

INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS
PERIOD: 01 APRIL 2014 TO 31 JANUARY 2016

<u>Summary</u>	Total	R	A
1. Completed Audits	24	0	24
2. Follow Up Audits Completed	10	0	10
3. Advice And Guidance / Consultancy	2	0	2

INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS

PERIOD: 01 APRIL 2014 TO 31 JANUARY 2016

1. Completed Audits - RED or AMBER flag

Audit / Date	Directorate [Service]	Organisational Risk	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
Performance Planning and Management 31/10/2014	Chief Executive [Policy, Performance and Public Health]	Moderate	Five recommendations were made which do not present a significant risk to the organisation.	5 (0)	February 2015 Director of Policy, Performance and Public Health	Feb 16	So as to utilise resources effectively - the follow up audit is underway being incorporated within the annual full audit review (it is anticipated this will be completed and reported in Feb 2016). In addition, the recommendations in the original report did not present a significant risk to the organisation; and responsibility for corporate business planning and performance management has changed during the course of the year.	A
Community Patrol 27/01/2015	Regeneration & Environment (R&E) [Housing and Community Safety]	Minor	Five recommendations were made which do not present a significant risk to the organisation.	5 (0)	May 2015 Strategic Director Regeneration and Environment	Feb 16	Recommendations agreed with the Head of Regeneration. Follow up rescheduled to allow changes to embed.	A
Risk Management 28/01/2015	Transformation & Resources (T&R) [Resources]	Moderate	Ten recommendations were made which do not present a significant risk to the organisation.	10 (0)	April 2015 Strategic Director Transformation and Resources	Feb 16	So as to utilise resources effectively - the follow up audit is underway being incorporated within the annual full audit review (it is anticipated this will be completed and reported in Feb/Mar 2016). Input was given to a Risk Management Benchmarking exercise earlier in the year which provided an opportunity to gauge developments in this area.	A
Organisational Culture 09/06/2015	T&R [Human Resources & OD]	Major	- Ensure commitment and compliance to Performance Appraisal and Development. - Put in place a clear, effective and efficient mandatory training programme that is delivering the expected benefits to staff and to the organisation. - Report upon and address the staff Survey Action Plan, and consider a future staff Survey as part of an indicator of organisational culture.	4 (3)	September 2015 Strategic Director Transformation and Resources	Apr 16	So as to utilise resources effectively - the follow up audit will be undertaken during March /April 2016 being incorporated within the Annual Governance Statement (2015/16) Review. Updates regarding the issues highlighted within the report have been provided to the Corporate Governance Group. These have indicated that steps are being taken and progressed. A short term culture action plan has been agreed by SLT - focussing on key activities that can be delivered by April 2016 (with a longer term action plan to be developed to support the implementation of a new operating model).	A
Direct Payments 26/06/2015	Families & Wellbeing (F&W) [DASS]	Major	Ensure clear policies and procedures are in place, up-to-date and adhered to in practice, specifically regarding - when and who is responsible for conducting, reporting and acting upon the reviews/assessments required as part of the direct payments process; - the robustness of contract monitoring. - ensuring individual Direct Payment contracts are signed appropriately. - the robustness information is entered in the Liquidlogic system.	5 (1)	October 2015 Strategic Director Families and Wellbeing	Feb 16	The recommendations have been accepted and implementation is being progressed.	A
Confidential Reporting (Whistleblowing) 15/07/2015	T&R [Resources]	Moderate	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	November 2015 Strategic Director Transformation and Resources	Feb 16	The recommendations have been accepted and implementation is being progressed.	A

Audit / Date	Directorate [Service]	Organisational Risk	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
CRCEES 03/08/2015	Universal & Infrastructure [Design Consultancy]	Minor	One recommendation was made which does not present a significant risk to the organisation.	1 (0)	December 2015 Head of Universal and Infrastructure Services	Feb 16	Follow Up underway	A
Transport Unit 21/08/2015	T&R [Design Consultancy - Maintenance function] F&W [CYPD Transport - Taxi and Home to school transport functions]	Moderate	Policies and procedures should be added to so as to ensure responsibilities are fully detailed. Policies should be finalised, approved by the appropriate person(s) and circulated to all relevant staff.	7 (1)	December 2015 Strategic Director Transformation and Resources Head of Branch - Planning and Resources	Feb 16	The recommendations have been accepted. Follow up in progress	A
NDR Reliefs and Exemptions 08/09/2015	T&R [Transaction Centre]	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	March 2016 Strategic Director Transformation and Resources	Mar 16	The recommendations have been accepted and implementation is being progressed.	A
Corporate Governance - Legal and Member Services 24/09/2015	T&R [Legal and Member Services]	Moderate	Two medium priority recommendations were made, which relate to the completion of actions agreed previously. Work is in progress and it is expected that these items will be completed in a timely manner.	2 (0)	December 2015 Strategic Director Transformation and Resources	Apr 16	Two recommendations were accepted and implementation is being progressed.	A
Official Form Declarations (Internal) 30/09/2015	T&R [Human Resources & OD]	Minor	One recommendation was made which does not present a significant risk to the organisation.	1 (0)	January 2016 Strategic Director Transformation and Resources	Jun 16	The recommendation has been accepted with implementation expected over the next 12 months as part of the upgrading of HR policies and procedures. Progress will be sought during March 2016 with a full follow up audit undertaken in June 2016.	A
Foster Care 02/10/2015	F&W [CYPD]	Moderate	In order to ensure the secure sharing of information , the requirements of the service should be determined and appropriate measures put in place, including the agreement of information sharing protocols and staff/foster carer awareness via training.	15 (2)	January 2016 Strategic Director Families and Wellbeing	Feb 16	The recommendations were accepted and implementation is being progressed.	A
MPF Pensions Payroll 16/10/2015	T&R [Merseyside Pension Fund]	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	February 2016 Strategic Director Transformation and Resources	Feb 16	The recommendations were accepted and implementation is being progressed.	A
Sport and Recreation (Leisure Centres) - Income 26/10/2015	F&W [Sport & Recreation]	Major	The high priority recommendations relate to the need to ensure: - All fees and charges have been approved and are being applied consistently across leisure centres. - Procedures (including clearly defined roles and responsibilities) in relation to the recording, reconciling and banking of income must be documented and adhered to in practice. - the process for monitoring eligibility for the "Invigor8 Corporate" and the "Invigor8 Teen" memberships are robust. - A robust process is in place to monitor income from vending machines.	12 (5)	April 2016 Strategic Director Families and Wellbeing	Feb 16	The recommendations have been accepted and implementation is being progressed. The action plan (highlighting the plan for implementation; expected implementation date; and name of responsible officer) has already been completed. Follow up work completed recently regarding golf courses revealed that audit recommendations regarding cash reconciliations, monitoring and collections have been implemented.	A
Management of Leavers 24/11/2015	T&R [Human Resources & OD]	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	March 2016 Strategic Director Transformation and Resources	Mar 16	The recommendations have been accepted.	A

Audit / Date	Directorate [Service]	Organisational Risk	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
Wirral Evolutions Day Services 18/11/2015	F&W [Wirral Evolutions]	Moderate	Six recommendations regarding enhanced financial control and consistency of financial practice, high level issue regarding consistency of approach and dealings with voluntary funds.	6 (1)	March 2016 Senior Manager - Delivery	Mar 16	The recommendations have been accepted.	A
Officers' Expenses 26/11/2015	R&E [Directorate-wide]	Minor	Five recommendations were made which do not present a significant risk to the organisation.	5 (0)	TBC Assistant Chief Executive	Mar 16	Final report issued, awaiting return of action plan.	A
WASBT 27/11/2015	T&R [Corporate & Community Safety]	Minor	One recommendation was made which does not present a significant risk to the organisation.	1 (0)	March 2016 Strategic Director Transformation and Resources	Mar 16	The recommendation has been accepted.	A
Transaction Centre - Petty Cash Operation 30/11/2015	T&R [Business Processes]	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	January 2016 Strategic Director Transformation and Resources	Mar 16	The recommendations have been accepted.	A
MPF Investment Contracts 30/11/2015	T&R [Merseyside Pension Fund]	Major	One high priority recommendation in respect to the required actions following an identified breach of the CPRs. i.e. The Head of the Pension Fund should; - Consider whether the failure to comply with the CPRs is a breach of the Officer Code of Conduct. - Compile a report outlining the reasons for the non-compliance and the steps taken to prevent recurrence.	1 (1)	January 2016 Strategic Director Transformation and Resources	Feb 16	The recommendation has been accepted and the agreed actions are currently being undertaken. Internal Audit are also undertaking additional assurance work across all contracts let by MPF to ensure this is an isolated case and not indicative of a larger problem.	A
Gifts, Hospitality and Conflicts of Interest 18/12/2015	Neighbourhoods & Engagement [Directorate-wide]	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	April 2016 Strategic Director Transformation and Resources	Apr 16	The recommendations have been accepted.	A
Capital Investment Programme 23/12/2015	T&R [Financial Services]	Minor	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	April 2016 Strategic Director Transformation and Resources	Apr 16	The recommendations have been accepted.	A
MFP-Member Records LGPS Annual Return 19/01/2016	T&R [MPF]	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	May 2016 Strategic Director Transformation and Resources	May 16	The recommendations have been accepted.	A
Accounts Payable 22/01/2016	T&R [Transaction Centre]	Moderate	Two high priority recommendations regarding a review of user access, and review of invoices for legal services which may have resulted in a payment being made more than once.	5 (2)	May 2016 Strategic Director Transformation and Resources	May 16	The recommendations were accepted and implementation is being progressed.	A

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2. Follow Up Audits Completed - RED or AMBER flag

Audit / Follow-Up Date / Original Report date	Directorate [Service]	Organisational Risk	Areas for Development / Improvement and comments	Original Total Recs (H)	Timescale / Strategic Director	Further Follow Up Scheduled	Outcome	RAG Status
Corporate Procurement 10/06/2015 Feb 2014	Transformation & Resources (T&R) [Corporate Procurement]	Major	Ensure: - Completion of the No PO No Pay process - Regular updating of Contracts Register - Finalisation of formal contracts	6 (4)	September 2015 Strategic Director Transformation and Resources	Apr 16	Follow up audit reviews have been conducted during 2014/15 and 2015/16. It was found that progress had been made with the implementation of some of the recommendations, specifically the liaison between Procurement, Legal, and Project Officers regarding the completion of contracts, and the current implementation of P-cards across the Council. Procurement arrangements across the Council are being reviewed and updated Contract Procedure Rules will be effective from April 2016. As such, the outstanding recommendations will be reviewed as part of audit work to be conducted during 2016/17.	A
Procurement of Commissioned Care (Domiciliary Care and Reablement Services) 26/08/2015 August 2014	Families & Wellbeing [DASS]	Moderate	The audit resulted in 2 High, 3 Medium and 2 Low recommendations. Arrangements must be put in place by the department to ensure that for all future procurement exercises it conducts, it is satisfied that the 'signing' element of the procurement process will be in accordance with Contract Procedure Rules. A final list of Tier 3 providers must be compiled ensuring a contract is in place for each organisation (liaising with Legal in the process). This list should then be disseminated and utilised by the Contracts Team and the Care Arranging Team. Procurement and Legal should be notified to ensure the Contracts Register is updated accordingly. The contract arrangements for those organisations who are not a Tier 1, 2 or 3 provider, but who are providing a service to Adult Social Services funded clients, must be clarified and resolved with Legal and Member Services.	7 (2)	October 2014 Strategic Director Families and Wellbeing	Apr 16	A follow-up audit review was conducted during 2015/16. It was found that significant progress has been made. The two high priority recommendations have been assessed as being implemented. Two other recommendations have been assessed as implemented and the remaining three (1 x Medium Priority and 2 x Low Priority) have been assessed as partly implemented. It is expected that full implementation will be achieved following the final roll-out of functions within Liquidlogic. Where applicable, assurances have been provided to confirm that lessons have been learned that will benefit future procurement exercises. The outstanding recommendations will be reviewed as part of audit work to be conducted during 2016/17.	A
Resource Link – Access Controls 04/09/2015 Oct 2014	T&R [Human Resources and OD]	Moderate	The Information Asset Owner can improve controls to prevent inappropriate access to information through the production of an Access Control Policy, to be assured that user access to information is in line with business need, and by ensuring that the measures stated in the ACP are applied to the system and user settings, e.g. by enforcing password rules, switching on the audit trail for System Administration activity, and regularly reviewing user access.	14 (7)	December 2015 Strategic Director Transformation and Resources	Feb 16	The client has stated they will follow up on the recommendations mid-September. (A combination of annual leave and sickness has delayed a discussion of the implementation of the recommendations by the auditee and his colleagues.) The implementation of the recommendations will continue to be assessed by Internal Audit in Q4.	A
Mobile Phone Security 04/09/2015 Nov 2014	T&R [Resources]	Moderate	Ensure that technological controls are consistently applied on mobile devices to ensure the security of information received, stored and sent according to its information classification, by implementing a Mobile Device Management solution which satisfies the requirements of the Public Services Network code of connection.	9 (8)	December 2015 Strategic Director Transformation and Resources	Feb 16	The Chief Information Officer attended ARMC in September 2015 to update Members.	A
ICT Business Continuity 04/09/2015 Dec 2014	Universal & Infrastructure / Authority-Wide	Moderate	Ensure that all Directorates include ICT business continuity requirements in their risk registers and CESG to approve the critical services list so that business continuity plans can be put in place using the new template.	4 (4)	December 2015 Strategic Directors	Feb 16	The Chief Information Officer attended ARMC in September 2015 to update Members.	A

Audit / Follow-Up Date / Original Report date	Directorate [Service]	Organisational Risk	Areas for Development / Improvement and comments	Original Total Recs (H)	Timescale / Strategic Director	Further Follow Up Scheduled	Outcome	RAG Status
ICT Hardware Asset Register 04/09/2015 Feb 2014	T&R [Resources]	No opinion required at the time the audit was carried out.	Original audit resulted in 6 high and 1 medium priority recommendations.	7 (6)	December 2015 Strategic Director Transformation and Resources	Feb 16	The Chief Information Officer attended ARMC in September 2015 to update Members.	A
Payment Card Industry - Data Security Standard 04/09/2015 July 2014	Authority-Wide	No opinion required at the time the audit was carried out.	Original review highlighted that the Council is currently not compliant with the standard, but appropriate measures, decisions and actions have or will be taken to ensure compliance in due course. 1 High priority recommendation. is outstanding: 1) Determine and implement the most appropriate installation in the Customer Services Centre, ie running Paye.net in a virtualised environment, running two machines on each desk with a KVM (keyboard, video and mouse) switch, running machines in separate secure environment via RDP (remote desktop protocol).	3 (1)	December 2015 Strategic Director Transformation and Resources	Feb 16	The Chief Information Officer attended ARMC in September 2015 to update Members.	A
Data Loss Prevention 04/09/2015 Oct 2014	Authority-Wide	Major	A DLP policy for the management of information assets should be produced, agreed by the Information Governance Board, and made available to all staff. This will ensure the correct management of information via the delivery of a technical solution by IT Services and the development and enforcement of appropriate working practices by Information Asset Owners.	3 (3)	December 2015 Information Governance Board	Feb 16	The Chief Information Officer attended ARMC in September 2015 to update Members.	A
IT Services Disaster Recovery 04/09/2015 Jan 2015	T&R [Resources]	Major	IT Services' Disaster Recovery Plan should be documented, where the prioritisation of recovery tasks stated in the plan should reflect the documented requirements of business critical services.	4 (4)	May 2015 Strategic Director Transformation and Resources	Feb 16	The implementation of the recommendations will continue to be assessed by Internal Audit. The Chief Information Officer attended ARMC in September 2015 to update Members.	A
Grievances 15/10/2015 October 2015	T&R [Human Resources and OD]	Minor	Two recommendations were made which did not present a significant risk to the organisation.	2 (0)	March 2016 Strategic Director Transformation and Resources	Mar 16	One recommendation has been implemented and one recommendation partially implemented with full implementation expected by March 2016 on completion of the training programme for Dignity at Work, Grievances and Whistleblowing	A

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PERIOD: 01 APRIL 2014 TO 31 JANUARY 2016

3. Advice And Guidance / Consultancy - RED or AMBER flag

Audit Area / Date	Directorate [Service]	Internal Audit input / improvement activity	Outcome and timescale (if appropriate)	RAG Status
Organisational Change 03/09/2015	Authority-Wide	Confirmation that the Council is making clear progress in its readiness to deal with ongoing and future changes whether via legislation, policy and service commitment or financial availability, and to provide ideas and comments around policy and processes to assist in ensuring the organisation is in a position to continually manage and deliver change effectively.	Evidence exists that the Council is moving into a position of improved responsiveness to the risks, challenges and opportunities presented by organisational change. 12 Issues For Consideration have been presented and reported to Strategic Management and where appropriate to local needs and conditions action will be taken to ensure the organisation remains effective in dealing with ongoing and future change in a positive and efficient manner.	A
Library IT system 14/01/2016	T&R [Business Processes] [Resources]	Review of current provision of Library IT system, and proposals for improvement.	Feedback provided to the Strategic Director Transformation and Resources, with initial actions to be considered by the Chief Information Officer. Further work will be carried out in March 2016	A

KEY:

Organisational Risk	
MAJOR	The likelihood/impact of the risks identified during the review, should these materialise, would leave the Council open to major risk.
MODERATE	The likelihood/impact of the risks identified during the review, should these materialise, would leave the Council open to moderate risk.
MINOR	The likelihood/impact of the risks identified during the review, should these materialise, would leave the Council open to minor risk.
NEGLIGIBLE	There were no weaknesses identified during the review.

RAG status		
G	Audits	Actions agreed and implemented.
	Follow Ups	Actions implemented.
A	Audits	Actions agreed and officers committed to implement within agreed timescale.
	Follow Ups	Actions in process of being implemented within agreed timescale with some implemented.
R	Audits	Actions agreed
	Follow Ups	Little or no progress made to implement actions within agreed timescale.

Recommendation Priority Rating	
HIGH	A matter that is fundamental to the control environment for the specific area under review. The matter may cause a system objective not to be met. This needs to be addressed as a matter of urgency (suggested timescale: within one month).
MEDIUM	A matter that is significant to the control environment for the specific area under review. The matter may threaten the achievement of a system objective.
LOW	A matter that requires attention and would improve the control environment for the specific area under review. The matter may impact on the achievement of a system objective.