

**INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS
PERIOD: 01 APRIL 2014 TO 30 APRIL 2015**

<u>Summary</u>	Total	R	A
1. Completed Audits	22	0	22
2. Follow Up Audits Completed	5	0	5

INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS

PERIOD: 01 APRIL 2014 TO 30 APRIL 2015

1. Completed Audits - RED or AMBER flag

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
Procurement of Commissioned Care (Domiciliary Care and Reablement Services) 29/08/2014	Families & Wellbeing (F&W) [DASS]	Substantial	Limited	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	May 15	All recommendations agreed. The client acknowledged and supported the recommendations. Action will be taken, where applicable, to ensure implementation of the recommendations against the current contract. Where it is not possible to action against the current contract, implementation of the recommendation will be evidenced in future procurement exercises. Follow-up in Progress.	A
Regional Growth Fund - Project Delivery 07/10/2014	Regeneration & Environment (R&E) [Investment and Business]	Substantial	Substantial	Minor	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	January 2015 Strategic Director Regeneration and Environment	May 15	Final report issued.	A
Resource Link – Access Controls 22/10/2014	Transformation & Resources (T&R) [Human Resources and OD]	Limited	Limited	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)	TBC Strategic Director Transformation and Resources	May 15	Final report issued.	A
Revenue Budget Cycle 2014-15 20/10/2014	T&R [Finance]	Substantial	Substantial	Moderate	Four recommendations were made which do not present a significant risk to the organisation.	4 (0)	April 2015 Strategic Director Transformation and Resources	Jul 15	Management has accepted the recommendations with the intention of implementing for the next financial year.	A
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	Sep 15	A follow up review is scheduled for 2015/16 (following the updates to the Corporate and Directorate Plans). Due to the changes in responsibilities contact will be made with the new team in June with a view to incorporating the follow-up in an audit review in September.	A
Mobile Phone Security 18/11/2014	T&R [Resources]	Limited	Limited	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)	June 2015 Strategic Director Transformation and Resources	Jun 15	Recommendations agreed with Chief Information Officer.	A

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Central Libraries - Cash Systems 10/11/2014	T&R [Business Processes]	Substantial	Limited	Moderate	All the outstanding recommendations for Wallasey Central Library as reported in October 2013 should be progressed to full implementation. The following should be applied consistently at all Central Libraries: i) An effective separation of duties should be in place for all stages of the income reconciliation and banking preparation. ii) All income and banking records should be signed by two senior members of staff to evidence an effective separation of duties. iii) A Z-reading should be produced each day for the daily income and reconciled to the income collected. iv) All income data should transferred accurately to the relevant income and banking records. v) All income should be banked on a weekly basis regardless of its value.	4 (2)	March 2015 Strategic Director Transformation and Resources	May 15	Recommendations agreed with Principal Librarian	A
ICT Business Continuity 09/12/2014	Universal and Infrastructure Services / Authority Wide	Limited	Limited	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)	April 2015 Strategic Directors	May 15	A BC Policy has been produced and publicised on the Intranet. This accompanies a business continuity planning template which is in the process of being completed for all those services deemed to be "critical" by SLT in December 2014. The aim is to have the plans completed by the end of March 2015. The content of the plans will be used to inform the work plans for the IT service in the event of data loss of one or a number of systems. Training on business continuity is also being provided to key staff members within the Health, Safety and Resilience Team. Business Continuity Awareness Week runs from 16 to 20 March 2015. This is headlined on the Intranet front page with links to the BCP template and to BC/Resilience support. More detailed F/U work will be completed at the end of May.	A
Clare Mount Specialist Sports College 05/01/2015	F&W [CYPD]	Substantial	Maximum	Minor	One recommendation was made which does not present a significant risk to the organisation.	1 (0)	April 2015 Head Teacher	May 15	Recommendation agreed with the Headteacher.	A
MPF - Investment Operations 19/01/2015	T&R [Merseyside Pension Fund]	Maximum	Substantial	Moderate	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	June 2015 Strategic Director Transformation and Resources	Jun 15	All recommendations agreed.	A
Better Care Fund 15/01/2015	F&W [DASS]	Moderate			This was a review of a developing system, therefore no formal recommendations were made. However, the report does highlight "Areas for Further Work", which will be reviewed in the post-April 2015 review.	0 (0)	N/A Strategic Director Families and Wellbeing	May 15	No formal recommendations made. "Areas for Further Work" were agreed and work is in progress to address these.	A
Highways Maintenance Service 26/01/2015	R&E [Environment & Regulation]	Moderate			Ensure continuity of the service in the event of the absence of key members of staff.	1 (1)	May 2015 Strategic Director Regeneration and Environment	May 15	Recommendation agreed with the Senior Manager	A
Community Patrol 27/01/2015	R&E [Housing and Community Safety]	Limited	Maximum	Minor	Five recommendations were made which do not present a significant risk to the organisation.	5 (0)	May 2015 Strategic Director Regeneration and Environment	May 15	Recommendations agreed with the Head of Regeneration.	A

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
Risk Management 28/01/2015	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	May 15	A follow up review is scheduled for June 2015 (this should provide time for any changes to processes for 2015/16 to become embedded). N.B. Audit used to continue to pilot the revised Audit Report template - hence Control and Compliance opinions not provided, and replaced with an Organisational Risk Opinion.	A
Creditors (IDEA) Testing 26/02/2015	T&R [Resources]	Substantial	Substantial	Minor	Four recommendations were made which do not present a significant risk to the organisation.	4 (0)	April 2015 Strategic Director Transformation and Resources	Jun 15	Recommendations agreed with the Payments Manager.	A
Officers' Expenses 02/03/2015	T&R [Department Wide]	Substantial	Substantial	Minor	Four recommendations were made which do not present a significant risk to the organisation.	4 (0)	March 2015 Strategic Director Transformation and Resources	Jun 15	Recommendations agreed with the relevant managers to whom recommendations have been issued.	A
Treasury Management 20/03/2015	T&R [Resources]	Moderate			Five recommendations of a procedural/administrative nature were made which do not present a significant risk to the organisation.	5 (0)	May 2015 Strategic Director Transformation and Resources	Jun 15	Management has accepted the recommendations to improve the system with the intention of implementing over the next couple of months.	A
Revenue Refunds 31/03/2015	T&R [Business Processes]	Substantial	Maximum	Minor	One recommendation was made which does not present a significant risk to the organisation.	1 (0)	July 2015 Strategic Director Transformation and Resources	Jul 15	Management have accepted the recommendation and are progressing with the implementation.	A
Residential Care and Nursing Home payments 08/04/2015	F&W [DASS]	Substantial	Maximum	Minor	One recommendation was made which does not present a significant risk to the organisation.	1 (0)	May 2015 Strategic Director Families and Wellbeing	Aug 15	Management has accepted the recommendation and is progressing with the implementation.	A
MPF Retirement Benefit Payments 10/04/2015	T&R [Merseyside Pension Fund]	Maximum	Maximum	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	August 2015 Strategic Director Transformation and Resources	Aug 15		A
Attendance Management - Sickness 17/04/2015	T&R [Human Resources & OD]	Moderate			Four recommendations were made two of which are graded high priority. These have been designed to significantly improve the control, management and reporting systems in operation.	4 (2)	August 2015 Strategic Director Transformation and Resources	Aug 15	Management have agreed to implement the recommendations within an agreed timescale. Internal Audit will continue to monitor progress and report on this. An extended follow up has been scheduled to test specific aspects of this system during 2015/16	A
Grievances 28/04/2015	T&R [Human Resources & OD]	Maximum	Substantial	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	August 2015 Strategic Director Transformation and Resources	Aug 15	Management have accepted the recommendation and are progressing with the implementation.	A

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PERIOD: 01 APRIL 2014 TO 30 APRIL 2015

2. Follow Up Audits Completed - RED or AMBER flag

Audit / Follow-Up Date / Original Report date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Areas for Development / Improvement and comments	Original Total Recs (H)	Timescale / Strategic Director	Further Follow Up Scheduled	Outcome	RAG Status
ICT Hardware Asset Register 04/02/2014 Mar 2013	Transformation & Resources (T&R) [Resources]	Limited			Original audit resulted in 6 high and 1 medium priority recommendations. 1) VQSM should be used at the primary source for the Authority's Hardware Asset Register (HAR). 2) The Authority's HAR should be updated to include all hardware assets, and maintained in line with agreed procedures. 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. 4) All hardware assets connecting to the network should be visible to the Altiris Software. 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. 6) The accuracy of the HAR should be verified on a regular basis, and the results reported to IT Management.	7 (6)	April 2014 Strategic Director Transformation and Resources	May 15	All recommendations are not being implemented pending the outcome of the Windows7 project. This may render the specific recommendations obsolete, although the control weakness principles identified will need to have been considered.	A
Payment Card Industry - Data Security Standard 04/07/2014 Dec 2012	Authority-Wide	Minimum			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)	September 2015 Strategic Director Transformation and Resources	Sep 15	The Chief Information Officer is to resurrect the PCI programme. PCI standards have changed and the Council's approach to Payment Cards may also have changed since this was last looked at. No date set for ITS work.	A
Data Loss Prevention 30/10/2014 Feb 2014	Authority-Wide	Minimum	No compliance testing undertaken.	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)	May 2015 Information Governance Board	May 15	The recommendations have been included in the briefing note taken to the Information Governance Board in November 2014, and the specific recommendations will be followed up in May 2015.	A
IT Services Disaster Recovery 13/01/2015 Nov 2013	T&R [Resources]	Minimum	n/a	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	May 15	Production of a documented DR plan is WIP, which has time lapsed due to resource utilised on w7 laptop and server upgrade programmes. IT Services will focus efforts in line with the production of BCPs by the (recently agreed) critical services.	A

KEY:

Control Environment		
MAXIMUM	There is a sound system of control designed to achieve the system objectives and these are being consistently applied. No High recommendations made or low priority recommendations have been made that cumulatively do not warrant 'substantial status'.	
SUBSTANTIAL	There is a basically sound system of control, but there are weaknesses in design and/or operation of controls which put some of the control objectives at risk. A medium priority recommendation has been made, or a large number of low priority recommendations made that cumulatively could meet the criteria	
LIMITED	There are some weaknesses in the design and/or operation of the system of control which could have a significant impact on the achievement of the control objectives. Improvements could be made to a number of areas within the control environment so that the relevant risks are managed more effectively, a high priority recommendation has been made, or several medium priority recommendations that cumulatively meet the criteria for a high priority action.	
MINIMUM	There are weaknesses in the design and/or operation of the system of control which have had a significant impact on the achievement of the control objectives, and may put at risk the achievement of the organisation's objectives. More than one high priority recommendation identified.	
Compliance		
MAXIMUM	The control environment is operating as intended. No recommendations have been made or low priority recommendations have been made that cumulatively do not warrant 'substantial status'.	
SUBSTANTIAL	The control environment is substantially operating as intended. A medium priority recommendation has been made, or a large number of low priority recommendations made that cumulatively could meet the criteria for a medium priority recommendation.	
LIMITED	The control environment has not operated as intended and errors have been detected. Improvements could be made to a number of areas so that the relevant risks are managed more effectively, a high priority recommendation has been made, or several medium priority recommendations that cumulatively meet the criteria for a high priority action.	
MINIMUM	The control environment has fundamentally broken down and is open to serious error or abuse. Significant errors have been detected. More than one high priority recommendation has been identified.	
Organisational Impact		
MAJOR	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.	
MODERATE	The weaknesses identified during the review have left the Council open to moderate risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.	
MINOR	The weaknesses identified during the review have left the Council open to a low level of risk. If the risk materialises it would have a minor impact on the organisation as a whole.	
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.	