

**INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS
PERIOD: 01 APRIL 2014 TO 31 OCTOBER 2015**

<u>Summary</u>	Total	R	A
1. Completed Audits	23	0	23
2. Follow Up Audits Completed	10	0	10
3. Advice And Guidance / Consultancy	3	0	3

INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS

PERIOD: 01 APRIL 2014 TO 31 OCTOBER 2015

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	Dec 15	Following reorganisation and corresponding changes in structure/responsibilities, this follow up has been incorporated into a full audit being conducted during November 2015.	A
Better Care Fund 15/01/2015	Families & Wellbeing (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	Dec 15	No formal recommendations made. "Areas for Further Work" were agreed and work is in progress to address these. Work underway to review progress.	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	Dec 15	Recommendations agreed with the Head of Regeneration. Follow up rescheduled to allow changed to embed.	A
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	Jan 16	A follow up review is scheduled for January 2016 (this should provide time for any changes to processes for 2015/16 to become embedded) and will be incorporated within the full audit review.	A
Creditors (IDEA) Testing 26/02/2015	T&R [Resources]	Minor	Four recommendations were made which do not present a significant risk to the organisation.	4 (0)	April 2015 Strategic Director Transformation and Resources	Nov 15	Follow up work is in progress	A
Safeguarding Children 22/05/2015	F&W [CYPD]	Moderate	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	September 2015 Strategic Director Families & Wellbeing	Nov 15	Management have accepted the recommendations and are progressing with the implementation.	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	Jan 16	The recommendations have been accepted and implementation is being progressed. Measures to date have included the re-launch of the Performance Appraisal system that encompasses a newly developed and much improved approach as well as extensive management and staff briefings on related cultural topics.	A
Health, Safety & Resilience 16/06/2015	T&R [Health, Safety & Resilience]	Moderate	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	October 2015 Strategic Director Transformation and Resources	Nov 15	The recommendations have been accepted and implementation is being progressed.	A
Contract Tender Procedures - West Kirby Concourse 17/06/2015	Universal & Infrastructure (U&I) [Corporate Asset & Facilities Management]	Moderate	Improve the identified control weaknesses in the selection of potential tenderers.	2 (1)	October 2015 Head of Universal and Infrastructure Services	Oct 15	The recommendations have been agreed with management, and implementation is being progressed and will be included in the exercise being undertaken to review and update the Contract Procedure Rules.	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
Direct Payments 26/06/2015	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	Nov 15	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	Nov 15	The recommendations have been accepted and implementation is being progressed.	A
Income and Banking 29/07/2015	T&R [Business Processes]	Minor	Three recommendations were made which do not present a significant risk to the organisation.	3 (0)	November 2015 Strategic Director Transformation and Resources	Nov 15	The recommendations have been accepted and implementation is being progressed.	A
CRCEES 03/08/2015	U&I [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	Dec 15		A
Parks & Countryside Services 10/08/2015	R&E [Parks and Countryside]	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	December 2015 Strategic Director Regeneration and Environment	Dec 15	The recommendations have been accepted.	A
Transport Unit 21/08/2015	T&R [Design Consultancy - Maintenance function] Families & Wellbeing [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	Dec 15	The recommendations have been accepted.	A
Pensions Reform 2015 (Freedom & Choice) 27/08/2015	T&R [Merseyside Pension Fund]	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	November 2015 Strategic Director Transformation and Resources	Nov 15	The recommendations have been accepted and implementation is being progressed.	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	Dec 15	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	Jan 16	The recommendation has 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
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	Jan 16	The recommendations were accepted and implementation is being progressed.	A
Payroll System - IDEA testing 05/10/2015	T&R [Transaction Centre]	Minor	Two recommendations were made which do not present a significant risk to the organisation.	2 (0)	December 2015 Strategic Director Transformation and Resources	Jan 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.	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	Dec 15	Progress has 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.	A
Procurement of Commissioned Care (Domiciliary Care and Reablement Services) 26/08/2015 August 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	Dec 15	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 - which is expected by November 2015. Where applicable, assurances have been provided to confirm that lessons have been learned that will benefit future procurement exercises.	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	Dec 15	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 Q3.	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	Dec 15	No significant developments since the last update. Some of the risks identified in the Internal Audit report will be addressed as part of the work to agree a corporate DLP policy. The implementation of the recommendations will continue to be assessed by Internal Audit in Q3. The Chief Information Officer attended ARMC in September 2015 to update Members.	A
ICT Business Continuity 04/09/2015 Dec 2014	Universal & Infrastructure (U&I) / 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	Dec 15	Strategic Leadership Team (SLT) has agreed 32 business critical systems. The system owners for each of the 32 critical systems have been asked to produce a BCP. At 21/08/2015, a number of BCP's had been completed. The implementation of the recommendations will continue to be assessed by Internal Audit in Q3. 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. 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)	December 2015 Strategic Director Transformation and Resources	Dec 15	Discussions regarding the responsibility for compilation of the register are to be undertaken within ITS. The implementation of the recommendations will continue to be assessed by Internal Audit in Q3. 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	Dec 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. The implementation of the recommendations will continue to be assessed by Internal Audit in Q3. 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	Dec 15	A number of controls are in place to ensure the risk of unauthorised access is minimised. Corporate DLP policies on the classification and risk-based protection of different types of Council information will be developed under the oversight of the Information Governance Board. Technical controls will be then be applied in accordance with the agreed policies. The implementation of the recommendations will continue to be assessed by Internal Audit in Q3. 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	Dec 15	The implementation of the recommendations will continue to be assessed by Internal Audit in Q3. 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

INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS

PERIOD: 01 APRIL 2014 TO 31 OCTOBER 2015

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
ERDF Merseyside Business Support Programme Procurement Exercise Health Check 14/05/2015	Regeneration & Environment [[Invest Wirral]	Two recommendations were made which do not present a significant risk to the organisation.	The recommendations have been accepted and responsibility for implementation has been assigned as follows: Corporate Project Group - 1 x recommendation (Discussed at Corporate Project Group in June 2015) Corporate Procurement - 1 x recommendation (Ruling now that all procurements start with a PIA - Procurement Initiation Approval).	A
Contract Procedure Rules Review 15/06/2015	Transformation & Resources (T&R) [Resources]	Ongoing involvement with Procurement and Legal managers regarding update and streamlining of the CPR's. New CPR's expected to be approved by members September 15	Work completed, awaiting implementation expected in January 2016 after approvals through ARMC and Council.	A
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 maner.	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.	
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.	
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.	