

AUDIT PANEL		
Report Title	Internal Audit update report	
Key Decision	No	Item No. 5
Ward	ALL	
Contributors	Head of Corporate Resources	
Class	Part 1	Date:19 November 2014

## 1. Purpose of the report

- 1.1. This report presents members of the Audit Panel with a summary of progress with:
- Internal audit work against the audit plan, and
  - Implementation of internal audit recommendations.

## 2. Recommendations

- 2.1. It is recommended that the Audit Panel note the content of this report.

## 3. Background

- 3.1. Internal Audit is going through a restructure since the internal audit contract ceased at the end June 2014. Arrangements are in place to ensure that the core audits, school audits and IT audits are completed.
- 3.2. At the time of writing this report, the in-house team consisted of the Head of Corporate Resources, Internal Audit Contract Manager and an Internal Audit - CIPFA Trainee.

## 4. Executive Summary

Section 5 - Internal audit progress update. The 2014/15 audit plan is now 30% underway with sixteen audits (mainly schools) completed and six in progress.

Section 6 - Limited, No Assurance and Consultancy reviews. One Limited assurance report was issued for a school.

Section 7 - High and Medium recommendations not agreed. Management have agreed all High and Medium recommendations made since the last meeting.

Section 8 - Progress on the implementation of recommendations. Six follow-up reviews were completed with 93% of recommendations implemented or in progress. Four recommendations were superseded, and 39% of open recommendations were overdue at the end of October.

Section 9 - Restructure of the internal audit service. The position remains as previously reported. Lewisham is looking to access resource via other Councils (Greenwich, Croydon, and Islington) while building it's own capacity of qualified auditors and CIPFA trainees.

Section 10 - Other business. Nothing further to report at this time.

## Internal audit progress update

2014/15

- 4.1. This year's audit plan is underway to be completed by June 2015. For the latest details on this and how the internal audit service will be resourced for 2014/15 please see Section 9.
- 4.2. Since the last meeting, there were seven final reports issued. Please see the table below.

Dir.	Audit	Date of Final	Audit Opinion	Recs. Made		
				H	M	L
CYP	Troubled Families Programme Claim 7 (Oct 14)	30/10/14	N/A	-	-	-
SCH	Childeric Primary School	31/10/14	Satisfactory	-	2	5
SCH	New Woodlands (inc PRU) Primary	30/10/14	Satisfactory	-	10	7
SCH	Haseltine Primary	22/10/14	Satisfactory	-	6	4
SCH	Holy Trinity CE Primary	09/10/14	Substantial	-	3	2
SCH	Christ Church C of E School (now St Georges wef Sept 14)	24/09/14	Satisfactory	-	10	5
SCH	St Bartholomew's C of E School	07/08/14	Limited	1	14	6

- 4.3. The only changes to the 2014/15 audit plan since the last report were three additional pieces of work. They were:
  - Rogue Landlord Grant 14/15 (CUS) – Internal Audit required to validate the conditions of the grant claim.
  - Rangefield School – Procurement Audit – Governors requested a review of the review controls surrounding large spend.
  - Troubled Families Programme Grant claim 7 (Oct 14) – Internal Audit required to validate the conditions of the grant claim.
- 4.4. The table below shows the status of the internal audit plan. Appendix 1, details the full 2014/15 internal audit plan.

Lead Dir.	Original Plan	Addtnl. Audits	Dropped Audits	Current Plan	Final Reports	Reports at Draft	ToR* Issued	Not Started
RRE	13	-	-	13	-	-	1	12
CUS	10	1	-	11	-	-	1	10
COM	9	-	-	9	-	-	-	9
CYP	6	3	-	9	3	-	1	5
<b>Sub</b>	<b>38</b>	<b>4</b>	<b>-</b>	<b>42</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>36</b>

Lead Dir.	Original Plan	Addtnl. Audits	Dropped Audits	Current Plan	Final Reports	Reports at Draft	ToR* Issued	Not Started
SCH	32	1	(1)	<b>32</b>	13	2	1	16
<b>Total</b>	<b>70</b>	<b>5</b>	<b>(1)</b>	<b>74</b>	<b>16</b>	<b>2</b>	<b>4</b>	<b>52</b>

\*Terms of Reference . Also includes internal audit work that does not require a ToR (i.e. grant claims)

## 5. Limited , No Assurance and Consultancy reports

5.1. There was one 'Limited' report issued since the last meeting, see below. There were no consultancy reviews or 'No Assurance' reports issued.

- St Bartholomew's CE School 14/15 – (SCH) - Limited

5.2. The key areas for improvement noted, already acknowledged by the school, were governance, procurement and budget monitoring. The executive summary for this report that highlights the key areas for improvement is in Appendix 2.

## 6. High or Medium recommendations not agreed

6.1. Since the last Audit Panel meeting, management have agreed all 'Medium' and 'High' recommendations made.

## 7. Progress on the implementation of recommendations.

### Follow-ups

7.1. Non-school reviews with High or Medium recommendations are followed-up within nine months of the final report. School audits with a negative assurance opinion (i.e. 'Limited' or 'No assurance') also receive a follow-up review.

7.2. There were six follow-up reviews completed since the last Audit Panel meeting (all non-schools). The summary status of the recommendations followed up is shown in the table below:

Implemented	In Progress	Superseded	Not Implemented	Total Recs
21	7	2	0	<b>30</b>
<b>70%</b>	<b>23%</b>	<b>7%</b>	<b>0%</b>	<b>100%</b>

7.3. Those recommendations found to be 'in progress' or 'not implemented' are held open or reopened. Management will continue to update the progress of implementation and internal audit report on this progress.

7.4. The level of implemented and in progress recommendations if felt to be satisfactory and represents an improvement on the previous quarter. Details of the reviews followed-up are in Appendix 5.

### Superseded

- 7.5. Since the last Audit Panel meeting, four medium recommendations were 'superseded'. They came from the following audits:
- Capital Programme Monitoring 12/13 (RRE),
  - Capital Programme Monitoring 13/14 (RRE),
  - ISS Facility Service Ltd (RRE), and
  - Review of Bank Reconciliations (RRE).
- 7.6. Details of these superseded recommendations along with the definitions of category are set out in Appendix 4.

#### Implementation of recommendations

- 7.7. The table below shows the status of high and medium recommendations made by Internal Audit as at the 31/10/14.

Lead Dir.	Previous No. of O/Due Recs.	Current No. of O/due Recs at 31/10/14	Current No. of Recs with 2+ changes	Previous No. of Open Recs at 31/08/14	No of Recs Re-opened since 31/08/14	New Recs since 31/08/14	Closed Recs since 31/08/14	Current Open Recs at 31/10/14
RRE	6	6	1	23	-	-	(11)	12
CUS	6	-	2	22	-	-	(6)	16
COM	-	1	-	8	-	-	(3)	5
CYP	12		-	23	-	-	(15)	8
Total N/S	24	7	3	76	0	0	(35)	41
SCH	11	11	-	14	-	43	(7)	50
Total All	35	18	3	90	0	43	(42)	91

- 7.8. The percentage of overdue recommendations to open recommendations is 39%. This is the same as the reported at the last meeting. Of this, the non-school percentage is only 17% which is an improvement on the last report, which showed it at 32%. However, it should be noted that no new recommendations have been made since the last meeting for non-school audits.
- 7.9. Details of those recommendations that are either overdue, have two or more implementation date changes or have been re-opened after the follow-up review are presented in Appendix 4.
- 7.10. The Audit Panel requested an update on the situation relating to IT. The newly appointed interim Head of Service change and Technology, will be attending this meeting to answer members questions. Appendix 6 shows the IT audit reports conducted in the last three years, along with their assurance opinions, number of High and Medium recommendations made, and number of recommendations still open. The main areas for control improvement raised were in respect of the IT strategy and system security and resilience.

## **8. Restructure of the Internal Audit Service**

- 8.1. The position remains as previously reported. That is, the previous internal audit contract ended as at the 1 July 2014.
- 8.2. The interim solution for 2014/15 is a combination of arrangements. The Council is deploying the existing internal resource of the internal audit manager and audit trainee. The Council has contracted the London Borough of Greenwich to deliver the schools audit plan, and an independent IT consultant to deliver the IT audits in the plan. And, the Council is in the process of finalising the contracting of the main non-schools internal audit work through the London Borough of Croydon and London Borough of Islington frameworks with Mazaars and PwC respectively.
- 8.3. While the 2014/15 plan is being delivered the team will revisit the operational structure and build on the agreed model with qualified staff and trainees with some budget held for contracting specialist services as needed. This proposal is modular and similar to that currently being put in place by Lambeth so we have the option to support each other and cover peaks and troughs in demand.
- 8.4. The next requirement for the service will be the mid year review of the audit plan in November which in turn kicks off the annual assurance mapping process. Future updates will report on this as the audit plan for 15/16 is brought to the Panel for review and approval.

## **9. Other business**

- 9.1. Nothing further to report at this time.

## **10. Legal Implications**

- 10.1. There are no legal implications arising directly from this report.

## **11. Financial Implications**

- 11.1. There are no financial implications arising directly from this report.

## **12. Equalities Implications**

- 12.1. The Equality Act 2010 became law in October 2010. The Act aims to streamline all previous anti-discrimination laws within a Single Act. The new public sector Equality Duty, which is part of the Equality Act 2010, came into effect on the 5 April 2011.
- 12.2. The Council's Comprehensive Equality Scheme for 2012-16 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010. No direct equalities implications have been identified, in terms of adverse impact, with respect to the Council's obligations under the Equality Act 2010.

## **13. Crime and Disorder Implications**

- 13.1. There are no crime and disorder implications arising directly from this report.

#### **14. Environmental Implications**

14.1. There are no legal implications arising directly from this report.

#### **15. Background Papers**

15.1. There are no background papers.

If there are any queries on this report, please contact David Austin, Head of Corporate Resources, on 020 8314 9114, or email him at:

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**Appendix 1 - 2014/15 Audit Plan (core financial audits in bold)**

Lead Dir.	Name of Audit	Scope	Date Due / ToR Issued	Date Audit Finalised	Opinion
RRE	Procurement Card	Key financial controls (to be agreed)	29/10/14		
RRE	<b>Banking</b>	Key financial controls (to be agreed)	Q3		
RRE	<b>Treasury Management</b>	Key financial controls (to be agreed)	Q3		
RRE	<b>Pensions for LGPS and TPS</b>	Key financial controls (to be agreed)	Q3		
RRE	<b>Budget Monitoring</b>	Key financial controls (to be agreed)	Q3		
RRE	<b>Non-Current Assets</b>	Key financial controls (to be agreed)	Q3		
RRE	<b>Capital Expenditure</b>	Key financial controls (to be agreed)	Q3		
RRE	<b>Payroll</b>	Key financial controls (to be agreed)	Q3		
RRE	<b>Accounts Payable</b>	Key financial controls (to be agreed)	Q3		
RRE	<b>Main Accounting</b>	Key financial controls (to be agreed)	Q3		
RRE	Insurance – In house processes	To review the procedures for in-house claims handing process for efficient and effective.	TBC		
RRE	Procurement	Review the procurement process and monitoring of contracts, the governance and administration of the Commissioning and Procurement board. To include how the evaluation of business continuity plans at the award stage is conducted and approved. To include how the Public Services (Social Value) Act is enforced.	TBC		
RRE	Programme and Project Management	To review the programme management process to establish if they are fit for purpose. Also, look at PRG in COM, CYP, RRE to see if they comply with Council's management approach. To include a review of the processes relating to projects that have concerns.	TBC		

**Appendix 1 - 2014/15 Audit Plan (core financial audits in bold)**

Lead Dir.	Name of Audit	Scope	Date Due / ToR Issued	Date Audit Finalised	Opinion
CUS	Rogue Landlord Grant	Grant review (Additional)	17/10/14		
CUS	<b>Housing Benefit / Council Tax Reduction Scheme (CTRS)</b>	Key financial controls (to be agreed)	Q3		
CUS	<b>Council Tax</b>	Key financial controls (to be agreed)	Q3		
CUS	<b>Accounts Receivable</b>	Key financial controls (to be agreed)	Q3		
CUS	<b>NNDR</b>	Key financial controls (to be agreed)	Q3		
CUS	IT Strategy (IT Audit)	Review the IT strategy.	TBC		
CUS	Decent Homes Contractors / Fire / H&S - Client management	To review the management of 'Decent Homes' expenditure, objectives and outcomes. To include the monitoring of recommendations from Fire Brigade and other agencies.	TBC		
CUS	Housing Grants / Council's Housing Assistance Policy	To review the controls surrounding the handy-person service and disabled facilities grants.	TBC		
CUS	Business Continuity Plans (IT Audit)	To review the council's continuity plans for: Telephony / IT Systems (including servers - corporate and local / 3rd party) to see if they are reviewed regularly, feasible and officers know where they are and what to do.	TBC		
CUS	Oracle12 Upgrade (IT Audit)	Post implementation review of the new Oracle upgrades system	TBC		
CUS	SharePoint 2010 (IT Audit)	Look at local security and usability.	TBC		



**Appendix 1 - 2014/15 Audit Plan (core financial audits in bold)**

Lead Dir.	Name of Audit	Scope	Date Due / ToR Issued	Date Audit Finalised	Opinion
COM	<b>Payments to Care Providers for Older Adults</b>	Key financial controls (to be agreed)	Q3		
COM	<b>Client Contribution for Care Provision</b>	Key financial controls (to be agreed)	Q3		
COM	<b>Direct Payments</b>	Key financial controls (to be agreed)	Q3		
COM	South London and Maudsley (SLAM) - (Specialist Audit)	Review the governance and operational management in respect of LBL interest in relation to SLAM	TBC		
COM	Youth Offending Service (YOS)	To review the objective and outcomes of the service	TBC		
COM	Public Health Contracts	To review the management of Public Health Contracts for general process, decision making, scrutiny, length of contracts / renewal monitoring etc	TBC		
COM	Quality Assurance Training - Pathway (non-assurance)	To provide training / advice on the new pathway service	Q1/2		
COM	Pathway framework (Assurance)	To assess the controls surrounding pathway process after the training has been provided.	Q3 / Sep		
COM	Contract Management	Review the monitoring of contracts within the Community and CYP directorate.	TBC		

Lead Dir.	Name of Audit	Scope	Date Due / ToR Issued	Date Audit Finalised	Opinion
CYP	TFP - Claims submissions Check (non-assurance) claim 7	To review the criteria for the Troubled Families Programme for each claim. .	Oct 14	30/10/14	n/a

**Appendix 1 - 2014/15 Audit Plan (core financial audits in bold)**

Lead Dir.	Name of Audit	Scope	Date Due / ToR Issued	Date Audit Finalised	Opinion
CYP	TFP - Claims submissions Check (non-assurance) claim 5	To review the criteria for the Troubled Families Programme for each claim. Expected 2-4 times a year.	May 14	15/05/14	n/a
CYP	Adoption Reform Grant 13-14	Review the validity of the claim (Additional)	Jun 14	01/07/14	n/a
CYP	Troubled Families Programme (TFP) Annual Review	To review of the new system for gathering information and submission.	05/09/14		
CYP	<b>Payments to Care Provider and Foster Carers for Looked After Children</b>	Key financial controls (to be agreed)	Q3		
CYP	No recourse to public funds (Pilot Scheme)	Review the framework / guidance / policy on no recourse to public funds	Q4		
CYP	Disclosure and Barring Service (DBS) PT 1	Review the framework of DBS in relation to schools / CYP. Review the DBS board and actions.	TBC		
CYP	Youth Service	Review the governance , procedures and processes, reporting and scheme of management	Q3		
CYP	Payments for 2 -4 year olds	Review the returns and payments to and from providers (private, voluntary and independent sectors). Potentially look at DBS compliance too.	TBC		

Lead Dir.	Name of Audit	Scope	Qrt / Mth	Date Audit Finalised	Opinion
SCH	Childeric Primary	Standard School Programme	Sep 14	31/10/14	Substantial
SCH	New Woodlands (inc Primary PRU)	Standard School Programme	Dec 14	30/10/14	Satisfactory
SCH	Haseltine Primary	Standard School Programme	Sep 14	22/10/14	Satisfactory

**Appendix 1 - 2014/15 Audit Plan (core financial audits in bold)**

Lead Dir.	Name of Audit	Scope	Qrt / Mth	Date Audit Finalised	Opinion
SCH	Holy Trinity CE Primary	Standard School Programme	Sep 14	09/10/14	Substantial
SCH	Christ Church CE Primary (Now St George's)	Standard School Programme	Jul 14	24/09/14	Satisfactory
SCH	St Bartholomews CE Primary	Standard School Programme	Jul 14	15/09/14	Limited
SCH	St John Baptist CE Primary	Standard School Programme	Jun 14	27/06/14	Substantial
SCH	Sir Francis Drake Primary	Standard School Programme	Jun 14	25/06/14	Substantial
SCH	John Ball Primary	Standard School Programme	Jun 14	18/06/14	Substantial
SCH	Beecroft Garden Primary	Standard School Programme	May 14	12/06/14	Substantial
SCH	Baring Primary	Standard School Programme	Jun 14	11/06/14	Substantial
SCH	Downderry Primary	Standard School Programme	May 15	23/05/14	Substantial
SCH	St Winifreds Catholic Junior	Standard School Programme	Apr 14	21/05/14	Substantial
SCH	Ashmead Primary	Standard School Programme	Oct 14	At draft	
SCH	Grinling Gibbons Primary	Standard School Programme	Oct 14	At draft	
SCH	Chelwood Nursery	Standard School Programme	Feb 15		
SCH	All Saints Primary	Standard School Programme	Feb 15		
SCH	Brent Knoll – Special	Standard School Programme	Jul 14		
SCH	Brindishe Lee Primary	Standard School Programme	Nov 14		
SCH	Coopers Lane Primary	Standard School Programme	Oct 14		
SCH	Elfrida Primary	Standard School Programme	Feb 15		
SCH	Eliot Bank Primary	Standard School Programme	Jan 15		

**Appendix 1 - 2014/15 Audit Plan (core financial audits in bold)**

Lead Dir.	Name of Audit	Scope	Qrt / Mth	Date Audit Finalised	Opinion
SCH	Gordonbrock Primary	Standard School Programme	Jan 15		
SCH	Greenvale - Special	Standard School Programme	Jan 15		
SCH	Kelvin Grove Primary	Standard School Programme	Dec 14		
SCH	Perrymount Primary	Standard School Programme	Jan 15		
SCH	St James Hatcham CE Primary	Standard School Programme	Nov 14		
SCH	St Margarets Lee CE Primary	Standard School Programme	Nov 14		
SCH	St SavioursRC Primary	Standard School Programme	Feb 14		
SCH	St William of YorkCE Primary	Standard School Programme	Dec 14		
SCH	St Winifreds Catholic Infants	Standard School Programme	Dec 14		

## Appendix 3 - Status of recommendations

Executive Summary for St Bartholomew's C of E Primary School 2014/15



**Internal Audit Assurance Opinion** ▲ Limited **Direction of travel** ▼

**Key** ★ Substantial ● Satisfactory ▲ Limited ■ No Assurance. See glossary for further details and definitions.

### Introduction

The background, agreed scope, and risks assessed for this internal audit are included in the Terms of Reference (ToR) which can be found on page 30.

The findings in this report are by exception. This means only those areas where further management action is recommended to improve internal control are mentioned.

### Key Findings that Need Attention (\* = identified as a key finding from previous audit)

- The Resources and Finance committee clerking processes, minute taking and document retention were not sufficiently to evidence that governors are fulfilling all their obligations.
- The annual audit of the school's voluntary fund account was not done.
- Not all governors, and staff with financial responsibility, had completed their register of interest's forms.
- \* Purchase Orders (PO) were not always raised where required
- Some contracts were not available for inspection during the review.
- The correct number of quotes and tenders were not always obtained.
- A payment to a supplier was not checked against the PO prior to payment.
- Separation of duties in the purchasing process was not always evident.
- Assets were unable to be located during the review
- \* The asset register did not have all the expected fields for an asset register.
- No formal debt recovery policy was in place.
- The generic administration log in was used to access the Financial Management System (FMS) and Pupil Data System.
- Monthly budget monitoring reports were not provided to budget holders
- The agreed budget was not originally input correctly into the FMS
- The virement procedures in the scheme of delegation were not followed

Risk Headings		H	M	L
●	1 - Governance	-	3	2
●	2 - Purchasing and Contracts	-	4	1
●	3 - Assets	-	2	-
★	4 - Banking	-	-	1
●	5 - Income	-	2	-
★	6 - HR / Recruitment	-	-	1
★	7 - Payroll	-	-	-
▲	8 - Data Security	1	-	-
●	9 - Budget Monitoring	-	3	1
Total		1	14	6

### Areas of where controls worked well

The controls in Payroll, HR and Banking worked well with either no or low recommendations made.

### Changes to Scope

Baker Tilly, the council's former internal audit contractors issued the ToR. The Council's in-house internal audit team conducted the fieldwork (testing) and report.

At the request of the school's governing body, internal audit reviewed the reasons for an unplanned overspend at the end of 2013/14. Any recommendations made in relation to the over spend not already covered in the internal audit review, are detailed separately and not included in this executive summary.

### Follow-up Review

Internal audit will conduct a formal internal audit follow up review within nine months of the final report.

## Appendix 3 - Status of recommendations

### Explanations for Assurance Opinion

Each internal audit assurance review gives an opinion on the controls in place based on the fieldwork conducted. See table below to explaining these opinions.

Assurance Opinion	Definition
★ Substantial	A strong framework of controls is in place to ensure that the service area is more likely to meet their objectives. In addition, the controls in place are continuously applied or with only minor lapses.
● Satisfactory	A sufficient framework of controls is in place, but could be stronger to improve the likelihood of the service area achieving its objectives. In addition, the controls in place are regularly applied, but with some lapses.
▲ Limited	There are limited or no key controls in place. This increases the likelihood of the service area not achieving its objectives. Where key do controls exist, they are not regularly applied.
■ No Assurance	There is no framework of key controls in place. This substantially increases the likelihood that the service area will not achieve its objectives. Where key controls do exist, they are not applied.

### Definition of Category of Recommendation

Internal audit rates each recommendation made High, Medium or Low. This rating indicates to management the importance of implementing the recommendation.

	Definition
High	It is crucial that this recommendation is implemented immediately. This will ensure that service area will significantly reduce its risk of not meeting its objectives.
Medium	Implementation of this recommendation should be done as soon as possible, to improve the likelihood of the service area meeting its objective.
Low	Implementation of this recommendation would enhance control or improve operational efficiency.

### Appendix 3 - Status of recommendations

Dir	Name of Audit	Final Report Date	H O/D	M O/D	2+ chgs	Reopened at F/up	Comment
RRE	Contract Management for Joint Street Lighting	26/06/13		1			
RRE	Project Management – Governance and Project Review Group (PRG)	16/07/14		5			
RRE	Maintenance of Assets and Premises	06/11/13			1	2	
CUS	Payments Centre	26/09/13				2	
COM	CCTV Contract Monitoring	04/08/14				2	
COM	Client Contributions for Res and Dom Care 13-14	22/05/14		1			
CYP	Management of PbR Contracts for Early Years Intervention	11/11/13				1	
SCH	Adamsrill Primary School	04/10/12		1			
SCH	Christ Church CE Primary	24/9/10		5			
SCH	New Woodlands School (PRU)	30/10/14		2			Follow up due Jun 15
SCH	St Bartholomew CE Primary	15/09/14	1	8			Follow up due Jun 15
SCH	Torridon Infants School	17/10/14		1			
SCH	Turnham School	30/06/13	5	4			
<b>Total</b>			<b>6</b>	<b>29</b>	<b>3</b>	<b>24</b>	

#### Appendix 4 - Superseded Recommendations

Audit	Recommendation	Update from Management
Capital Programme Monitoring and Expenditure 2013/14	<p>Further guidance and training should be provided to ensure that project managers and Senior Responsible Officers are fully engaged with the need and benefits of timely closure reports. An emphasis should be given to;</p> <p>The need for closure reports,</p> <p>Closure reports being signed off by the SRO prior to submission to the PRG for consideration,</p> <p>Closure reports where there are outstanding defects.</p>	<p>This recommendation has been superseded by the new Asset Management framework which is currently being developed and will be implemented over the coming months. The intention is to have this framework fully implemented by January 2015. One of the keys to the successful implementation of the new framework will be to provide training to the project managers and SROs, in order that they understand how the system works and how the information they submit will be used to compile accurate management information. This is information will be way of the revised closure reports.</p>
Capital Programme Monitoring and Expenditure 2013/14	<p>Ensure a Post-implementation review (PIR) is carried out locally, or that the Council participates in any national PIR of the pilot programme. Any lessons learned should be shared with and promoted to officers involved in other PbR contracts.</p>	<p>This recommendation has to some extent been superseded by the new Asset Management framework which was recently agreed and is in the process of being implemented over the course of the next couple of months and by no later than January 2015. A critical success factor for the new arrangement will be to provide adequate training to the project managers and SROs in order that they fully understand how the system works and how the information they submit (including closure reports) will be used to compile accurate management information.</p>
ISS Facility Service Ltd - Cleaning Contract	<p>Information Asset Owners (IAOs) should ensure they get periodic assurance from third party support organisations that effective controls have been established to comply with the Data Protection Act 1998 and other privacy requirements</p>	<p>At this point no further changes and or savings are being sought from the cleaning contract, therefore at this time there is no potential for operational risks to the service, if this changes it will be reported.</p>
Review of Bank Reconciliations	<p>The LiquidLogic connection should be amended to restrict access to only the IAS / ICS servers and applications.</p>	<p>The Oracle R12 implementation team are reviewing whether Cash Manager should be implemented as part of the review of the AIMS upgrade. This recommendation has therefore been superseded by events.</p>



**Appendix 5 – Status of recommendations at the follow up review.**

Lead Dir	Audit	Opinion	Final Rpt Date	F/up Rpt Date	Implemented.		In Progress		Superseded		Not Implemented		Total No. of Recs
					H	M	H	M	H	M	H	M	
RRE	VAT	Substantial	15/11/13	02/10/14		1							1
RRE	Maintenance of Assets and Premises	Consultancy	06/11/13	30/09/14	11		2		2				15
CUS	Data Scanning and Storage	Limited	13/12/13	30/09/14	2								2
CUS	Housing Options	Limited	11/12/13	02/10/14		1		2					3
CYP	Management of PbR Contracts	Satisfactory	11/11/13	11/09/14		3		1					4
CYP	Estates Management Statutory Maintenance Contracts	Satisfactory	06/12/13	30/09/14		3		2					5
<b>Total</b>					<b>13</b>	<b>8</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>

## Appendix 6 – IT Related Audits for the past three audit plan years

Audit Name	Final Report Date	Assurance Opinion	No. of High Recs	No. of Medium Recs	No. of Recs open
Cyber Security (11/12)	23/07/12	Limited	1	8	-
HR and Payroll (Resource Link) Application Implementation (11/12)	09/09/12	Limited (System Security) No Assurance (data conversion )	-	11	-
Information Governance Control Framework (11/12)	03/08/12	Satisfactory	-	3	-
Fixed Asset System Application Security (11/12)	15/03/13	Satisfactory	-	3	-
NNDR Application Implementation (11/12)	17/08/12	Satisfactory (System Security) Limited (data conversion )	-	4	-
Disaster Recovery for ICT Infrastructure (12/13)	19/04/13	Limited	1	6	4
Information Asset Register (12/13)	13/02/13	Satisfactory	-	4	-
ONEOracle Project Management (12/13)	19/04/13	Satisfactory	-	4	-
Third Party Access to IT Systems and Data (12/13)	04/03/13	Limited	-	13	-
IT Strategy (Memo only)	19/04/13	No Assurance (As nothing to audit)	n/a	n/a	n/a
ICT Managed Services Contract (13/14)	10/07/14	Substantial	-	-	-
Security of File Sharing Servers (13/14)	17/06/13	Limited	1	3	4
Web Payments Systems Resilience (13/14)	26/10/13	Satisfactory	-	1	-
HB and CTRB Benefit Cap IT Implementations (13/14)	31/03/14	Substantial	-	-	-
HB and CTRB parameters (pt. 1 and 2) (13/14)	22/07/14	Substantial	-	-	-
Pensions System Implementation (13/14)	12/11/12	Substantial	-	1	-