

**INTERNAL AUDIT OUTSTANDING
RECOMMENDATIONS
PERIOD: 01 APRIL 2015 TO 30 APRIL 2016**

<u>Summary</u>	Total	R	A
1. Completed Audits	19	0	19
2. Follow Up Audits Completed	14	0	14
3. Advice And Guidance / Consultancy	0	0	0

INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS

PERIOD: 01 APRIL 2015 TO 30 APRIL 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
NDR Reliefs and Exemptions 08/09/2015	Transformation & Resources (T&R) [Transaction Centre]	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	June 2016 Strategic Director Transformation and Resources	Jun 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	Sep 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
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)	May 2016 Strategic Director Transformation and Resources	Jun 16	The recommendations were accepted and implementation is being progressed.	A
Sport and Recreation (Leisure Centres) - Income 26/10/2015	Families & Wellbeing (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	May 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.	A
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	Jun 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	Jun 16	The recommendation has been accepted and the agreed actions are currently being undertaken. The follow-up audit will be scheduled on completion of the internal investigation into the officer's conduct. (19/5/16 - The formal HR disciplinary investigation is still on going.) 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. (19/5/16 - This work was completed on 8/4/16 and concluded that the MPF contract processes are effective in ensuring compliance with the corporate regulations and MPF policies.)	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
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	Jun 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	Jun 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	Follow Up underway.	A
Patch Management 24/02/2016	T&R [Resources]	Minor	Four high risk recommendations relating to implementing an approved patching policy, including the patching methodology and management information, and ensuring patches applied as appropriate in the DMZ.	8 (4)	TBC Strategic Director Transformation and Resources	Oct 16	All recommendations agreed, and work underway to implement the recommendations.	A
Treasury Management 24/02/2016	T&R [Resources]	Minor	Four low priority recommendations have been made which do not present a significant risk to the organisation.	4 (0)	TBC Strategic Director Transformation and Resources	Jun 16	All recommendations have been agreed with the last target implementation date - 30/04/2016. Follow up will be undertaken in June 2016.	A
Performance Management and Planning 2015/16 24/02/2016	T&R [Strategy, Policy and Performance]	Moderate	The high priority recommendation relates to the need for robust performance management data/information as it will be imperative to the decision making that will drive the successful delivery of aims and objectives. As such, it must be ensured that officers across the organisation who are designated to calculate and review performance data/information fully understand and fulfil their roles accordingly, and have received appropriate training.	5 (1)	June 2016 Strategic Director Transformation and Resources	Jul 16	The recommendations have been accepted and progress is already being made with implementation. It should be noted that responsibility for corporate business planning and performance management officially transferred on 1 June 2015 to the new Policy, Performance and Scrutiny team. Since this date a major focus for the new team has been helping to develop the performance management framework for the "Wirral Plan: a 2020 vision". As such implementation of the recommendations will be encapsulated within the arrangements being put in place for 2016/17.	A
Officers' Vehicle Use 07/03/2016	T&R [Human Resources & OD]	Moderate	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	August 2016 Strategic Director Transformation and Resources	Aug 16	The recommendations have been accepted and discussions are underway between HR & OD and Health & Safety to determine how implementation should be progressed.	A
Supporting People 07/03/2016	R&E [Supported Housing]	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	August 2016 Assistant Chief Executive	Aug 16	Recommendations accepted. Follow up will commence in Q2.	A
Homelessness 07/03/2016	R&E [Supported Housing]	Minor	One recommendation was made which does not present a significant risk to the organisation.	1 (0)	August 2016 Assistant Chief Executive	Aug 16	Recommendations accepted. Follow up will commence in Q2.	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
MPF - Contract Procedures 08/04/2016	T&R [MPF]	Moderate	Further to the findings in respect to the audit of an MPF investment advisory contract, additional assurance work has been completed across all MPF contracts to ensure those findings were an isolated case and not indicative of a larger problem. The review concluded that the MPF contract processes are effective in ensuring compliance with the corporate regulations and MPF policies. However three medium and one low priority recommendations have been made to enhance the control environment.	4 (0)	September 2016 Strategic Director Transformation and Resources	Sep 16	The recommendations has been accepted and the agreed actions are currently being undertaken.	A
Risk Management 2015/16 12/04/2016	T&R [Resources]	Moderate	Ten recommendations were made which do not present a significant risk to the organisation.	10 (0)	September 2016 Strategic Director Transformation and Resources	Sep 16	The recommendations have been accepted and progress is already being made with the implementation of some of the recommendations.	A
MPF Retirement Benefit Payments 29/04/2016	T&R [MPF]	Moderate	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	TBC Strategic Director Transformation and Resources	Sep 16	Final Report issued, and all recommendations agreed. Waiting for client response regarding actions and timescales.	A

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PERIOD: 01 APRIL 2015 TO 30 APRIL 2016

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	Jun 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. A third follow-up review is being conducted in order to ascertain the progress being made.	A
Procurement of Commissioned Care (Domiciliary Care and Reablement Services) 26/08/2015 Aug 2014	Families & Wellbeing (F&W) [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	Sep 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
ResourceLink – 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	Jul 16	Email sent to client in February 2016. Problems with the ResourceLink system in March and April have delayed progress being made. Northgate (system provider) technician is visiting on 27/05/2016 to attempt to resolve the issues. Client to provide update week commencing 06/06/2016.	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	Jul 16	The Head of IT Services attended ARMC with an update in September 2015. IT Services have identified a solution to control and secure the Authority's mobile phones and implementation will be integrated with the Microsoft System Center implementation. The recommendations will continue to be monitored on an ongoing basis with the relevant IT Officer.	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 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	Jul 16	ICT Business Continuity and Resilience Plans featured as a Significant Governance Issue in the Annual Governance Statement 2014/15. Progress to develop robust business continuity and disaster recovery arrangements for critical services continues and is being monitored via Internal Audit and the Corporate Governance Group. The Business Continuity Team, in conjunction with IT Services, are to meet with Plan owners and undertake a desktop testing exercise of the Plans. Whilst progress is being made, this remains an ongoing risk to the organisation.	A
ICT Hardware Asset Register 04/09/2015 Feb 2014	T&R [Resources]	No opinion required at the time the audit was carried out.	<p>Original audit resulted in 6 high and 1 medium priority recommendations.</p> <p>1) VQSM should be used at the primary source for the Authority's Hardware Asset Register (HAR).</p> <p>2) The Authority's HAR should be updated to include all hardware assets, and maintained in line with agreed procedures.</p> <p>3) The project to develop "Here's My Asset", subject to demonstrating proof of concept, will assist the accuracy of the HAR, and its successful deployment should be prioritised by IT management.</p> <p>4) All hardware assets connecting to the network should be visible to the Altiris Software.</p> <p>5) Procedural guidance should require the immediate update of the HAR when an asset is to be added or deleted, where a segregation of duties should be achieved.</p> <p>6) The accuracy of the HAR should be verified on a regular basis, and the results reported to IT Management.</p>	7 (6)	December 2015 Strategic Director Transformation and Resources	Jul 16	The Head of IT Services attended ARMC with an update in September 2015. A project is currently in progress to implement the Microsoft System Center consisting of various elements. The recommendations will continue to be monitored on an ongoing basis with the relevant IT Officer.	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.	<p>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:</p> <p>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).</p>	3 (1)	December 2015 Strategic Director Transformation and Resources	Jul 16	The Head of IT Services attended ARMC with an update in September 2015. Discussions are ongoing with the contractor and a plan and timeline is being developed by the Information and Governance Security Officer. The recommendations will continue to be monitored on an ongoing basis with the relevant IT Officer.	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	Jul 16	The Head of IT Services attended ARMC with an update in September 2015. Action is being taken to document a policy which will then allow a suitable Data Loss Prevention solution to be enabled by IT. The recommendations will continue to be monitored on an ongoing basis with the relevant IT Officer.	A

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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	Jul 16	The Head of IT Services attended ARMC with an update in September 2015. A number of initiatives are underway to deliver an effective Disaster Recovery solution. The recommendations will continue to be monitored on an ongoing basis with the relevant IT Officer.	A
Grievances 15/10/2015 Oct 2015	T&R [Human Resources and OD]	Minor	Two recommendations were made which did not present a significant risk to the organisation.	2 (0)	Jun 16 Strategic Director Transformation and Resources	Jun 16	One recommendation has been implemented and one recommendation partially implemented with full implementation expected by June 2016 on completion of the training programme for Dignity at Work, Grievances and Whistleblowing. Training is still being delivered and results will be gathered on completion.	A
Foster Care 15/02/2016 Oct 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	Jun 16	Follow up carried out in two parts: 1) regarding the security of information - 8 recommendations - no response (to emails sent 04/02/2016 and 23/02/2016) from Senior Manager Children's Resources and Specialist Services 2) regarding internal processes in the Fostering Services team - 7 recommendations - the Fostering Services Team Leader has implemented 3 recommendations and 4 recommendations in progress, and has been asked to keep Internal Audit updated of progress in implementing the remaining recommendations fully.	A
Transport Unit 25/02/2016 Aug 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)	February 2016 Strategic Director Transformation and Resources Head of Branch - Planning and Resources	May 16	Health and Safety Depot Review still to be completed. Liaison with Asset Management in progress.	A
Community Patrol 01/04/2016 Feb 2015	T&R [Resources]	Minor	Five recommendations were made which do not present a significant risk to the organisation.	5(0)	May 2015 Strategic Director Regeneration and Environment	N/A	Verbal assurance provided that implementation of the recommendations remains in progress.	A
Direct Payments 18/04/2016 June 2015	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	Oct 16	Each recommendation was assessed as being partially implemented. Further steps are required to be taken to ensure full implementation. This was fully acknowledged by the responsible senior manager who appreciated the follow-up review particularly following a period of changing roles and structures. Further internal audit work has been scheduled within the Internal Audit Plan 2016/17 to evidence full implementation of the outstanding recommendations.	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.