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Slough Borough Council

Internal Audit Plan

Third Quarter 2011/2012 Progress

SUMMARY

As a result of the significant changes within Transactional Services in Quarter Three, the Internal Audit plan has been adjusted to accommodate the deferrals and ensure a co-ordinated approach to these audits to enable buy in from all stakeholders including finance, external audit and transactional service leads.

This report summarises Internal Audit activity in Quarter Three 2011/12.

PROMOTING INTERNAL CONTROL

To promote internal control within the Authority, Internal Audit will report to Committee in the following format:

- Report back on the specific audits finalised in the quarter, including a brief background, scope and recommendation titles. Audit opinions are either full, substantial, limited or none. Recommendations are graded by Priority. Priority One are major matters for the attention of senior management, Priority Two are recommendations for local management attention and Priority Three are minor matters.

- Update Members on the current situation regarding limited areas previously reported to Committee. This will inform Members of the action taken by Officers to resolve internal audit issues.

Table One lists each area covered in 2011/12 to date where a final report has been issued since the last Audit Committee, together with the assurance level at the time of the audit. Appendix Two of this report provides a detailed overview of the recommendation, priority and management response.

Eighteen Internal Audit reports are currently in draft format, awaiting finalisation from the 2011/2012 Internal Audit Plan; this is considered to be a high number of reports at draft stage and, despite chasing the Management team, responses have not been provided. Progress against the plan and the draft reports issued are listed in Appendix One and will be included in the next submission to the Audit Committee meeting once the reports have been finalised. Within Appendix Three of this report, we have included details of the reports at draft stage and our stated assurance opinion; we will hand over the finalisation of these reports to the new Internal Audit Provider.

All reviews completed were full in-depth audits of operational systems within the Authority. Members and Management should note that the assurance level is an illustration of the level of control operational at the time of the audit. The auditor will agree with Management a number of recommendations which, when implemented, will result in a more secure system. Each recommendation is given an implementation date, and progress against these will be monitored on a regular basis by the Internal Audit Team via the undertaking of follow-up audits.

PERFORMANCE INDICATORS

Part of the Head of Internal Audit function is to monitor the performance of Internal Audit. It was agreed at the Cabinet meeting (11th April 2011) to report on a quarterly basis against the following key performance indicators.

Ref	Performance Indicators	Target	Q3 Outcome
1	% of deliverables completed by 31/3/2012 (Deliverables include management letters, summary reports and draft audit reports)	95%	Achievement of this target remains on track; there have been significant changes to the timings of many audits. These have been accommodated and should not at impact upon the delivery of this performance indicator by 31/3/2012.
2	% of agreed audit briefs issued no less than 10 working days before the start of the audit (This is to allow managers sufficient notice and time to consider the proposed work. Any exemptions due to urgency or management request will be agreed by the HOIA)	95%	95% achievement as at 31st December 2011.
3	% of planned audit days delivered by 31/03/2012 (It is intended that as far as possible the audit plan will be delivered evenly through the year.)	95%	96 % achievement as at 31st December 2011.
4	% of draft reports issued within 10 working days of exit meeting (This is ensure that management actions can be undertaken on a timely basis)	95%	90%. NB: This is a result of the delays in the provision of management information in respect of Transactional Audits.

PROGRESS AGAINST THE 2011/2012 INTERNAL AUDIT PLAN

As at the 27th January 2012, 97% of the days within the Quarter 1, 2 and 3 audit plan have been delivered, as detailed within Appendix One. There have been a number of deferrals from the quarterly plans, with these audits now scheduled to be undertaken within Quarter Four respectively.   Of the thirty two audits undertaken, eleven (34%) have been issued as final reports, with eighteen (56%) at draft report stage. The audit fieldwork has been completed for the remaining three audits (10%).

Audits have been completed in accordance with the timings agreed with the Audit Committee. Appendix One of this report also shows the status of work to date and the number of days delivered.

AUDIT ACTIVITY

Table 1 – Final Internal Audit Reports Issued since the last Audit Committee

Audit	Assurance Rating
Slough Enterprise	Substantial
IQRA School	N/A- Management Letter Issued
Geographical Information System	Substantial
IT Governance / Programme Management	Limited
Off-Site Working	Limited

Appendix Two to this report provides a detailed summary of the recommendations, their priority and management responses from these audits.

Appendix One

Internal Audit Plan 2011/12 – Progress to 27th January 2012 (Quarters 1, 2 and 3)						
Auditable area	**Audit Budget (days)**	**Days Delivered**	**Timing**	**Type of Audit**	**Risk**	**Progress**
ANNUAL ASSURANCES						
Annual Governance Statement	5	5	Q1	Verification	N/A	Audit work completed
Project Management (inc. VfM)	10	10	Q2	Risk	High	Draft Report Issued.
Total	**15**	**15**				
CENTRAL FINANCIAL SYSTEMS						
Housing Rents	10	10	Q1	Key	High	Final Report Issued.
Debtors Management	10	10	Q1	Key	High	Final Report Issued.
Financial Planning and Budgetary Control	12	11	Q3	Key	High	Work in progress
Pensions	6	5.5	Q3	Key	High	Draft Report Issued
General Ledger	6	5	Q3	Key	High	Work in progress
Cashiers	10	9.5	Q3	Key	High	Draft Report Issued
Creditors	6	5.5	Q3	Key	High	Draft Report Issued
Payroll	6	5.5	Q3	Key	High	Draft Report Issued
Debtors	6	5.5	Q3	Key	High	Draft Report Issued
NNDR (Business Rates)	7	6.5	Q3	Key	High	Draft Report Issued
Council Tax Billing and Collection	6	5	Q3	Key	High	Work in Progress
Council Tax & Housing Bens	10	9.5	Q3	Key	High	Draft Report Issued
Total	**95**	**88**				

Internal Audit Quarter Three Progress Report – January 2012

Internal Audit Plan 2011/12 – Progress to 27th January 2012 (Quarters 1, 2 and 3)						
Auditable area	Audit Budget (days)	Days Delivered	Timing	Type of Audit	Risk	Progress
CORPORATE ISSUES						
Business Continuity	10	10	Q1	Key	High	Final Report Issued.
Quarterly Reconciliation Checks (Q1 & 2)	10	10	Q1 & Q2	Key	High	Draft Report Issued. Audit undertaken in Q2. A further review was undertaken in Q3.
Virements within Directorate Budgets (Q1 & 2)	15	15	Q1	Key	High	Draft Report Issued. Audit undertaken in Q2. A further review was undertaken in Q3.
Performance Indicators	10	10	Q1	Verification	Medium	Draft Report Issued
Virements within Directorate Budgets (Q3)	5	4.5	Q3	Key	High	Draft Report Issued
Quarterly Reconciliation Checks (Q3)	5	4.5	Q3	Key	High	Draft Report Issued
Total	**55**	**54**				
IT AUDITS						
GIS	12	12	Q1	Systems	High	Final Report Issued
Off Site Working	10	10	Q1	Systems	High	Final Report Issued
Disaster Recovery and Back-up	10	9	Q3	Systems	High	Work in Progress
IT Governance / Programme Management	10	10	Q2	Systems	High	Final Report Issued
Telecommunications	10	-	Q2	Systems	Medium	Deferred to Q4 at auditees request
Server Virtualisation & Data Centre	12	-	Q2	Systems	High	Deferred to Q4 at auditees request

Internal Audit Plan 2011/12 – Progress to 27th January 2012 (Quarters 1, 2 and 3)						
Auditable area	**Audit Budget (days)**	**Days Delivered**	**Timing**	**Type of Audit**	**Risk**	**Progress**
IT Strategy	8	-	Q1	Systems	High	Deferred to Q4 at auditees request
Total	**42**	**41**				
RESOURCES AND REGENERATION DIRECTORATE						
Slough Enterprise	5	5	Q1	Key	High	Final Report Issued
CRB Checks	10	10	Q2	Verification	High	Final Report Issued
Fact Finding Work – Property and Regeneration	20	-	Q2			Capital specialist has been appointed by the Council, and as such no detailed work was undertaken in this area.
Leaseholder Charges	10	9.5	Q3		Medium	Draft Report Issued
Responsive Repairs	15	-	Q3		Medium	Deferred until quarter 4 at clients request due to restructure in this area.
Contract Management	20	-	Q2	Verification	Medium	Deferred until quarter 4
Total	**25**	**24.5**				
CUSTOMER AND TRANSACTIONAL						
None due to take place in 1st , 2nd or 3rd quarter – Hub Project deferred to Q4	0	0	-	-	-	-
Total	**0**	**0**				
EDUCATION & CHILDREN'S SERVICES						
Contingency Budget for high risk schools	5	5	Q1	Schools	Medium	Final Report Issued. A request from Khalsa Primary School Governing Body to undertake an urgent financial review.

Internal Audit Plan 2011/12 – Progress to 27th January 2012 (Quarters 1, 2 and 3)						
Auditable area	**Audit Budget (days)**	**Days Delivered**	**Timing**	**Type of Audit**	**Risk**	**Progress**
Schools Financial Support	15	15	Q1	Systems	High	Draft Report Issued.
Review of effectiveness of recruitment appointment procedures of schools where HR support is outsourced and internally by the council.	15	15	Q1	System	High	Draft Report Issued.
Iqra Primary School	5	5	Q2	Probity	Medium	Final Report Issued.
Safeguarding – Management Assurance	15	14.5	Q2	Verification	High	Draft Report Issued
Themed Audits	30	-	Q3			Deferred to Q4 due to timing
Littledown School – Probity Visit	5	4.5	Q3	Probity	Medium	Draft Report Issued
Safeguarding – Contract Management	15	-	Q3	Verification	High	Deferred to Q4 due to timing
Total	**60**	**59**				
COMMUNITY AND WELL BEING						
Personalised budgets	15	-	Q3			Deferred to Q4 as transactional hub being developed
Commissioning Team	15	-	Q3			Deferred to Q4 at clients request
Total	**0**	**0**				
FOLLOW UPS						
Follow Ups	16	16	Q1 / Q2	Follow Up	Medium	Report Issued.
Management Days	50	50	Q1/Q2	N/A	-	Quarter 1, 2 and 3 Progress Report delivered.
Other work Delivered : (1) Play Capital Grant	10	10	Q1	Ad-hoc	-	(1) Declaration required from the Chief Executive and the Head of Audit by the

Auditable area	Audit Budget (days)	Days Delivered	Timing	Type of Audit	Risk	Progress
(2) Milan Centre (3) Respond – Adult Respite Service						Department of Education to confirm grant expenditure (2) Review of financial processes and procedures (3) Imprest account processing and reconciliation issues
TOTAL DAYS	**368**	**We have delivered 97% of plan given the number of deferrals to Q4, totalling 150 days, within the quarters.**				

SUMMARY OF FINALISED REPORTS

To enable Management and Members to focus on the areas of concern, we have provided a brief summary below of the finalised reports from the Quarter.

IQRA School - 2011/2012

We are not providing an assurance opinion in respect of our work; however, we obtained evidence to support progress made against recommendations previously raised within this area.   It was established that controls have been implemented to address the majority of the weaknesses identified within the prior year's internal audit.

Scope

Further to the 2010/11 Internal Audit Report for IQRA Islamic Primary School interviews and sample testing, relating to a period of January 2011 to date, will be undertaken to cover the following areas/control objectives:

- Budget Setting and Monitoring;
- Local Bank Account, Imprest, and Petty Cash;
- Private Funds;
- Payroll;
- Procurement; and
- Miscellaneous Income, including lettings.

Assurance Rating – N/A – Management Letter Issued

Slough Enterprise - 2011/2012

Enterprise was awarded a 15 year Environmental Services Contract by Slough Borough Council from December 2002. The contract is both an Integrated Waste Management Contract (waste collection, recycling and disposal) and an Integrated Street Scene Contract (street cleansing, highways maintenance and grounds maintenance).

Scope

We have been informed of a particular risk area in relation to Slough Enterprise and will assess the adequacy and effectiveness of the associated controls. In identifying the risks we have also considered the risks in the relevant operational risk registers where these are available. The audit will focus on:

- Payments Verification (accuracy, completeness, timeliness, efficiency & effectiveness of information flows)

<u>**Assurance Rating**</u> **- Substantial**

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
1) Verification of tonnage figures On a periodic sample basis, the supporting information for various lines within the Waste Management monthly invoice should be requested and the waste tonnage disposal figures verified.	2 – Medium	Agreed. An Internal Weighbridge Tonnage Audit Form has been developed. The form will be sent monthly to the contractor who will have to complete the form as requested prior to the input of the tonnage data into WasteDataFlow (WDF) and before the invoice can be submitted for payment. This will form part of the overall verification process undertaken. Material types selected will be selected at random to ensure that the procedure is rigorous. Weighbridge Tickets and tonnages will be compiled to provide the overall monthly tonnage which should correspond exactly to the figure provided in the monthly invoice. The figure will need to be signed off and verified by the management accountant at Slough Enterprise and then a check reference insertion

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
		from the Team Leader: Waste & Environment to highlight that it has been checked against the final figure provided in the invoice. Following this, the figures can then be used for WDF and the invoice will be processed. So as to ensure that any disruption to the payments chain is minimised this process will be given an expected turnaround time of 5 working days. All forms will be held in the centralised WDF foldering system for consistency and any future auditing. The process was discussed with Enterprise on the 8 November who has confirmed that they are happy with it and that it shall begin from 1 January 2012. Their dedicated staff member responsible for the data collection and collation will be Ruth Tyrrell, the Management Accountant for Slough Enterprise. **Responsibility:** Team Leader: Waste & Environment **Timescale:** 1st January 2012
2) Benchmarking statistics The Council should request that Enterprise obtain and provide benchmarking statistics against other comparative services/similar authorities.	2 – Medium	Agreed. Slough Enterprise and Slough Borough Council will begin their bench-marking exercise the week commencing 28/11/11 to be officially sanctioned for commencement Q4 2011 – 2012 (01.01.12 – 31.03.12). This will comprise of isolating the current prices paid for waste disposal materials outside of the 2002 – 2017 disposal matrix with Slough Enterprise as the waste broker to Grundons. Prices will be reviewed quarterly and reports will

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
		be generated to provide information at the Strategic Meeting to demonstrate compliance and competence in ensuring that best value for money is being provided to the Council for disposal of all waste streams. Some materials such as textiles will have separate contracts aligned to them and the procurement process might be outside the scope of Slough Enterprise. Where this is the case then a relevant note will be made to ensure that procurement by the Council begins in advance of the contract coming to an end.

Where an expensive stream is isolated then justification will be provide for why this stream is such and any necessary legislation can be explained to the Assistant Director and / or relevant Member. These benchmarking processes will form part of the overall strategic work of both the authority and the contractor to ensure best practice and value. Procurement for new contracts for disposal shall be met by the contractor unless otherwise stated as in some circumstances they can only be met by the Council, where in which case they shall be led by the relevant officer and a note shall be made of this and why.

Responsibility: Team Leader: Waste & Environment

Timescale: 1st January 2012 |

Geographical Information System - 2011/2012

A geographic information system is a system designed to capture, store, manipulate, analyze, manage, and present all types of geographically referenced data.

Scope

Audit work was undertaken to cover the following control areas:

- A strategy exists which defines the development of GIS with the business objectives at the Council
- Collection and use of mapping data and updates is appropriate;
- Access to the system is controlled and user access permissions are in line with job functions;
- Processes are in place to manage and control changes made to the system;
- System output has been specified and meets the requirements of the Council;
- Interfaces are documented and subject to adequate reconciliation and control;
- The GIS application records user activities and these are subject to management review when required;
- The system is subject to a back up routine which would allow the system to be recovered in the event of a disaster. Disaster Recovery arrangements are in place to provide a process for the controlled recovery of the system;
- Business Continuity arrangements for the application have been defined and link to Disaster Recovery arrangements; and
- Support Arrangements are in place for the GIS application and managed according to contractual requirements.

<u>**Assurance Rating – Limited**</u>

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
1) Review of GIS support model A full review of the current GIS support model for the business should be undertaken to support the expansion of GIS development and application for the various service lines across the Council. Furthermore, once specific business drivers and organisational requirements have been defined,	1 – High	Agreed by all at the meeting – Assistant Director Transport & Planning, Head of Planning & Projects, System Co-ordinator, Senior Technical Assistant and Database & Application Support Manager that a review is fundamental to address concerns and issues in relation to GIS, such as an infrastructure with ICT involvement and additional resources at the Council. Agreed - subject to approval of a business case bidding for additional resource to carry out this work and a future business

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
consideration should be given to performing an assessment and evaluation on implementing a corporate GIS solution, which could be server-based with a central database for spatial mapping data.		case covering the cost of and transition to a Corporate GIS plus permanent resource to oversee and manage. **Responsibility:** Assistant Director of Customer & ICT Services and Assistant Director of Transport & Planning **Timescale:** 31st December 2011
2) GIS strategic framework A GIS strategic framework should be formally defined and developed. The framework should include, but not be limited to the following: • the roles and responsibilities for GIS support, development and how this links to the strategic development of the authority; • the strategic plans in place for GIS development which address business, organisational and technical issues; • a GIS work plan, identifying areas of work and the projects to be undertaken; • how GIS could impact on the delivery of projects at the authority; and promoting and increasing awareness of the power and benefits of GIS within the authority. The Oracle Receivables User Procedures Manual should be reviewed to confirm that its details are up to date and reflective of the current duties which are required to be performed within the Authority as well	2 - Medium	Agreed. As above - subject to approval of a business case bidding for additional resource to carry out this work and a future business case covering the cost of and transition to a Corporate GIS plus permanent resource to oversee and manage. **Responsibility:** Assistant Director of Customer & ICT Services and Assistant Director of Transport & Planning **Timescale:** 31st December 2011

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
as the changes resulting from transformation. Localised procedures should be established to provide guidance on processes in the absence of senior or more experienced staff.		
3) SLA arrangements with departments The Council should consider defining and developing formal Service Level Agreement (SLA) arrangements with the authority's departments for the GIS services provided. This can only be achieved if an adequate GIS support resource is formally established.	3 – Low	Agreed on the condition that adequate GIS resources are established. Currently, GIS support and administration is resourced by two members of staff from Planning. **Responsibility:** Heads of Services **Timescale:** Dependent on business case approval above
4) GIS User Group A GIS User Group should be established comprising of users representative from across the Council with various levels of experience and expertise. The GIS User Group should meet on a periodic basis to discuss and input into GIS developments, business requirements and the impacts on the Council. Furthermore, the meetings should be formally documented.	3 – Low	Agreed. – Subject to business case for additional permanent resource being approved. If there is no capacity to develop, there is little point in meeting to discuss/plan future development **Responsibility:** Assistant Director Customer Services & ICT **Timescale:** Dependent on business case approval above
5) Quality Control and assurance Consideration should be given to developing a formal process for quality control and assurance of map data layers created by the business service lines and is consistently applied across the Council. Such a defined and documented process could include, but not be limited to the following: • Schedule of intended changes; • Independent review and authorisation for	3 – Low	Agreed. However, there is currently no centralised infrastructure and resources available for quality control. This is a responsibility for each of the business services using GIS to ensure data accuracy and quality. Task to be given to initial resource brought in to conduct the full review of the current GIS support model recommended above. **Responsibility:** Assistant Director of Customer & ICT Services and Assistant Director of Transport & Planning

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
changes within teams; - Documented and recorded audit trail of changes; and - Review and formal sign-off of identified changes.		**Timescale:** Initial business case for resource to be completed by 31.12 2011
6) MapInfo installations It is recommended that MapInfo Professional installations are carried out by IT&S staff, in accordance with the Council's ICT Security policy. A review should be conducted to ensure the System Co-ordinator's local administrator rights are removed if no longer required. Furthermore, the software installation and removal of MapInfo Professional should adhere to the IT&S Change Control and Management process established at the Council.	2 – Medium	Agreed. **Responsibility:** ICT Service Delivery Manager **Timescale:** 31st March 2012
7) Asset Inventory It is recommended that an up-to-date asset inventory is maintained to capture all hardware assets with MapInfo Professional software and Pro-printer installed.	3 – Low	Agreed. This was immediately actioned at the time of the audit. **Responsibility:** Systems Co-ordinator **Timescale:** 31st July 2011
8) Procedural guidance Management should ensure formal procedures are developed on the requirement to print the Ordnance Survey copyright statements on all Ordnance Survey map printouts. This guidance should be provided to staff using MapInfo Professional & ProViewer, to raise their awareness of this requirement and the consequences of data copyright infringement.	2 – Medium	Agreed. This was immediately actioned at the time of the audit. **Responsibility:** Systems Co-ordinator **Timescale:** 31st March 2012

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
9) Business Impact Analysis It is recommended that a business impact analysis should be completed of all the teams using MapInfo Professional, to determine the risk, impact and recovery time objective (RTO) for MapInfo Professional system. Outputs from the business impact analysis should be used to develop a formal Business Continuity and Disaster Recovery Plan in the event the MapInfo system is unavailable. This should include though not be restricted to the following details: • appropriate recovery time objectives; • alternative continuity arrangements; • relocation and temporary arrangements including facilities, resources, equipment and license requirements; • key contact details; and • recovery arrangements.	3 – Low	Agreed. Task to be given to initial resource brought in to conduct the full review of the current GIS support model recommended above. **Responsibility:** Assistant Director of Customer & ICT Services and Assistant Director of Transport & Planning **Timescale:** Initial business case for resource to be completed by 31.12 2011
10) Business Impact Analysis It is recommended that the dependency on the two main MapInfo system administrators is reviewed and appropriate knowledge transfer arrangements should be made to provide adequate support in the event the administrators are unavailable or leave the Council. Furthermore, a guidance document should be developed of all system administrator activities and	3 – Low	Agreed. **Responsibility:** Assistant Director of Customer & ICT Services and Assistant Director of Transport & Planning **Timescale:** 31st March 2012

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
tasks undertaken to support the MapInfo system, to help ensure that sufficient product knowledge is available to some members of the ICT team in the administrator's absence.		

IT Governance / Programme Management - 2011/2012

*IT Governance is "*a framework for the leadership, organizational structures and business processes, standards and compliance to these standards, which ensure that the organization's IT supports and enables the achievement of its strategies and objectives*".* It is essentially the project management of It related projects.

Scope

Audit work was undertaken to cover the following control areas:

- How new developments are commissioned, specifically;
  - o how new projects are chosen / approved and aligned with overall business and IS strategy, and
  - o whether new developments are subject to pre-implementation reviews, cost benefit analysis and feasibility studies;
- Use and compliance with project management standards;
- Management, leadership, prioritisation, allocation of IT resources and monitoring of the progress of new developments both by the business sponsor and the IS department at project boards;
- Operational structures behind new developments within IT;
- Project and risk management procedures are established and complied with;
- Procurement issues; and
- Post implementation reviews and learning.

<u>**Assurance Rating**</u> **– Limited**

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
1) Project Framework It is recommended that the following should be implemented for all IT projects: - All major projects should require strategic approval to be included in the Work Request Register; - A criteria for evaluating and acceptance of a project to be	2 – Medium	Agreed - subject to the establishment of an IT Governance Board **Responsibility:** Assistant Director of Customer & ICT Services **Timescale:** 31st March 2012

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
implemented should be developed, so that only projects which meet this criteria are included within the Work Register; and • All project initiation documents (PIDs) should be reviewed by an IT Governance Board and business cases should be endorsed by senior management.		
2) IT Project Management Procedures Consideration should be given to establishing an IT project management procedures manual to assist project sponsors and managers in adopting a standardised approach to IT project management (e.g. PRINCE2). The procedures should lay out the key stages in project management. This could include, though not be limited to: • Obtaining and recording strategic approval as well as senior management commitment for projects; • Criteria to define when a projects requires a PID & Business Case or just a TOR; • Undertaking requirements analysis; • Budget and timeline monitoring; • Regular reporting on project status to the Project Board; and • Post implementation reviews. Review should also be carried out to ensure any requirements of the corporate project management standards are met by all projects and programmes being run.	2 – Medium	Agreed to develop a manual to introduce a common project management standard and framework – taking into account the templates and procedures already in use via the Corporate Programme Office for Gold Projects. **Responsibility:** Assistant Director of Customer & ICT Services **Timescale:** 31st March 2012

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
3) Project Board It is recommended that a Project Board should be established for all major projects. A resource plan should be in place and detailed roles and responsibilities of the project team, project board, project sponsor and other relevant staff should be documented and agreed in the Project Initiation Document (PID) or TOR for all projects. This should include meeting attendance requirements, maintenance of key documentation relating to the project and project progress communication requirements.	2 – Medium	Agreed **Responsibility:** Assistant Director of Customer & ICT Services **Timescale:** 31st March 2012
4) Priority of projects Senior Management or an IT Governance Board should be responsible for deciding the priority of projects to be delivered. Dependency on key individuals should be noted in the project risk registers and the IT Governance Board should be responsible for co-ordinating projects and competing resource requirements. Additionally, all Project Managers should be trained in Prince 2.	2 – Medium	Agreed **Responsibility:** Assistant Director of Customer & ICT Services **Timescale:** 31st March 2012
5) Risk Management It is recommended that a risk management standard for IT projects should be developed. The Project Risk Registers should be fully completed and presented to the Project Board meetings for review. The Risk Register should include the following: • details on who raised the risk and unique identifier; • detail provided in risk treatment plans;	2 – Medium	Agreed – to include this in the Manual (referred to above) and to take account of the risk templates already in use by the Corporate Programme Office for Gold Projects. **Responsibility:** Assistant Director of Customer & ICT Services **Timescale:** 31st March 2012

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
• risks should be assessed against clearly defined priorities; • assigned ownership to risk for control and accountability; and • all risks should be closed on project closure or moved to business as usual risk to ensure they are tracked and mitigated. Key risks from gold projects should be formally reported to CMT as per the corporate project management requirement.		
6) Post Implementation Review Standardised procedures and guidelines should be developed to help undertake Post Implementation Reviews and lessons learnt exercises. Resources and timing for a Post Implementation Review should be recorded within the Project Plan.	2 – Medium	Agreed. – to be included in the Manual (referred to above). **Responsibility:** Assistant Director of Customer & ICT Services **Timescale:** 31st March 2012
7) Project office function IS&T should consider establishing a Project Office function.	3 – Low	We will review the resource and cost implications of this, and develop a business case for approval as appropriate. **Responsibility:** Assistant Director of Customer & ICT Services **Timescale:** 31st March 2012

Off-Site Working - 2011/2012

In order to meet the challenges of modern working it is essential for all organisations of a significant size to investigate and provide opportunities for staff to work remotely. This helps assist a number of key corporate objectives such as to reduce the monetary and environmental cost of travel to and from locations of work, enable flexible working arrangements, assist with dealing with parking and office accommodation needs and to provide resilience in terms of business continuity planning and disaster recovery.

However, whilst it is important to meet the needs of the areas highlighted above it is also imperative that security considerations are taken into account. With the increasing focus on data protection and confidentiality of information over the past decade combined with the increased threat from cyber crime and hacking, particularly for obtaining personal data, new challenges are constantly arising in terms of security of networks and access to systems.

Scope

Audit work was undertaken to cover the following control areas:

- Adequate home and offsite working strategy, policies and procedures are in place and that there are arrangements to ensure compliance;
- A risk assessment on remote working has been carried out; risks are understood and appropriate counter measures have been developed;
- IT support arrangements for remote workers are in place and that these are documented;
- Adequate procedures are in place covering setting up of new remote users, leavers and absent users;
- Remote access to the system uses approved devices, a secure link and login;
- Remote access sessions are logged and monitored;
- Logical security procedures covering mobile devices and portable data storage devices are in place;
- Default security settings on mobile devices meet minimum security requirements as set out in the IT Security Policy, data encryption on mobile devices is in place and anti-virus solutions keep equipment security up to date; and
- Physical security procedures covering mobile devices including cable locks and IT asset management are in place.

<u>**Assurance Rating**</u> **– Limited**

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
1) Remote Working Policies and Procedures A Remote Working Policy document should be developed. This	2 – Medium	Agreed **Responsibility:** Head of Information Systems

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
should include all areas pertaining to remote working and include areas such as: - Procedure for requesting remote access; User responsibilities in relation to remote working such as storing and securing data taken offsite; User responsibility to prohibit saving of attachments on their iPhones; Return of IT equipment upon termination of employment; - Storage of laptop at home; Use of Kensington locks to secure laptops; and Include details of the IT Support provided for remote workers including any exclusions such as support visits to the remote location.		and Technology **Timescale:** 31/12/2011
2) Remote Working Policies and Procedures The Corporate IT Security Policy should be finalised and disseminated to staff. Other related policies that are currently in draft (mobile working, removable media, 3rd party remote access, encryption handling, incident management and firewall policy) should also be finalised and disseminated.	2 – Medium	Agreed **Responsibility:** Head of Information Systems and Technology **Timescale:** 31/12/2011
3) Remote Working Risk Assessment Management should ensure that the risks associated with home and offsite working have been assessed and addressed within Corporate and ICT Risk Registers. This should include the increased risk of breaches in data security and confidentiality when Council information is accessed away from Council sites through loss, theft or mishandling, and the increased risk of breaches in data security and confidentiality when Council information is accessed using non-Council equipment.	2 – Medium	Agreed **Responsibility:** Head of Information Systems and Technology **Timescale:** 31/12/2011

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
4) Access Controls for Remote Access The Council should ensure that users are prevented from saving data from the network to a local drive on their own equipment.	1 – High	Agreed **Responsibility:** Head of Information Systems and Technology **Timescale:** 31/12/2011
5) Access Controls for Remote Access The Council should consider enhancing security on the network by implementing the following controls: • Implementation of an Intrusion Detection system; and • Ensuring regular review of logs is carried out for potential security violations.	2 – Medium	Agreed. IDS is desirable, but not mandatory under GCSx. Any implementation would be dependent on an appropriate business case and funding being made available. **Responsibility:** Head of Information Systems and Technology **Timescale:** 31/12/2011
6) Access Controls for Remote Access The Council should ensure that regular penetration tests are conducted to test the remote working security arrangements.	2 – Medium	Agreed **Responsibility:** Head of Information Systems and Technology **Timescale:** 31/12/2011
7) Logical and Physical Security of Mobile Devices The Council should ensure that Kensington locks are issued with laptops.	2 – Medium	Agreed **Responsibility:** Head of Information Systems and Technology **Timescale:** Immediate
8) Logical and Physical Security of Mobile Devices To comply with the draft Removable Media Policy, USB memory sticks should be recorded in an asset register.	2 – Medium	Agreed **Responsibility:** Head of Information Systems and Technology

Recommendation Title	Priority (1 / 2 / 3) (High/Med /Low)	Management Response
		Timescale: 30/11/2011
9) Logical and Physical Security of Mobile Devices The Council should ensure that all laptops are encrypted in line with the draft IT Security Policy.	2 – Medium	Agreed **Responsibility:** Head of Information Systems and Technology **Timescale:** 31/12/2011
10) Logical and Physical Security of Mobile Devices Only Council issued portable data storage devices should be allowed. Data held on portable data storage devices should be encrypted and this should be reflected in the removable media policy.	2 – Medium	Agreed **Responsibility:** Head of Information Systems and Technology **Timescale:** 31/12/2011

SUMMARY OF DRAFT REPORTS

Audit	Assurance Opinion
Annual Assurance	
Project Management (Inc. VfM)	Limited Assurance
Central Financial Systems	
Pensions	Substantial Assurance
Cashiers	Substantial Assurance
Creditors	Substantial Assurance
Payroll	Substantial Assurance
Debtors (Follow-up)	N/A – Management Letter
NNDR (Business Rates)	Limited Assurance
Council Tax and Housing Benefits	Substantial Assurance
Corporate Issues	
Performance Indicators	Limited Assurance
Virements within Directorate Budgets (Q3)	N/A – Management Letter following up on Q2 audit report
Reconciliations (Q3)	N/A – Management Letter following up on Q2 audit report
Resources and Regeneration	
Leaseholder Charges	Limited Assurance
Educational and Children's Services	
School's Financial Support	Limited Assurance
Review of HR procedures within Schools	Limited Assurance
Safeguarding – Management Assurance	Substantial Assurance
Littledown School – Probity Audit	N/A – Management Letter