SLOUGH BOROUGH COUNCIL

Internal Audit Progress Report

For the Audit and Corporate Governance
Committee meeting on 4 March 2021

RSM

1 KEY MESSAGES

The internal audit plan for 2020/21 was approved by the Audit and Corporate Governance Committee at the March 2020 meeting. This section provides an update on the key messages relating to the progress of the 2019/20 plan and 20/21 plan.

2019/20 Internal Audit Plan

Since the previous audit committee held in December 2020 **one** report (Business Rates) remains in draft from the 2019/20 plan and this is detailed in Section 2 below. We continue to work with the Council to get this report finalised. **[To note]**

2020/21 Internal Audit Plan

As part of the 2020/21 Internal Audit plan, a further 7 reports have been finalised since the meeting held in December 2020. Of these, 6 were assurance reviews and one was advisory. Of the assurance reviews, three reviews concluded with reasonable (positive) assurance opinions, with three partial assurance (negative) opinions in relation to Council Tax, Leaseholder Service Charges and Rent Arrears Recovery.

Please see **Appendix A** for the executive summary details of the three negative assurance reviews issued since the last meeting. For details of all audits finalised to date, please see **Appendix B**. **[To note]**

In addition, we have issued a further two draft reports from the 2020/21 plan and these are documented below in Section 2. **[To note]**

2020/21 Year end Opinion

The Committee should note that any negative assurance opinions ('No Assurance' or 'Partial Assurance' opinions, or poor or little progress in relation to follow up reviews) will need to be noted in the annual report and may result in a qualified / negative annual opinion. Where we have issued any negative opinions, these will impact our 2020/21 Head of Internal Audit Opinion for the Council. To date, we have issued **five** final reports (Cippenham Nursery School, Business Continuity, Council Tax, Leaseholder Service Charges, Rent Arrears Recovery) with a negative opinion. We have also issued an advisory review of Cyber Essentials (Cyber Security) arrangements which identified a number of weaknesses that need to be addressed, resulting in three high and 10 medium priority actions being agreed.

Please see **Appendix A** for details of any negative assurance opinions presented to this meeting. **[To note]**

2   INTRODUCTION

This report provides a summary update on progress against the remaining audits from the 2019/20 internal audit plan and progress against the 2020/21 plan. The report is based on the position as at the 22nd February 2021.

2019/20 Internal Audit Plan - Since the last audit committee in December 2020 one report relating to the 2019/20 audit plan remains in draft:

- Business Rates – Issued 13th May 2020 – we are working with the Council and hope to have this finalised prior to the committee

2020/21 Internal Audit Plan - The Internal Audit Plan for 2020/21 was approved by the Audit and Corporate Governance Committee on 5th March 2020. Since the last update provided in December 2020, **7** reports have been finalised:

- Council Tax – **Partial Assurance**
- Leaseholder Service Charges – **Partial Assurance**
- Rent Arrears Recovery – **Partial Assurance**
- Schools Audit – Khalsa Primary School – **Reasonable Assurance**
- James Elliman Homes – **Reasonable Assurance**
- Housing Benefits – **Reasonable Assurance**
- Cyber Essentials – **Advisory**

In addition, we have issued the following **two** reports in draft from the Internal Audit Plan for 2020/21:

- Whistleblowing – Issued 14th July 2020 – we are working with the Council and hope to have this finalised imminently
- Asset Management – issued 2nd February 2021.

3   OTHER MATTERS

3.1 Client briefings

We have not issued any relevant client briefings since the last Audit and Corporate Governance Committee meeting in December 2020.

3.2 Changes to the plan

We have made the following changes to the plan since the last meeting:

Note	Auditable area	Reason for change
4	Cash Collection	Since the Council has moved to being cashless, we have replaced this review following discussion with the Executive Director, Corporate Operations with work undertaken in relation to the Council's Subsidiary Companies.
5	Continuing Healthcare	Following the request of the Executive Director, People (Adults) to postpone a review of Continuing Healthcare until the 2021/22 Internal Audit Plan, we have agreed to replace this review with a further grant funding review. A new scheme from central government in relation to the Test and Trace Scheme funding provided to the Council requires sign off from the Council's Chief Internal Auditor and Chief Executive. This work is ongoing.

The changes below have been previously reported to the Committee:

Note	Auditable area	Reason for change
1	Parish Council Governance	At the request of the Director of Finance and Resources, we have cancelled the Parish Council Governance review, and this is being replaced with a review of Leasehold Service Charges.
2	Discretionary Grant Funding	At the request of the Director of Finance and Resources, we have replaced the review of Mental Health Provision with a review of the processes and governance in place surrounding the funding provided to the Council for businesses that do not fall inside the main COVID-19 funding schemes.

| 3 | Grant Funding | Initially we were informed of the Local Transport Revenue Block Funding grant was the only grant which required sign off in the current financial year. We have undertaken a review on the above to confirm the appropriateness of the grant spending in line with the conditions. Subsequently we were also informed of a further grant for the Bus Service Operators Grant, which we also delivered as part of the agreed Grant audit budget. However, we have been notified of two further grants (Dedicated Home to School Transport and Test and Trace Support Payment Scheme) which as part of the Grant conditions require sign off from the Chief Executive and Chief Internal Auditor, and we are in discussion with the Director of Finance and Resources about the best way to deliver these. |

3.3 Sector Update

Funding boost provides councils with certainty to plan for year ahead
The Ministry of Housing, Communities and Local Government (MHCLG) has announced that councils will receive a share of £51.3bn next year to provide them with the resources they need to continue to deliver services and support their communities during the pandemic, while protecting council taxpayers from excessive increases. Final allocations for the £670m fund to enable councils to continue reducing council tax bills for those least able to pay, have also been confirmed, helping households impacted financially by the pandemic.

Community Champions to give Covid-19 vaccine advice and boost take up
60 councils and voluntary groups are set to receive a share of over £23m of funding to expand work to support those most at risk from Covid-19 and boost vaccine take up as part of the Community Champions scheme. Each of the 60 councils have developed their own plan to improve communications with these groups including helplines, school programmes, workplace engagement as well as training sessions to help people provide information and advice. The funding forms part of over £7.9bn government funding provided to councils to help them support their communities during the pandemic.

Councils urged to ensure local plans are up to date
Christopher Pincher, Housing Minister, has urged all councils to ensure they have an up to date local plan in place by the government deadline of December 2023 in order to ensure they can deliver the homes needed. Figures show that nine in ten local planning authorities have now adopted a local plan, but it has been made aware that many of them are not being kept up to date. The Housing Delivery Test measurement shows that 55 authorities delivered less than three-quarters of their housing need. Of these, 40 have a local plan that is more than five years old.

New funding boost for councils
Councils across England will receive £51.2bn next year, an increase of £2.2bn from last year. This financial package provides councils with additional resources to deliver effective local services and continue to support their communities during the pandemic, while protecting council taxpayers from excessive increases.

Government response to the Redmond review
The government has published its response to the independent review into the effectiveness of local audit which was carried out by Sir Tony Redmond. The response sets out how the government will implement many of the recommendations made by Sir Tony Redmond, including swift action to ensure the ongoing effectiveness of the local audit system and improvements to make financial information more transparent.

Spending Review 2020

Key points from Rishi Sunak's, Chancellor of the Exchequer, Spending Review includes:

- £3bn in extra funding for local authorities, representing a 4.5 per cent increase in spending power
- £151m of new local government funding for rough sleeping to help end rough sleeping in England, taking total funding for 2021/22 to £250m.

The government is also providing a range of other funding sources to support councils, improve services, and develop local economies

APPENDIX A - KEY FINDINGS FROM FINALISED 2020/21 INTERNAL AUDIT REPORTS

Detailed below are the High and Medium Priority Management Actions from **Partial or No Assurance reports** (in the exception format previously agreed by the Committee):

Council Tax 17.20/21		**1 High** **1 Medium** **2 Low**
We identified the following weaknesses, which resulted in one High and one Medium priority management action: **Reconciliations** A variance of approximately £2.5m was identified between the Academy (CT system) and Agresso (finance system) in relation to Direct Debit payments received which hadn't been posted to Agresso, as part of the 2019/20 review of Council Tax. The Reconciliations Manager and the Accountancy Assistant advised that they are currently in the process of redesigning the Council Tax reconciliations method to simplify the work completed where previously the process had proved complex (and we are advised were a contributary factor in the £2.5m variance). However, whilst the methodology has been redesigned, we were advised that monthly reconciliations between Agresso and Capita have not been completed for the 2020/21 financial year. With regards to the initial variance identified between the two systems, we were advised by the Reconciliations Manager that the Accountancy Assistant would be reviewing historic data (last three years) to reconcile the two systems, with this due to be completed by March 2021. The Reconciliation Manager also advised that going forward, they would be responsible for completing the reconciliations from April 2021 onwards. If variances from reconciliations are not investigated, resolved and subsequently signed-off in a timely manner, there is an increased likelihood that incorrect financial information will be presented to senior officers and/or members which may affect decision making or errors in Agresso and/or Capita will remain unaddressed. **(High)** **Debt Management – Council Tax Arrears** As part of the 2019/20 Council Tax review, an action had been agreed in relation to the review of outstanding historic Council Tax arrears cases to identify cases where debts cannot be chased, with these written off as appropriate. We were advised by the Service Lead – Customer and Communications that the implementation date of the action has since been deferred, owing to delays caused by the COVID-19 pandemic. We obtained a copy of an email trail evidencing that the delay had been communicated to the Director of Finance and		

Resources where an updated implementation date of 31 March 2021 had been agreed. Further review of the trail confirmed that this had been forwarded to the Risk and Insurance Officer to update the action tracking software system. Given the above, the implementation of the action is still outstanding with the revised implementation not yet due, however the risk still remains.

Whilst this action remains incomplete, there is a risk that CT arrears cases are not being reviewed and chased as appropriate. This reduces the likelihood of the funds being recovered, which could result in financial losses for the Council. **(Medium)**

1	The Revenues Manager will undertake a review of current Council Tax arrears cases in order to identify cases where debts cannot be chased. These cases will be recommended for write off.	Medium	31st March 2021	Vijay McGuire Service Lead – Customer and Communications
2	The Council will undertake an investigation into the £2,516,195 unreconciled difference identified via the Council Tax Direct Debit reconciliations, in order to identify reasoning for this. The Council will also ensure that all variances are completed and investigated within a timely manner and completed reconciliations are shared with Finance.	High	31st March 2021	Neil Wilcox – Executive Director, Corporate Operations

Leaseholder Service Charges 16.20/21		**0 High** **5 Medium** **1 Low**

We identified the following weakness, resulting in five medium priority action:

Allocation Methodology

Our review identified that the Council does not hold a clear allocation methodology to ensure the fair and equitable allocation of service charges to leaseholders.

From a sample 10 leasehold properties (as at September 2020), we identified a number of different methodologies had been utilised with one property apportioned on the basis of square footage, two apportioned on a unit basis (for example, if there were eight flats in a block, these would be evenly apportioned across the eight) and four apportioned on the basis of rateable value. Supporting data for the allocation method of the remaining three properties had not been retained.

As per guidance published by the Royal Institution of Chartered Surveyors (RICS) Service Charge Code working group, using rateable values as an apportionment method is longer recommended and should be changed to other recognised methods including floor arear, flats per block.

If the Council continues to allocate service charges using dated rateable values, there is a risk that they are not applying a universal apportionment method for all properties, given that flats per block and number of bedrooms are also used for service charge calculations. **(Medium)**

Source Data – Ground Maintenance

In relation to costs associated with ground maintenance, our review of the working papers identified that the allocation for 2019/20 appears to be based on block costs allocated in 2015/16, which have been uplifted in 2017/18 by 3.4% and then rolled over for subsequent years. As such, actual costs relating to ground maintenance have not been allocated, rather estimates.

Discussion with the Project Manager – Housing (People) identified that a project is currently underway to re-map all HRA blocks and land to ensure the accurate allocation of rates for various levels of service, however this project is still ongoing with completion due by the end of the financial year.

Whilst the Council have identified the above issue, if service charges are not supported by actual costs incurred, there is a risk that the Council are unable to supply tenants with justifiable reasoning to support their calculation of service charges. **(Medium)**

Reconciliation

During discussions with the Leasehold Service Charges and Right to Buy Officer we were advised that there is currently no reconciliation performed between total costs incurred relating to leaseholders and the total amount billed. As such, the Leasehold Services and the Right to Buy Team are unable to assure themselves that all costs incurred are expected to be recovered.

In the absence of any reconciliation performed, there is a risk that omitted costs incurred which can be recharged to the leaseholder may not be identified resulting in financial loss to the Council. **(Medium)**

Capital Cost Recharges

Through our review, we established that there is a lack of awareness around whether costs associated with major works and long-term agreements are recharged to the respective leaseholder(s). During the course of our review, no evidence was provided to substantiate that costs relating to major works of leasehold properties had been allocated to leaseholders (despite a number of requests for the information).

Given the lack of evidence provided, we are unable to confirm that processes are in place to ensure that capital costs to leasehold properties are recharged to leaseholders.

If costs associated with major works are not recharged to the leaseholder, there is a risk that the Council are suffering financial losses where costs incurred are not recouped. **(Medium)**

Reporting

During discussions with the Interim Head of Financial Management, Interim Group Accountant and Head of Transactional Finance we were advised there is currently no specific reporting around levels of recovery in relation to service charges.

Whilst there is no specific reporting, discussion with the Head of Transactional Finance advised that they are monitored as part of monthly 'outstanding debt' reports. We obtained a copy of the latest report (dated September 2020), identifying that level of debt outstanding in relation to service charges is £1,016,785.

	However, whilst the report does cite the level of outstanding debt, there is no consideration of relative levels of recovery, for example, in percentage terms. Failure to report and monitor recovery levels of service charges increases the risk that issues in relation to recovery are not identified and remedied in a timely manner. **(Medium)**			
1	A formal policy with regards to the apportionment of service charges will be developed. This will include a clear methodology for the apportionment methods to be utilised and when they should be used.	Medium	31st August 2021	Richard West, Executive Director of Customer & Community
2	The Council will establish an accurate and reliable means of identifying costs associated with grounds maintenance.	Medium	31st August 2021	Richard West, Executive Director of Customer & Community
3	As part of the annual billing process (September 20), an exercise will be performed to ensure that all costs incurred relating to leaseholders are billed through service charges.	Medium	31st August 2021	Richard West, Executive Director of Customer & Community
4	The Council will complete an exercise to ascertain whether costs associated with major works to leasehold properties are recharged to leaseholders.	Medium	31st August 2021	Richard West, Executive Director of Customer & Community
5	The Council will agree a means of monitoring levels of service charge recovery. This will include periodic review of recovery levels, with action taken as appropriate to rectify any issues identified.	Medium	31st August 2021	Richard West, Executive Director of Customer & Community

		0 High
Rent Arrears Recovery 14.20/21		4 Medium
		2 Low

We noted the following issues, resulting in four medium priority management actions:

Rent and Arrears KPI Reporting and Monitoring

A set of KPIs relating to rent arrears recovery are reported and discussed as part of the Housing Services Performance meetings. Through review of the KPI information presented at the latest meeting (August 2020) we found that despite the reporting of significant adverse performance, no explanations nor remedial action plans were documented.

An action had been agreed as part of the 2019/20 audit in relation to the quality of performance reports discussed at Housing Services Meetings, with this followed up on as part of our Q1 follow up 2020/21. Our follow up (fieldwork - April 2020) identified the issues regarding the quality of KPI reports to still be present, where performance reports did not detail reasoning for any adverse performance. As per the above, these issues are still relevant.

If the reasons for failing to achieve targets are not identified, preventative action cannot be agreed and implemented. There is therefore an increased likelihood that adverse performance is not addressed and KPI targets continue to be missed. **(Medium)**

Reporting and Oversight

Through our data analysis, we identified that current tenant arrears have increased from £1,440,999 as at 16 August 2019 to £1,944,424 as at 15 September 2020. Review of the meeting minutes / papers of the Neighbourhood and Community Services Scrutiny Panel and CMT identified that these forums have not received updates relating to rent recovery and arrears levels since January and March 2020, respectively.

Given that arrears levels for 'current' rent arrears have increased significantly over the past year (in light of the pandemic), there is an increased need to report performance and for this to be scrutinised.

The absence of regular reporting to the NCSSP or CMT around rent arrears levels means that members/ Directors do not have oversight of such information. As such, there is a risk that inadequate scrutiny around levels of arrears takes place. **(Medium)**

Former Tenant Arrears Recovery

Our analysis of the debt profile of former tenant arrears as at 15 September 2020 identified that individual accounts with outstanding arrears of below £3k now accounts for 74 per cent of total arrears (£1,253k). This is significant when compared to the debt profile observed on 16 August 2019, where accounts with balances below £3k accounted for 58.7 per cent of total former tenant arrears, equating to £884k.

Further discussion with the Tenant Arrears Officer identified that arrears recovery has recently been focused on larger debts due to operational capacity, meaning only debts of above £3k in value are reviewed, however we were also advised that there are plans now to focus on lower levels of debt.

In absence of a systematic approach to periodically reviewing accounts in former tenant arears of less than £3,000, there is an increased risk that amounts owed to the Council will not be recovered, resulting in financial loss to the Council. **(Medium)**

Debt Collection Agencies

As part of the 2019/20 review, we identified that a number of Debt Collection Agencies are being engaged by the Council, without a formal contract in place thus breaching financial procedure rules. During discussions with the Workstream Lead – Revenue and Benefits we were advised that the Council were in the process of tendering debt collection services across the Council, however this was delayed owing to the impact of COVID-19.

We were subsequently advised that either two or three agencies would be engaged with, with these determined by their skill set in relation to different types of outstanding debt that the Council face (for example, parking debts and former tenant arrears etc).

If debt collection agencies are not subject to competitive tendering exercises, there is a risk that the Council is not engaging with the most effective debt collection agency. Additionally, the Council may not be taking advantage of economies of scale via the use of a single agency, leading to the Council suffering financial losses. **(Medium)**

1	The narrative section of the Housing Services KPI report will be used to provide explanation for adverse performance of KPIs.	Medium	31st August 2021	Richard West, Executive Director of Customer & Community
2	Periodic updates will be made to both CMT and the Neighbourhoods and Community Services Scrutiny Panel with these outlining levels of current and former arrears, supporting narrative as well as relevant KPIs.	Medium	31st August 2021	Richard West, Executive Director of Customer & Community
3	The Council will develop an approach to monitoring and managing former tenant arrears case which are below £3,000 in value.	Medium	31st August 2021	Richard West, Executive Director of Customer & Community
4	The Council will complete a tendering exercise to ensure that Debt Collection Agencies (DCAs) used for Former Tenant Arrears (FTAs) represent sufficient value for money.	Medium	31st August 2021	Richard West, Executive Director of Customer & Community

Cyber Essentials 18.20/21	Advisory	3 High 10 Medium 4 Low

We have identified the following weaknesses resulting in the agreement of **three 'High', ten 'Medium' priority management actions** with regards to the following Cyber Essentials control themes:

High Priority Issues

Boundary Firewalls and Internet Gateways - Passwords

Despite requests for the information, we were not provided with evidence confirming that passwords on all boundary firewalls have been changed to a strong password. This increases the risk of access to boundary firewalls being compromised. **(High)**

Access Controls: Leaver Accounts

Sample testing of the process to remove accounts for staff leaving the employment of the Council found both a lack of evidence of account removal and an absence of a control to review the status of access accounts for staff who are no longer Council employees. **(High)**

Access Control - Administrator Access

We were advised by the IT Infrastructure Manager that network administrators have the same access as general users with regards to internet/external email access, as internet access is required for certain administrative duties. Access to external email accounts and the Internet increases the risk of account compromise through phishing or access to malicious websites. The fact that these accounts have administrator privileges means that if they are compromised the impact is much higher than compared with a 'normal' user account with no administrator rights. **(High)**

Medium Priority Issues

Boundary Firewalls and Internet Gateways - Firewall Rules

We were advised by the IT Infrastructure Manager that a policy/procedure had not been documented covering firewalls and changes to rules. In terms of changes to rules, we noted that these are recorded in the Service Desk system and include a justification, however, we noted that there was no formal authorisation recorded. Without an appropriately documented and comprehensive process for making changes to firewall rules, this can result in open ports and services not being subject to appropriate justification and approval.

Boundary Firewalls and Internet Gateways - Firewall Rules

The Council's firewall rules had been documented along with comments being stated to justify why each rule was required. However, we found that numerous rules did not have justification comments recorded. As a result, the Council cannot be fully assured that all firewall rules are appropriate in order to prevent a cyber-attack.

Secure Configuration - Passwords

We were advised by the IT Infrastructure Manager that there is no documented password policy in place. Without a password policy that details all minimum requirements, there is a risk that inappropriate password settings are in place that do not adequately protect the Council's systems against unauthorised access.

Secure Configuration – Default Passwords

Whilst a range of controls are in place to reduce the risk of default passwords, the process for managing default accounts had not been documented/agreed.

Secure Configuration - Backups

We noted that the Council does not have a formal backup policy documented. This can lead to an inconsistent approach to backups of systems and data, thereby increasing the impact of a potential cyber-attack. In partial mitigation of this, we confirmed that a backup system was in place and daily checks were being carried out by the Council to review the success of these backups.

Malware Protection

We were advised by the IT Infrastructure Manager that there is no documented policy covering endpoint security/monitoring systems. This can lead to malware protection practices not following an agreed process and scans not taking place as required by the organisation, which could lead to threats such as malware and viruses going undetected. Despite this, we confirmed that security/monitoring systems were in place which were being regularly updated.

Patch Management - Software Licences

We were advised by the Council that a central record of licensing information with respect to software is not in place. This may result in the mismanagement of software, leading to the Council utilising software that is unlicensed and not patched with new security settings. There are also potential value for money considerations.

Patch Management - Applications

We were advised by the Council that application patches usually depend on the support schedule of the system supplier as to when some patches to major software are installed. We however noted that the Council did not have a policy covering the application patch management process.

This may lead to an inconsistent approach to patching, potentially leaving the Council vulnerable to security flaws that have not been addressed in a timely manner. Despite requests, we were not provided with evidence of actual patching compliance. We have therefore not provided any further assurance in this respect.

Patch Management - Mobile Working

We noted that the Council's Mobile Working Policy was due for review in September 2013 and was therefore out of date. For instance, it did not cover the Council's current Mobile Device Management system (XenMobile). We also noted that it did not cover enforcement of keeping

mobile devices up to date with vendor updates and security patches. This may lead to staff not taking the necessary precautions to ensure security of devices or devices not being appropriately managed to deter risk.

Patch Management – Operating Systems

An IT Patch Management Process for Windows is in place, however we found that the policy was out of date. Moreover, despite requests, we were not provided with evidence of actual patching compliance.

1	The Council will ensure that passwords on all boundary firewalls have been changed to a strong password (enforced via policy).	High	31st January 2021	Andy Finch - IT Infrastructure Manager
2	Management will ensure that administrator access to email and the Internet is restricted as appropriate.	High	31st January 2021	Andy Finch - IT Infrastructure Manager
3	The Council will implement a post-leaver review process to ensure that user accounts relating to leavers are disabled/removed, for instance, reviewing a monthly HR list of leavers against user accounts.	High	28 February 2021	Andy Finch - IT Infrastructure Manager
4	The Council will ensure that all boundary firewall rules are subject to appropriate justification and that this is appropriately documented.	Medium	31st January 2021	Andy Finch - IT Infrastructure Manager
5	The Council will document a boundary firewall policy covering areas such as: • securing firewalls • access control • documenting justifications for firewall rules • process for managing changes to firewall rules, including approval • process for promptly decommissioning rules that are no longer required • periodic review of firewall rules • review of logs • physical security • managing remote administration of firewalls In addition, the Council will ensure that evidence is retained of approval for changes to rules.	Medium	31st January 2021	Andy Finch - IT Infrastructure Manager / Alexander Cowen - IT Business Development Manager and Interim Data Protection Officer

6	The Council will document within a policy its approach to how default accounts in computers and network devices should be securely configured. This will include the renaming and disabling of default accounts. This policy will then be applied in practice.	Medium	31st March 2021	Andy Finch - IT Infrastructure Manager / Alexander Cowen - IT Business Development Manager and Interim Data Protection Officer
7	The Council will document a password policy covering areas such as: • version control, including last reviewed and next review date, and details of approval • roles and responsibilities • minimum length • password expiry • password complexity • password history • account lockout (number of attempts (threshold), lockout duration and counter reset time) • dealing with the configuration of passwords within software/applications, such as firewalls • disciplinary Following this, the Council will ensure that the this matches the actual configuration in practice.	Medium	31st March 2021	Andy Finch - IT Infrastructure Manager / Alexander Cowen - IT Business Development Manager and Interim Data Protection Officer
8	A Backup Policy/Procedure will be documented covering areas such as: • version control, including last reviewed and next review date, and details of approval • purpose • roles and responsibilities • approach to backups (including the use of incremental and full backups) • transporting and storage of physical media • review of backup logs to ensure successful completion • retention of backups • retrieval of backups • disposal of media • backup software in use	Medium	31st March 2021	Andy Finch - IT Infrastructure Manager / Alexander Cowen - IT Business Development Manager and Interim Data Protection Officer

	• security considerations • periodic testing of backups • disciplinary			
9	The Council will document a security/monitoring systems policy covering areas such as: • version control, including last reviewed and next review date, and details of approval • roles and responsibilities • anti-virus/firewall software in use • engine updates (including how often updates are to be checked for)	Medium	31st March 2021	Andy Finch - IT Infrastructure Manager / Alexander Cowen - IT Business Development Manager and Interim Data Protection Officer
10	The Council will implement a process for central tracking of software licensing.	Medium	30th April 2021	Andy Finch - IT Infrastructure Manager
11	The Council will review, update and approve the IT Patch Management Process. Following this, the Process will be communicated to relevant staff.	Medium	28th February 2021	Andy Finch - IT Infrastructure Manager / Alexander Cowen - IT Business Development Manager and Interim Data Protection Officer
12	The Council will document a Patch Management Policy covering application patches, recording information such as: • version control for the policy, including last reviewed and next review date, and details of approval • purpose of the policy • roles and responsibilities • scope of application, including key IT infrastructure and associated components • obtaining patches	Medium	31st March 2021	Andy Finch - IT Infrastructure Manager / Alexander Cowen - IT Business Development Manager and Interim Data Protection Officer

	• prioritisation of patches (including target timeframes for each type) • testing of patches			
13	The Mobile Working Policy will be reviewed and updated to include the requirement for mobile devices to be kept up to date with vendor updates and patches (reference will be made to the minimum software requirements a device has to have before it connects to the network). Following this, minimum software requirements will be enforced in practice.	Medium	30th June 2021	Andy Finch - IT Infrastructure Manager / Alexander Cowen - IT Business Development Manager and Interim Data Protection Officer

APPENDIX B - SUMMARY OF PROGRESS TO DATE

The tables below provides a status update on the summary of progress with the 2020/21 internal audit plan to date.

2020/21 Internal Audit Plan

Assignment area	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
					L	M	H
Cippenham Nursery School	Final Report	13th July 2020	19th August 2020		10	4	0
Business Continuity and Emergency Planning	Final Report	11th August 2020	17th September 2020		2	9	0
Leasehold Service Charges	Final Report	11th November 2020	19th February 2021		1	5	0
Council Tax	Final Report	11th November 2020	14th December 2020		2	1	1
Rent Arrears Recovery	Final Report	5th November 2020	19th February 2021		2	4	0
Conflicts of Interest	Final Report	9th July 2020	28th July 2020		1	4	0

Risk Management	Final Report	27th July 2020	20th August 2020	Reasonable assurance	5	5	0
Safety Advisory Group	Final Report	12th August 2020	24th August 2020	Reasonable assurance	5	2	0
Council Buy Backs	Final Report	15th September 2020	21st September 2020	Reasonable assurance	2	3	0
Our Lady of Peace Catholic Primary School	Final Report	3rd November 2020	17th November 2020	Reasonable assurance	7	3	0
Khalsa Primary School	Final Report	28th July 2020	4th January 2021	Reasonable assurance	3	1	0
James Elliman Homes	Final Report	6th October 2020	19th February 2021	Reasonable assurance	1	3	0
Housing Benefits	Final Report	5th November 2020	19th February 2021	Reasonable assurance	5	0	0
Follow Up Q1	Final Report	9th July 2020	23rd July 2020	Reasonable Progress	0	5	0

Follow Up Q2	Final Report	3rd November 2020	12th November 2020	Reasonable Progress	1	2	0
Grants – Local Transport Revenue Block Funding	Final Report	24th July 2020	28th July 2020	Advisory	0	0	0
Cyber Security	Final Report	31st November 2020	4th January 2021	Advisory	4	10	3
Whistleblowing	Draft Report	14th July 2020					
Section 106 Funds	Fieldwork complete - In QA						
Planning Application Response Times	Fieldwork complete - In QA						
Capital Expenditure	Fieldwork complete - In QA						
Business Rates	Fieldwork complete - In QA						
Assets	Fieldwork complete - In QA						
Rent Accounts	Fieldwork complete - In QA						
Planning Performance Agreements	Fieldwork complete - In QA						
Debtors	Fieldwork complete - In QA						
Creditors	Fieldwork complete - In QA						
Payroll	Fieldwork complete - In QA						

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Rent Accounts	Fieldwork complete - In QA
Follow Up Q3	Fieldwork in progress
Temporary Accommodation	Fieldwork in progress
Treasury Management	Fieldwork in progress
Grants – Test and Trace Funding	Fieldwork in progress
Transformation Programme – Follow Up	Commencing 17th March 2021
Governance	Commencing 22nd March 2021

APPENDIX C: 2020/21 ASSURANCE OPINIONS

We are constantly developing and evolving the methods used to provide assurance to our clients. As part of this, we have refreshed our opinion levels in line with the graphics below.

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Council can take:
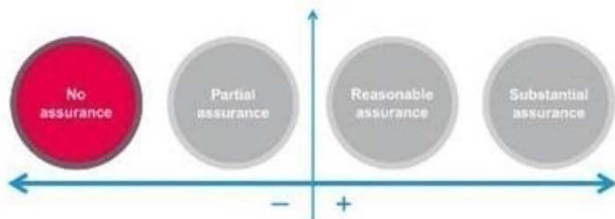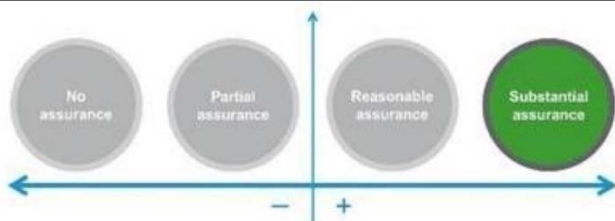

Taking account of the issues identified, the Council **cannot take assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.
Urgent action is needed to strengthen the control framework to manage the identified risk(s).
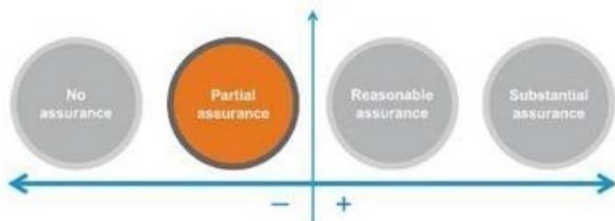
Taking account of the issues identified, the Council can take **partial assurance** that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risk(s).
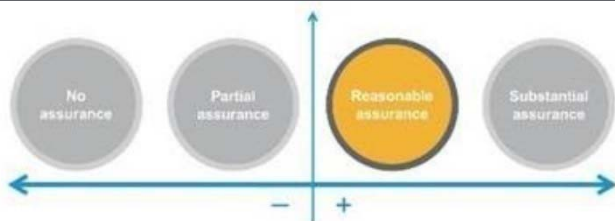
Taking account of the issues identified, the Council can take **reasonable assurance** that the controls in place to manage this risk are suitably designed and consistently applied.
However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).

Taking account of the issues identified, the Council can take **substantial assurance** that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.

FOR FURTHER INFORMATION CONTACT

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