers take advantage of online services. Evidence was found of work to promote digital inclusion by service areas. For example, free digital training is offered with assistance from partners Perth and Kinross Association of Voluntary Service (PKAVS); weekly events are advertised on the Carers Hub for improving skills on personal mobile devices. The Council also offers free digital training to housing tenants. Education and Children's Services published a specific Digital Strategy for Learners with a Development Plan for 2018-2021. Webchat for the Service Centre went live in August 2019.

Citizens' participation and uptake of the Council's new MyPKC online services have been monitored and show substantial interest in 2019.

Customers can choose to set up an account with MyPKC, which is provided via the national MyAccount digital identity service. However, this is optional for most services with only two online services specifically requiring users to set up an account in advance of receiving the service. Currently over 32,000 people have signed up for a MyAccount within the Council area. Currently 42 online services have been made available via MyPKC, and over 137,000 cases have been managed using the platform.

The annual performance review for 2017-18 reported on the Council's digital and IT programme and key activities including development of the Corporate Digital Platform, Online Digital Services, Mobile Working and Open Data with a corporate rollout of mobile working and delivery of services online.

The Corporate Mobile Working project for staff report progress to the ICT Transformation Board as having been successfully rolled out to over 200 operational staff across different service areas, , with 3 Service areas not completed and 1 product [Mobile Swift] requiring an alternative solution. Progress was also reported in June 2019 to the Strategic Policy and Resources Committee.

Strength of Internal Controls:

Moderately Strong

Control Objective: To ensure that the Council's Digital Strategy takes into account current digital risks.

Internal Audit Comments:

The Digital Plan has a high level action to increase the pace of digital change and provide increased resilience for our ICT Infrastructure, working more closely with public sector partners and peers to share information; skills; expertise and resources.

The Council IT Team has participated in national initiatives such as Local Government Digital Transformation Partnership since 2016 and SOCITM, the professional body for people involved in the leadership and management of IT and digitally enabled services for the public. This provides a forum for sharing information on emerging digital risks within public sector bodies. In addition Tayside collaborative work has provided areas for sharing and early understanding

## Internal Audit Report

of digital risks and benefits across partners, noted as a control in the Corporate & Democratic Services' risk register, which is operating satisfactorily.

Perth & Kinross Council Economic Development digital projects require to take into account the pace of change of the infrastructure environment with new risks and benefits. Improvements are being made to ICT infrastructure for Perth and Kinross area as part of the national rollout superfast broadband for Scotland for improved technology and broadband package options for people to choose from. For example, in June 2018 Audit Scotland's progress update report on superfast broadband ranked Perth and Kinross Council as 20th out of 32 local authorities, with Kinloch Rannoch in rural Perthshire described as having speeds of between 0.5 and 20 Mb/s as a case study. However since then, improvements have been made with an Openreach Cabinet at Kinloch Rannoch providing properties with a connection to this Cabinet via Fibre To the Cabinet [FTTC] and the option to order superfast fibre as required.

Evidence was found of current digital risks being taken into account and reported on within ICT Transformation Projects progress to the Senior Management Team or Strategic Investment and Improvement Board, then the Strategic Policy and Resources Committee. For example in June 2019, the ICT Transformation Programme (including both Mobile Working and Online Services) required remedial action on some issues including lack of customer focus during redesign, silo approach, potential lack of digital capacity and expertise to resource and drive transformation. Risk workshops reviewed these for Housing and Environment Services staff in July 2019 and more workshops are planned for Technology Enabled Care (TEC) in 2019 to assist in achieving targets and predicted savings.

The Online Services and MyAccount Review project to transform communication channels from face to face and telephone services to online service reported progress being on target to achieve projected savings of £413,000 and a risk workshop was to be held to review risks and controls.

Work is also underway to ensure streamlined governance for both mobile working and online services projects with local digital services groups being created within Council Services to prioritise and improve transparency of digital activity.

The biggest challenge identified in the ICT Transformation Programme risk report in the Board minutes of March 2019 is cultural change, underlying the importance of people in the digital strategy and plan.

|                                |        |
|--------------------------------|--------|
| Strength of Internal Controls: | Strong |
|--------------------------------|--------|

## Management Action and Follow-Up

Responsibility for the maintenance of adequate and effective internal controls rests with management.

Where the audit has identified areas where a response by management is required, these are listed in Appendix 1, along with an indication of the importance of each 'action point'. Appendix 2 describes these action points in more detail, and records the action plan that has been developed by management in response to each point.

It is management's responsibility to ensure that the action plan presented in this report is achievable and appropriate to the circumstances. Where a decision is taken

## Internal Audit Report

not to act in response to this report, it is the responsibility of management to assess and accept the risks arising from non-implementation.

Achievement of the action plan is monitored through Internal Audit's 'follow up' arrangements.

Management should ensure that the relevant risk profiles are reviewed and updated where necessary to take account of the contents of Internal Audit reports. The completeness of risk profiles will be examined as part of Internal Audit's normal planned work.

### Acknowledgements

Internal Audit acknowledges with thanks the co-operation of all staff involved during this audit.

### Feedback

Internal Audit welcomes feedback, in connection with this audit or with the Internal Audit service in general.

### Distribution

This draft report has been distributed to:

K Reid, Chief Executive

J Valentine, Depute Chief Executive

A Taylor, Head of Finance & Support Services, CDS

L Harris, IT Service Manager, CDS

D Adams, IT Service Manager, CDS

S Strathearn, Business Improvement Manager, Health & Social Care Partnership

L Simpson, Head of Legal and Governance Services, CDS

Committee Services

External Audit

### Authorisation

The auditor for this assignment was N Duncan. The supervising auditor was J Clark

This report is authorised for issue:

---

J Clark

Chief Internal Auditor

Date: 23 August 2019

## Internal Audit Report

## Appendix 1: Summary of Action Points

| No. | Action Point                                                                              | Risk/Importance |
|-----|-------------------------------------------------------------------------------------------|-----------------|
| 1   | <a href="#">Alignment to Council Strategic Priorities</a>                                 | Low             |
| 2   | <a href="#">Digital Governance and Partnership – Health &amp; Social Care Partnership</a> | Medium          |
| 3   | <a href="#">Digital inclusion and awareness</a>                                           | Medium          |
| 4   | <a href="#">Digital investment and skills</a>                                             | Medium          |

## Internal Audit Report

## Appendix 2: Action Plan

## Action Point 1 - Alignment to Council Strategic Priorities

The Council's Digital Strategy 2016-20 was published in November 2016, prior to the Council's vision and Corporate Plan 2018-22 and the Digital & Community Plan 2017-2027 being approved.

The Corporate risk register includes as a risk management control that the Digital Strategy is bi-annually reviewed by IT Service Managers. Although the Council's IT Service Managers reported that this review is carried out, evidence of these reviews were not documented.

The Council's Senior Management Team also reviewed digital risks during 2018-19 to streamline processes and reduce inequity in access to services; evidence of reviews in May 2018 and February 2019 by the EOT was found.

At Service level, digital risks have been identified by Corporate & Democratic Services and Housing & Environment Services in 2018-19. Education and Children's Services do not refer to digital risks directly but has its own Digital Learning and Teaching Strategy and Action Plan approved in October 2018. HSCP strategic risks include risks resulting from a lack of a unified IT strategy, but not digital risk.

There is regular scrutiny of progress of the Council's digital and IT programme by the ICT Transformation Board, responsible for monitoring risks associated with Digital Transformation then further reporting to Strategic Policy and Resources Committee.

## Management Action Plan

Bi-annual reviews of the Digital Strategy by IT Service Managers will be formally documented in meeting minutes, including any emerging risks and potential benefits. This will assist in co-ordination of the Strategy to other Corporate plans and emerging themes such as the Perth and Kinross Offer.

|                                     |                                         |
|-------------------------------------|-----------------------------------------|
| Risk/Importance:                    | Low                                     |
| Responsible Officer:                | L Harris & D Adams, IT Service Managers |
| Lead Service:                       | Corporate & Democratic Services         |
| Date for Completion (Month / Year): | Bi-annually March 2020                  |
| Required Evidence of Completion:    | IT Management Team Minutes              |

## Auditor's Comments

Satisfactory



## Internal Audit Report

## Action Point 2 - Digital Governance and Partnership - Health and Social Care Partnership

Partnership working with NHS Tayside and PKAVS for the Health and Social Care Partnership (HSCP) can bring service specific challenges for governance of digital risks and 'one approach' solutions. In 2017 for example, an HSCP Project required an exceptional solution for social work practitioners' mobile working, called Mobile Swift. The Swift system for managing social care information is currently being upgraded and new solutions will be reviewed as part of project implementation.

Digital solutions in Health and Social Care Services have been utilised for years including the community alarm system, a form of technology enabled care or telecare since 2015, before the current digital strategy and governance was agreed. Therefore it is understood that this digital solution had not progressed through current ICT transformation governance processes. The risk of other HSCP solutions not following scrutiny and alignment with the Council's digital strategy are currently being reviewed between HSCP and IT management. The Council's Business Improvement Manager reported that constructive and useful dialogue is being carried out held between Council HSCP, IT Managers and the NHS Tayside equivalent Manager to manage these risks.

The latest Terms of Reference for the Council's ICT Transformation Board has no detail of HSCP Capital & Transformation Programmes. A senior IT Officer advised that communication was currently underway to find a common dialogue across HSCP partners and these Service areas are scheduled later for engagement in the Digital Strategy high level Development Plan.

A new Chief Officer for HSCP was appointed in April 2019 and risks were reviewed by the Integration Joint Board in February 2019. There is no detail of digital risks; however, there is a strategic risk around Technology/IT/Data/Performance through the lack of a unified IT Strategy. Therefore specific digital risks have still to be defined.

The ICT Transformation Board has minuted meetings to evidence governance scrutiny of planning and investment around the Council's Digital [ICT] Strategy. Following the ICT principles of 'One Council One Best Way approach' stakeholders are invited to attend Board meetings including representatives for Service areas and partnerships.

In March 2019, consideration of a re-model of corporate governance arrangements was underway for the future digital strategic direction, with a new reporting level for the Board - the Strategic Investment and Improvement Board.

## Internal Audit Report

## Management Action Plan

- a) Terms of Reference for the ICT Transformation Board are reviewed and if necessary updated to include detail of HSCP Capital & Transformation Programmes as these are known through dialogue across HSCP partners.
- b) Dependant on a) above, digital risks and benefits of HSCP partnership working are included for future governance arrangements for the Council's ICT Transformation Programme delivery
- c) Completion of the review of future governance arrangements to progress the Digital Strategy moving forward in 2020. Review to consider reporting lines and Board membership and consider what other Scottish Councils are doing.

|                                     |                                 |
|-------------------------------------|---------------------------------|
| Risk/Importance:                    | Medium                          |
| Responsible Officer:                | A Taylor, Chief Digital Officer |
| Lead Service:                       | Corporate & Democratic Services |
| Date for Completion (Month / Year): | December 2020                   |
| Required Evidence of Completion:    | IT Transformation Board minutes |

## Auditor's Comments

Satisfactory

## Internal Audit Report

## Action Point 3 - Digital inclusion and awareness

The Digital Strategy recognises the need to support wider digital inclusion; citizens, external and third sector partners, communities, local businesses, visitors and learners engage with the Council. To include everyone, the Council is providing new channels of communication and digital learning. For example the developmental rollout of 'Ask Alexa' for information, accessible on smart phones with the Amazon Alexa app in March 2019. Another channel, Webchat went live in August 2019.

Uptake of Council online forms by customers using the Council's Online Services and MyAccount has been measured and reported to the ICT Transformation Board confirming increasing use of self-assist channels. Evidence of assisted services is available through requests received through the Customer Service Centre for comparison.

During June 2019, the HSCP completed a self-assessment to identify digital maturity at the point of care for the Scottish Government. The scope includes digital awareness and use by staff, clients, carers and families.

Another Council wide digital maturity self-assessment is scheduled for later in 2019-20 for the Local Government Digital Office (LGDO). This will include feedback from the Customer Service Centre. Customer experience work-stream and customer focus groups are planned, with the Customer Service Centre acting as an advisory group.

## Management Action Plan

The Service will ensure that findings from the Perth and Kinross digital maturity assessments around digital inclusion and awareness are fed into the review process for the Council's Digital Strategy in 2020

|                                      |                                 |
|--------------------------------------|---------------------------------|
| Risk/Importance:                     | Medium                          |
| Responsible Officer:                 | A Taylor, Chief Digital Officer |
| Lead Service:                        | Corporate & Democratic Services |
| Date for Completion (1Month / Year): | December 2020                   |
| Required Evidence of Completion:     | Revised Digital Strategy        |

## Auditor's Comments

Satisfactory

## Internal Audit Report

## Action Point 4 - Digital investment and skills

The Council's Strategic Risk Register 2018-19 includes a risk management action to invest in digital skills to grow knowledge and confidence around digital change. This reflects international and national trends of demand for digital skills being higher than supply towards developing digital growth, reported in the Scotland's Digital Strategy discussion paper reported in action point 3. To provide controls for this risk area, participation in national initiatives such as Local Government Digital Office and SOCITM was in place.

Other evidence of collaborative working includes SMART City projects. For example, progress on the Perth Creative Exchange to house the Innovation Lab facility for use alongside local developers and community groups was reported to the ICT Transformation Board in June 2019.

Investment in digital expertise towards digital change was reported within Transformation Board papers. Successful bids by ICT Services provided ACORN funding to employ temporary digital officers to rollout a range of support initiatives and approaches to grow staff confidence around digital change. Demand on these resources is increasing as the pace of change accelerates.

One-off funding has been utilised to research and explore new innovative solutions such as use of smart devices in a care setting and use of internet of things.

Robust digital foundations, including enterprise-wide replacement strategies for core technologies such as Microsoft licensing; computing devices and mobile phones are in place and require continuing funding to provide the necessary launchpad for digital innovation. Building from these foundations, other areas that may require significant investment to support the Council's digital vision include continued funding for online and mobile transformation programmes; and investment in technical innovation; data governance, management and analytics; and digital skills development.

## Management Action Plan

a) As in Action point 3, findings from the reviews of digital maturity should be analysed to identify the latest position in Perth and Kinross area for resource profiling and investment as the strategy is reviewed in 2019-2020. IT Management Team will review and submit IT investment proposals to Strategic Investment and Improvement Board / Executive Officer Team.

b) The Service will continue to identify resources and digital skills training programmes to enhance digital skills development. The current focus includes supporting staff during the migration to Office 365 and working with schools to deliver their vision for digital education.

|                      |                                 |
|----------------------|---------------------------------|
| Risk/Importance:     | Medium                          |
| Responsible Officer: | A Taylor, Chief Digital Officer |
| Lead Service:        | Corporate & Democratic Services |

## Internal Audit Report

|                                     |                                                                        |
|-------------------------------------|------------------------------------------------------------------------|
| Date for Completion (Month / Year): | Feb 2020                                                               |
| Required Evidence of Completion:    | Strategic Investment and Improvement<br>Board Strategic Business Cases |

## Auditor's Comments

|              |
|--------------|
| Satisfactory |
|--------------|

