

CITY OF PLYMOUTH

Subject: Internal Audit – 6 Monthly Progress Report
Committee: Audit Committee
Date: 15 November 2010
Cabinet Member: Cllr Bowyer
CMT Member: Director for Corporate Support
Author: Sue Watts, Asst Head, Devon Audit Partnership
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Ref: AUD/SW
Key Decision: No
Part: I

Executive Summary:

This report reviews audit work carried out since April 2010, comments on current commitments and performance, and outlines proposed audit coverage for the remainder of the financial year.

Corporate Plan 2010-2013 as amended by the four new priorities for the City and Council:

The work of the Section assists the Authority in maintaining high standards of public accountability and probity in the use of public funds. The Section has a role in promoting high standards of service planning, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council's statutory obligations. In addition, the delivery of the Internal Audit plan assists all directorates in meeting their Corporate Improvement Priorities and achieving the shared priorities for the City and the Council.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

None

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, etc.

The work of the Audit Service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.

Recommendations and Reasons for recommended action:

It is recommended that:-

- 1) the report be noted
- 2) the adjustments to the 2010/11 Audit Plan be approved

Alternative options considered and reasons for recommended action:

None, as failure to maintain an adequate and effective system of internal audit would contravene Accounts and Audit Regulations 2003 and 2006.

Background papers:

Internal Audit Annual Plan 2010/11

Sign off:

Head of Fin	MC 29/11 /10	Head of Leg		Head of HR		Head of AM		Head of IT		Head of Strat Proc	
Originating SMT Member: Sue Watts, Asst Head, Devon Audit Partnership											

1 INTRODUCTION

1.1 The Internal Audit (IA) Service for Plymouth City Council is being delivered by the Devon Audit Partnership (DAP). This is a shared service arrangement constituted under section 20 of the Local Government Act 2000; the Partnership was formed on 1st April 2009.

1.2 Plymouth's IA Plan for 2010/11 was submitted to, and agreed by, the Audit Committee on 26th March 2010. The purpose of this report is to provide an overview of the work undertaken by the IA Service, and achievement against performance indicators set for the first half of the 2010/11 financial year.

2 REVIEW OF AUDIT COVERAGE 6 MONTHS ENDED 1ST OCTOBER 2010

2.1 Appendix 1 attached shows the total number of direct audit days ended 1st October 2010 compared with the total number of days originally planned for the year. In total, the actual number of days used in the first half of the year is slightly lower than normal due to the scheduling and timing of reviews across DAP clients. The imbalance to date will be realigned during the remainder of the year.

2.2 Systems / Procurement Reviews

2.2.1 Systems audits accounted for the largest element of the audit plan for the first 6 months of the year and a full summary of reviews undertaken is included in Appendix 2a. Individual audit opinions for each review are provided in Appendices 3 and 4.

2.2.2 Under the Managed Audit arrangements, the External Auditor looks to place reliance on the work undertaken by Internal Audit to assist them in determining their opinion as to whether or not the annual accounts provide a true and fair view of the Council's position. The reviews of the key financial systems (eg payroll, council tax etc) are now underway. To commence this work earlier in the year would not provide sufficient assurance that the controls have operated effectively throughout the year.

2.2.3 Appendix 2a details progress against the plan for all systems reviews completed, in progress, or scheduled. The appendix also highlights reviews which have been cancelled or deferred by the client, and also additions to the plan.

2.3 Projects

2.3.1 Internal Audit continues to attend and support a number of Project Boards and Teams set up to oversee procurement, construction or system / service implementation projects. Procurement projects include major procurements such as the South West Devon Waste Partnership, the continuing construction of the BSF One School Pathfinder (OSP) project at the former Estover College, as well as the Life Centre and its associated projects which include the letting of a contract for Leisure Management. Projects involving the implementation of new systems or services include Procure to Pay (P2P). Internal Audit assist in identifying any key project risks and issues, and monitors the way these have been managed and controlled as well as ensuring that good project governance is established and maintained.

2.3.2 In July, Internal Audit was present at the opening of bids, submitted as part of the Invitation to Submit Outline Solutions (ISOS) stage of the Leisure Management procurement process. Audit can give assurance that the bid opening process was followed correctly. Following this, Audit has been able to provide advice and support to the project on the next stage of the procurement process, Competitive Dialogue, where, through discussion, the Council can develop solutions with each bidder that will meet its requirements and on the basis of which the bidders will be invited to tender.

2.3.3 Internal Audit continue to provide assurance on the Waste PFI procurement process as it moves through Competitive Dialogue and will be present at the opening of final tenders in November. Internal Audit will then review the process that is subsequently followed for evaluating these submissions before the decision on a preferred bidder is made.

2.4 ICT (Computer Audit)

2.4.1 As reported to June's Audit Committee, the Carefirst (CF) Project continues to assist in mitigating the risks identified in our 2009-10 audit report. This, combined with better resourcing and other improvements, has improved the overall audit opinion from "Fundamental Weaknesses" to "Improvements required". We hope further enhancement to internal control will follow as the CareFirst Project progresses.

2.4.2 Internal Audit will continue to monitor progress, holding regular meetings with the CareFirst Project Manager and we have taken the opportunity of maintaining a watching brief to release days in order to take on an additional audit of the new Windsor House data centre.

2.4.3 The findings from our review of Corporate Information Management have revealed some areas of particular concern. The council has an information management strategy (IMS) and has developed an extensive set of information related policies, procedures and guidance notes. Together with the approved Information Management Principles document, these form a good platform for the introduction of sound operational practices. However we found that:

- The three year action plan to implement the IMS has not been actively managed and a number of target dates have already been missed.
- A corporate information governance steering group has not been established to manage the implementation of the IMS.
- Departmental lead staff for information management have not been identified.
- An information security classification scheme has not been adopted and applied to the information assets of the council.
- There is no 'inventory' of the information held or where the information assets are held.
- There is no formal process to ensure that the Council's information systems are registered in accordance with the Data Protection Act.

2.4.4 We concluded that, although an apparently sound framework of information governance arrangements exists, effective and reliable information management practices have not yet been embedded throughout the organisation and the Council is not managing its information assets effectively at present. The three information governance related risks in the strategic risk register (non-compliance with statutory requirements, ineffective use of information, and not supporting partnership working) have not yet been adequately mitigated.

2.4.5 Internal Audit attended the recent SAP HR/ Payroll computer system workshops held by Diagonal Consulting as part of their review of the system. Internal Audit also had three other meetings with the consultants which have helped enhance technical knowledge ahead of their own review of SAP in November 2010. The audit will be part of a combined Material Systems/ SAP Application audit that will examine both the operational and technical controls of the business system as a whole.

2.4.6 As part of the Single Point of Contact (SPOC) project we have been liaising with all interested parties over concerns about user management skill sets and the risk of inappropriate access to data within the business applications. Some good work has already been conducted by the SPOC Team to analyse the benefits of the work they are undertaking.

2.5 School Audits and Financial Management Standard in Schools (FMSiS)

2.5.1 Good progress has been made in the first half year with audits completed at 13 schools. There remain 21 audits to complete, mainly at primary schools which, as shorter audits, are scheduled to be completed in the second half of the year. Details of schools visited are included in Appendix 2b.

2.5.2 We have undertaken specific FMSiS reviews within the above number to progress the outstanding schools achievement of the Standard. Currently there remain 8 schools which have not been accredited to the Standard, of which we believe (through self assessment) that 2 meet the Standard and 4 are newly established schools this term. The new schools formerly met the standard and as such are considered low risk, and we are working with the remaining schools this year to support achievement.

2.5.3 Systems and controls in schools audited have generally been of a good standard with minor exception and no material loss or error has been found.

2.5.4 Two secondary schools have now become academies. Closure audits have been completed for these schools where reported issues were provided to the Department for Services to Children & Young People, and to the schools for action. DAP are in the process of marketing and bidding for internal audit services to academy schools across Devon. It is considered that retention of the internal audit for these schools will be beneficial to the school audit service as a whole.

2.6 Special Investigations and Anti-fraud Work

2.6.1 In the first six months of this financial year Internal Audit has received 19 matters requiring investigation which were received from officers and members of the public. Investigations into 9 of those concerns have now been completed and investigations are ongoing in respect of the remaining cases.

2.6.2 Examples of the type of irregularities investigated include:-

- Misuse of Council property;
- Breaches of the Council's Code of Conduct;
- Misappropriation of Grant Funds;
- Breaches of confidentiality.

2.6.3 It has previously been reported to this Committee that Auditors have been dealing with a complex investigation that involved a number of matters. The investigation, together with a number of on-going legal issues, is complete and we are now able to provide you with some further details.

2.6.4 The investigation centred around the actions and conduct of a manager and was initially brought to the attention of Internal Audit by two members of the public who felt the manager had acted inappropriately and unfairly in favour of a family member. Further complaints were subsequently received from other members of the public.

2.6.5 As a result of the employee's actions, the investigation concluded that:

- the complainants suffered a financial loss;
- the Council was negligent in failing to prevent such misconduct and had a duty of care to the complainants;
- the Council, by the actions of the employee, was guilty of mal-administration resulting in injustice to the complainants.

2.6.6 The employee is no longer employed by the Council and Auditors are actively working with the department concerned to update and improve poor working practices and procedures that were highlighted during this investigation.

2.6.7 Internal Audit continues to sit on the Management Information Security Forum. The forum has responsibility for ensuring clear direction and visible management support for security initiatives together with promoting greater security awareness within the organisation.

2.6.8 The National Fraud Initiative exercise for 2010/11 has commenced. The exercise has been run every two years since 1996 and, under the arrangements, all councils are required to provide the Audit Commission with data for cross-matching with information supplied by other organisations, such as the Department for Work and Pensions and the NHS, to identify potential cases of fraud and error. Data has been provided for areas such as payroll, creditors, care homes, various types of licences as well as parking permits and blue badges.

2.6.9 The data extraction for the current exercise took place on 4 October 2010 with the data matching report scheduled to be received from the Audit Commission in February 2011. Auditors will coordinate and monitor the subsequent investigations that will need to be undertaken where discrepancies in the matched data have been reported.

2.7 Consultancy / Advice

2.7.1 Internal Audit continues to be consulted by all departments throughout the Authority on many and varied topics including, interpretation of Financial Regulations / Standing Orders, retention of prime documents, reclaiming grant funding, school lettings, VAT, internal controls etc.

2.7.2 The pro-active involvement of Internal Audit in control issues relating to new systems and changes, assists in protecting the Authority from loss, fraud and abuse. This early involvement is also intended to prevent unnecessary criticism when a formal audit review is undertaken and departments are actively encouraged to seek advice at the outset of any changes.

2.8 Whistleblowing Policy

2.8.1 The Whistleblowing Policy, which was refreshed and approved by the Audit Committee in July 2010, aims to encourage staff to raise any legitimate concerns they may have in relation to the Council's activities. This policy, which supports the Council's Anti Fraud and Corruption Policy, makes it clear that concerns can be raised without fear of reprisals.

2.8.2 Two Whistleblowers have come forward during the period 1 April 2010 to 30 September 2010, of which:

- A departmental investigation has identified the need to review some elements of the way the hiring of vehicles for Council use is carried out within that dept, and the need to address the conduct of a particular member of staff.
- Liaison between Internal Audit and the relevant department has identified the need for improvements in procedures associated with the disposal of Council assets.

2.9 Internal Audit Development

2.9.1 As mentioned in para 1 above Devon Audit Partnership became operational on 1st April 2009. Since that time there has been ongoing development of integrating audit programmes, procedures and associated processes.

2.9.2 The formation of the Partnership enabled the procurement of an Audit Management System which is designed to create efficiencies in the delivery of audits and thereby performance improvement. Migration from previous manual audit systems to the new Morgan Kai Insight Audit Management System (AMS) was completed in the first half of 2010 and some of the benefits arising from new methods of working are now beginning to be realised.

2.9.3 One of the benefits of the partnership is the opportunity for auditors to share knowledge and audit programmes. This has been developed and is being embedded through the implementation of the AMS, which enables storing of such data in a system library. Such sharing will inevitably create efficiency savings in the delivery of audits.

2.9.4 It is disappointing to report, however, that progress in achieving productivity improvements has not matched initial expectations due to the continued inability of DAP's IT service provider to provide acceptable service provision (the problems are not related to the AMS). Their failure has had a significant detrimental impact on delivery of the audit plan as the amount of time "lost" during the first 6 months of the year equated to over 50 direct days. Discussions are ongoing with the service provider to improve the situation and Audit Committee will be updated with progress.

3 ADDED VALUE

3.1 Internal Audit is committed to providing value for money to the Council and its stakeholders and, where possible, to identify examples of specific, tangible benefits achieved. The following are examples of recent benefits delivered:-

3.2 Data Quality

3.2.1 Robust performance information based on good quality data is critical to supporting the strategic decisions needed to effectively manage services, deliver shared priorities and achieve outcomes for the people of Plymouth. Internal Audit were engaged to examine and comment on the adequacy of the arrangements in place to accurately and effectively report performance.

3.2.2 Within Community Services, auditors worked alongside Policy and Performance Officers to provide independent assurance on the adequacy and effectiveness of management and operational arrangements for the collection of data and completion of the Government returns. The accuracy, validity and timeliness of the RAP (Referrals, Assessment & Packages of Care), ASC-CAR (Adult Social Care Combined Activity) and PSSEX (Personal Social Services Expenditure) returns were also reviewed.

3.2.3 Feedback received from Community Services was that they appreciated the 'objective eye' to their approach and that our report was valuable in improving their methods for next year and lent weight to their own vision for improvement. Community Services have indicated that they are keen to engage us in similar future work and Children's Services have also indicated that they would also find this a valuable process.

3.3 NI 179 Value for Money

3.3.1 National Indicator 179 related to the total net value of ongoing cash-releasing value for money gains. Prior to the submission of the Council's efficiency savings for 2009/10 Internal Audit reviewed the arrangements in place to report on the savings achieved for the year. Some weaknesses in the system were identified and Internal Audit worked closely with Finance officers to ensure that the Council has a robust framework in place for effectively identifying and reporting efficiency savings achieved in the future. In addition to driving improvements in business processes, Internal Audit also identified additional efficiency savings of £600k.

3.3.2 Whilst central government no longer requires this information to be reported to them in the future, the Council still has to make efficiency savings and the work carried out by Internal Audit supports this ongoing requirement.

3.4 Standards & Good Practice Guide for Revenues Staff

3.4.1 Internal Audit have played a primary, pro-active role, working with managers of the Revenues Division, in the setting up and rolling out of a Standards and Good Practice Guide for

Revenues staff. This included a series of presentations to staff and followed investigations into the use of partnership organisations' I.T. systems by Council employees. The aim of the presentations was successfully achieved by improving awareness of what staff in the Division can and cannot do in relation to data held by the Council and its partners, and positive feedback was received with regard to the value added.

3.5 Internal Audit / External Audit Relationship

3.5.1 Devon Audit Partnership considers that strong working relationships have been forged between Devon Audit Partnership and Grant Thornton. This conviction was supported by the recently departed Grant Thornton Audit Manager who expressed her appreciation of the depth of knowledge and skills the internal audit team possess and the way in which the team had helped her to develop an understanding of how Plymouth City Council works.

3.6 Positive Feedback Received

3.6.1 Following an audit of a Plymouth school prior to changing to Academy status, the Senior Education Advisor responded "an object in swift and effective audit practice. Getting this final report out so quickly will help enormously". The Business Manager of this same school thanked the auditor both for the report and the way he dealt with the process. At the time the school administration was under considerable pressure due to the change in school status and expressed appreciation that due to the approach the auditor adopted he had not "made life much worse".

3.6.2 The Business Manager of another secondary school stated that the auditor "has a great understanding of the pressures facing the financial administration in schools and offers pragmatic and sensible solutions which always improve our processes. I am extremely grateful for his help during the audit and as an advisor at other times."

3.6.3 Following achievement of the standard in financial management in schools (FMSIS), the Business Manager of a primary school responded as follows "thank you, this is really great news. Can I say a personal thank you for all your help and patience over the last few months in guiding this new boy through the process".

3.6.4 Following the investigation carried out by Internal Audit during 2009/10, outlined in paragraphs 2.6.3 – 2.6.6 above, members of the public wrote a letter to formally thank the Auditors involved for their help. The letter stated that Auditors "grasped the situation very quickly and took our concerns seriously from the beginning. We appreciated the way you kept us informed and were always there to answer all our questions. You undertook your role in a professional manner, yet still remained approachable."

4 INTERNAL AUDIT PERFORMANCE

4.1 There are no national Performance Indicators in existence for Internal Audit, but with the advent of Devon Audit Partnership the opportunity has been taken to expand the local performance measures routinely monitored and reported to Audit Committee.

4.2 Internal Audit Performance Data – March to September 2010

Activity	Target Standard	Achievement 10/11 to date
Delivery of Audit Plan (annual target)	90%	48%
Actual Days delivered against plan	90%	70%
Percentage of chargeable time	65%	67%
Customer satisfaction	90%	99%
Draft audit reports to be produced within 15 working days of completion of work	90%	72%
Final reports produced within 10 days of agreeing action plan	90%	100%
Average level of sickness	2%	0.4%
Percentage of staff turnover	5%	0

4.3 Overall, delivery against the majority of local performance indicators has been good with several targets exceeded. Whilst delivery of the audit plan (ie reviews / audits undertaken) is an annual indicator, progress has been very good in the first half year and the plan is on target to be accomplished by 31st March 2011.

4.4 Although the equated percentage of direct days delivered in the first half of the year is slightly lower than anticipated (days delivered in the first half year are normally lower) this is largely due to the problems caused by the poor IT service provision as outlined in para 2.9.4 above.

4.5 The percentage of chargeable time, at 67%, is both above target and above average rates of other local authorities identified through benchmarking comparators.

4.6 Customer service is a key priority to DAP and results received in response to our satisfaction surveys continue to demonstrate the very high regard placed on our service provision by clients. Some examples of customer feedback are included in para 3.6 above.

4.7 Timeliness of issuing both draft and final reports is an area which is kept under constant review. Final reports are now being issued promptly but some draft reports were delayed in the first half of the year due, primarily, to timing issues around schools' holidays.

5 INTERNAL AUDIT OPINION

5.1 A summary of Internal Audit's opinion on the individual reviews that have been carried out or concluded for the first 6 months of 2010/11 is included in Appendix 3, with additional details provided in Appendix 4.

5.2 In carrying out systems and other reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily within the area under review, and an opinion on the adequacy of controls is provided to management as part of the audit report.

5.3 All final audit reports also include an action plan which identifies responsible officers, and target dates, to address control issues identified during a review. Implementation of action plans are reviewed during subsequent audits or as part of a specific follow-up process.

5.4 Overall, and based on work performed to date during 2010/11, Internal Audit is able to provide reasonable assurance on the adequacy and effectiveness of the authority's internal control environment, with the exception of the Corporate Information Management System (CIMS) where fundamental weaknesses have been identified. Further details are provided in paras 2.4.3 and 2.4.4 above, and in Appendix 5 which outlines managers' action plans to address the weaknesses.

6 RECOMMENDATIONS

6.1 It is recommended that:

- 1) the report be noted
- 2) the adjustments to the 2010/11 Audit Plan be approved.

PROGRESS AGAINST PLAN - 26 WEEKS ENDED 1 OCTOBER 2010

	<u>2010/11</u>		<u>26 wks to 1/10/10</u>	
	Total Planned Days	%	Actual Days	%
Systems, Procurement, Cross Cutting	917	44	236	32
ICT	200	9	50	7
Schools	250	12	87	12
Anti-Fraud / NFI	250	12	105	14
Consultancy / Advice	95	5	31	4
Corporate Governance	100	5	73	10
Contingency *	115	5	0	0
Other Chargeable Activities	180	9	158	21
TOTAL AUDIT DAYS	<u>2107</u>	<u>100</u>	<u>740</u>	<u>100</u>

*Actual days used have been allocated to specific audit categories

SYSTEM REVIEWS - PROGRESS AGAINST INTERNAL AUDIT PLAN 2010/11

Appendix 2a

System Review	Report issued		In progress 01/10/10	Planned start date	Deferred to 2011/12	Notes
	Draft(D) Final(F)	Date				
Material Systems						
Housing Benefits 10/11				Feb-11		
Creditors 10/11			✓			
Main Accounting System, including budgetary control 09/10	F	8-Jul-10				
Main Accounting System 10/11			✓			
CareFirst - Child Independent Placements 09/10	F	4-Aug-10				
CareFirst - Care Leavers (CYPS) 10/11				Nov-10		
CareFirst - Residential Care Payments (Comm Serv) 10/11				Jan-11		
HR / Payroll System 09/10	F	24-May-10				
Payroll 10/11				Nov-10		
Council Tax 10/11				Dec-10		
Loans and Investments 09/10	F	29-Jun-10				
Loans and Investments 10/11				Jan-11		
Capital Accounting Arrangements 09/10	D	23-Aug-10				
Capital Accounting (Asset Register) 10/11				Mar-11		
NNDR 10/11			✓			
Debtors 10/11				Nov-10		
Cash Collection 09/10	F	26-Apr-10				
Cash Collection 10/11				Jan-11		
Supporting People 09/10	F	20-Apr-10				
Supporting People 10/11				Feb-11		
Commercial Rents 09/10 (Follow-Up)	F	22-Jun-10				
CareFirst - Children Independent Placements 09/10 (Follow-Up)				Feb-11		
CareFirst - Dom Care 09/10 (Follow-Up)			✓			Final Report Issued 18 Oct 2010
Single Point of Contact Help-Desk				Mar-11		Unplanned - SPOC ICT Helpdesk taking responsibility mid year for access to key financial systems
Grants						
New Growth Points Grant 09/10	F	8-Jun-10				
Supporting People Grant 09/10	F	20-Apr-10				
National Stroke Strategy Grant 09/10	F	3-Jun-10				
Urban Bus Challenge Grant 09/10	F	27-Jul-10				
Other Systems - Development & Regeneration Directorate						
PCH Monitoring				Dec-10		
Plymouth Market			✓			Working with department to update working practices and procedures
Concessionary Fares 09/10	F	24-Jun-10				
Concessionary Fares 09/10 Follow-Up				Mar-11		
Parks Services - Equipment Store 09/10 Follow-Up			✓			Final Report Issued 25 Oct 2010
Housing Retained Services - Choice Based Lettings 09/10	D	27-Jul-10				Final Report Issued 11 Oct 2010
Housing Retained Services - Choice Based Lettings 09/10 Follow-Up				Mar-11		

SYSTEM REVIEWS - PROGRESS AGAINST INTERNAL AUDIT PLAN 2010/11

Appendix 2a

System Review	Report issued		In progress 01/10/10	Planned start date	Deferred to 2011/12	Notes
	Draft(D) Final(F)	Date				
Other Systems - Corporate Support						
SAP Development			✓			
Lifecycle of Employment					✓	Advised by Asst Head of HR recruitment project now scheduled to commence in July 2011.
Governance/Monitoring of Capital Programme			✓			
CRB Disclosure Checks Review 09/10	F	13-Aug-10		Jan-11		
CRB & Independent Safeguarding Authority (inc CRB 09/10 Review Follow-Up)						
Customer Relations Management (CRM)					✓	Advised by AD Customer Services & Business Trans project on-hold due to budget issues.
Telephony				Feb-11		
Revenues & Benefits Cheque Payments	F	10-Sep-10				Unplanned review requested by Director for Corporate Support
Other Systems - Chief Executive						
Stretch Target 6 (Drugs)						No longer required by client
LAA - National Indicator Set 09/10	F	13-Sep-10				
LAA - National Indicator Set 10/11			✓			
Other Systems – Cross Cutting Reviews						
Management of Partnerships	D	9-Jul-10				
Carbon Management				Jan-11		
DCal (transaction testing) 09/10 Follow-Up				Feb-11		
Other Systems - Community Services Directorate						
Data Quality	D	20-Jul-10				Final Report Issued 20 October 2010
Safeguarding Adults				Dec-10		
Individual Budgets				Mar-11		
Mt Edgcombe – End of Year Accounts 09/10	F	14-Jun-10				
Trade Waste 09/10 Follow-Up					Mar-11	
Fleet and Garage 09/10	F	24-May-10				
Fleet and Garage 09/10 Follow-Up					Mar-11	
Mt Edgcombe			✓			
New Deal Arrangements 09/10 (Devonport Regeneration Community Partnership -	F	26-Jul-10				
Direct Payment Financial Monitoring - Follow-Up 09/10	F	12-May-10				
Other Systems - Children's Services Directorate						
Data Quality			✓			
Learning Skills Council transfer						
ContactPoint	F					Compliance Certificate issued July 2010. System closed down by Government.
Review of Local Safeguarding Children Board (LSCB) 09/10 Follow-Up				Nov 10		

SYSTEM REVIEWS - PROGRESS AGAINST INTERNAL AUDIT PLAN 2010/11

System Review	Report issued		In progress 01/10/10	Planned start date	Deferred to 2011/12	Notes
	Draft(D) Final(F)	Date				
Procurement / Contract Audit						
BSF Executive Board and School Construction Projects			✓			On-going monitoring and advice on progress of project and risk management process
Corporate Procurement Policies and Strategies			✓			Advice on revision to Contract Standing Orders and procurement procedures
Life Centre Project and Leisure Management Contract			✓			On-going monitoring and advice on progress of project and risk management process
Procure to Pay Project (P2P)			✓			
Waste Management - SWDWP (Waste PFI)			✓			Review of procurement process, on-going monitoring and advice on project and risk management
Commissioning and Contracting - Adult Social Care				Feb-11		
Schools PFI Contract Monitoring 09/10 Review - Follow-Up	F	1-Sep-10				
Waste Management - Interim Solution 09/10 Review - Follow-Up	F	2-Jun-10				
Security Contract 09/10	F	3-Sep-10				
Security Contract 09/10 Review - Follow-Up				Mar-11		
Highways Amey Contract	F	3-Sep-10				
Highways Amey Contract 09/10 Review - Follow-Up				Mar-11		
ICT Audit						
Material Systems IT Review 09/10	F	5-May-10				
Material Systems IT Review 10/11				Mar-11		
Information Governance - Government Connect 09/10	F	13-May-10				
Carefirst 5 System Review			✓			Replacement pending, ongoing watching brief
Carefirst 6 (Children)/ Programme Board/Follow up	F	28-Jun-10				
Implementation of Single Sign-On			✓			
Corporate Information Management	F	30-Sep-10				
File Storage (Includes S:\ & F:\ Drives)				Dec-10		
Information Security			✓			
Program Management System (PMG)				Mar-11		
Corporate Business Continuity			✓			
Partnership Working (ICT Systems)				Feb-11		
HR/Payroll / SAP			✓			
New Data Centre				Oct-10		Additional review at request of AD for ICT
Follow up of previous work			✓			
Internal Audit Consultancy on IT Issues / Projects / Policy			✓			
Corporate/Strategic Initiatives						
Audit Committee			✓			
CAA						No longer applicable
Benchmarking			✓			
Policy Development & Advice			✓			
External Audit			✓			
Whistleblowing			✓			
Audit Bulletins (inc Schools)						
Annual Governance Statement			✓			

SCHOOLS ESTABLISHMENT AUDITS - PROGRESS AGAINST INTERNAL AUDIT PLAN 2010/11						
ESTABLISHMENT	Reports Issued		In	planned	Deferred	Notes
	Draft (D)	Date	progress	start	to	
	Final (F)		01/10/10	date	2011/12	
Primary Schools						
FMSiS Assessment Only						
Thornbury Primary	F	Jul-2010				
Plympton St Mary C of E Infant				Nov-2010		
FMSiS Re-Assessments						
Salisbury Road Primary			✓			
Whitleigh Community Primary			✓			
Combined Routine Audit and FMSiS Assessment						
Estover Primary School	F	Sep-2010				
Manadon Vale Primary School	F	Sep-2010				
Compton C of E Primary School			✓			
Leigham Primary School				Oct-2010		
St Joseph's Catholic Primary School				Oct-2010		
Pomphlett Primary School				Oct-2010		
High Street Primary School				Oct-2010		
Hooe Primary School				Nov-2010		
High View Primary School				Nov-2010		
Goosewell Primary School				Nov-2010		
Holy Cross Catholic Primary School				Nov-2010		
Old Priory Junior School				Jan-2011		
Widey Court Primary School				Spring 2011		
Hyde Park Infant School				Spring 2011		
Plympton St Maurice Primary School				Spring 2011		
Ford Primary				Spring 2011		
Morice Town Primary School				Spring 2011		
Ernesettle Primary School				Spring 2011		
Mayflower Community School				Spring 2011		
Shakespeare Community School				Spring 2011		
Secondary Schools						
Routine Audits Only						
Tamarside Community College	F	Jun-2010				
John Kitto Community College	D	Jun-2010				
Combined Routine Audit and FMSiS Assessment						
Coombe Dean	F	Apr-2010				Finalising 2009/10 audit
St Boniface	F	May-2010				Finalising 2009/10 audit
Lipson Community College	D	Jun-2010				
Devonport High School for Girls			✓			Draft Report Issued 7th October 2010
Ridgeway School			✓			
Stoke Damerel Community College				Oct-2010		
Devonport High School for Boys				Spring 2011		
Plymouth Tuition Service						
Centre For Young Parents – Wood View Campus				tbc		

INTERNAL AUDIT - SIX MONTH PROGRESS REPORT 2010 - 11
SUMMARY OF REVIEWS AND AUDIT OPINIONS

Appendix 3

System Review	Report Issued		Opinion	Action Plan in Place
	Draft - D Final - F	Date		
Capital Accounting Arrangements 09/10	D	23-Aug-10	Good Standard	
CareFirst - Child Independent Placements 09/10	F	4-Aug-10	Good Standard	✓
Carefirst 6 (Children)/ Programme Board/Follow up	F	28-Jun-10	N/A	✓
Cash Collection 09/10	F	26-Apr-10	Good Standard	✓
Commercial Rents 09/10 (Follow-Up)	F	22-Jun-10	N/A	✓
Concessionary Fares 09/10	F	24-Jun-10	Improvements Required	✓
ContactPoint	F	1-Jul-10	Compliance Certificate Issued	N/A
Corporate Information Management	F	30-Sep-10	Fundamental Weaknesses	✓
CRB Disclosure Checks 09/10	F	13-Aug-10	Good Standard	✓
Data Quality (Community Services)	F	20-Oct-10	Improvements Required	✓
Devonport Regeneration Community Partnership 09/10	F	26-Jul-10	Good Standard	✓
Direct Payment Financial Monitoring - Follow-Up 09/10	F	12-May-10	N/A	✓
Fleet and Garage 09/10	F	24-May-10	Improvements Required	✓
Highways Amey Contract 09/10	F	3-Sep-10	High Standard	✓
Housing Retained Services - Choice Based Lettings 09/10	F	11-Oct-10	Improvements Required	✓
HR / Payroll System 09/10	F	24-May-10	Good Standard	✓
Information Governance (Government Connect) 09/10	F	13-May-10	Improvements Required	✓
LAA - National Indicator Set 09/10	F	13-Sep-10	Improvements Required	✓
Loans and Investments 09/10	F	29-Jun-10	Good Standard	✓
Main Accounting System 09/10	F	8-Jul-10	Good Standard	✓
Main Accounting System IT Review 09/10	F	8-Jul-10	Good Standard	✓
Management of Partnerships	D	9-Jul-10	Improvements Required	
Material Systems IT Review 09/10	F	5-May-10	Improvements Required	✓

Mt Edgcumbe – End of Year Accounts 09/10	F	14-Jun-10	Good Standard	✓
National Stroke Strategy Grant 09/10	F	3-Jun-10	Assurance Given	N/A
New Growth Points Grant 09/10	F	8-Jun-10	Assurance Given	N/A
Parks Services – Equipment Store 09/10 Follow-Up	D	5-Aug-10	N/A	N/A
Revenues & Benefits Cheque Payments	F	10-Sep-10	Assurance Given	✓
Schools PFI Contract Monitoring 09/10 Review - Follow-Up	F	1-Sep-10	N/A	N/A
Security Services Contract 09/10	F	3-Sep-10	Improvements Required	✓
Supporting People 09/10	F	20-Apr-10	High Standard	✓
Supporting People Grant 09/10	F	20-Apr-10	Assurance Given	N/A
Urban Bus Challenge Grant 09/10	F	27-Jul-10	Assurance Given	N/A
Waste Management - Interim Solution 09/10 Review - Follow-Up	F	2-Jun-10	N/A	N/A

INTERNAL AUDIT - SIX MONTH PROGRESS REPORT 2009 - 2010
Audit Assurance Opinion Definitions

There are four standards of assurance used to form an opinion on a system.

These are detailed in the table below:

Assurance	Definition
High Standard.	The system and controls in place adequately mitigate exposure to the risks identified. The system is being adhered to and substantial reliance can be placed upon the procedures in place. We have made only minor recommendations aimed at further enhancing already sound procedures.
Good Standard.	The systems and controls generally mitigate the risk identified but a few weaknesses have been identified and / or mitigating controls may not be fully applied. There are no significant matters arising from the audit and the recommendations made serve to strengthen what are mainly reliable procedures.
Improvements required.	There are a number of instances where controls and procedures do not adequately mitigate the risks identified. Existing procedures need to be improved in order to ensure that they are fully reliable. Recommendations have been made to ensure that organisational objectives are not put at risk.
Fundamental Weaknesses Identified.	The risks identified are not being controlled and there is an increased likelihood that risks could occur. The matters arising from the audit are sufficiently significant to place doubt on the reliability of the procedures reviewed, to an extent that the objectives and / or resources of the Council may be at risk, and the ability to deliver the service may be adversely affected. Implementation of the recommendations made is a priority.

**INTERNAL AUDIT – 6 MONTHLY PROGRESS REPORT 2010 / 2011
AUDIT OPINION ON SYSTEM REVIEWS COMPLETED**

General Notes

The following Audit Opinions are based on control weaknesses identified at the time of the reviews. In most cases action plans have been agreed for responsible managers to implement audit recommendations or suitable alternative controls; implementation of action plans will be reviewed as part of Internal Audit's routine follow-up procedures.

Capital Accounting 2009/10

The consistent application of internal controls ensured that the Capital Accounting System (Fixed Asset Register) has continued to operate to a "Good Standard". The Council has a Corporate Asset Management Plan and Capital Strategy in place and the operation of the fixed asset register was in accordance with accounting standards and the Council's Financial Regulations. Acquisitions and disposals were identified, recorded and authorised, whilst periodic reconciliations contribute to the accuracy and reliability of information held on the register for capital assets.

Cash Collection 2009/10

The Cash Office is a key front line service whose objective is to provide an effective and efficient service to the Council's paying customers. It also plays a pivotal role in ensuring income is collected and recorded accurately and correctly; and banked promptly. Our observations, enquiries and tests have shown that these objectives are being achieved and maintained to a "Good Standard".

Child Independent Placements 2009/10

The review found that, in the main, internal controls within CIPS was operating to a "Good Standard". This was evidenced by accurate recording of panel decisions, as well as good administration of the Needs and Outcomes Statements, Options Appraisals and individual contracts that is carried out in the Commissioning for Children's Services Team. Good processes were found to be in place for the payment, monitoring and reconciliation of the fortnightly payments which is, at present, carried out by the Admin Support Manager (ASM) Fostering and the Assistant Accountant within the Finance Team.

Choice Based Lettings 2009/10

The opinion formed was that improvements are required due to the need for better partnership wide governance. However, the audit provides assurance that PCC has taken appropriate steps to ensure that data migrated from the old Plymouth Housing Register to the new Abritas system remained accurate and that bandings reflected applicants' personal circumstances. Furthermore, where governance and security weaknesses were identified, PCC staff have continued to take a robust stance to ensure that issues are resolved as early as practicable.

There are many factors directly associated with partnership working that potentially undermine the good work that has been conducted locally by PCC staff. Of most concern is that data processing standards are not consistent and of a high enough standard throughout

the whole partnership. This is almost certain to impact upon the fair and consistent processing of applications and increase the risk of data security breaches.

Concessionary Fares 2009/10

Since April 2008, it became mandatory for the Council to provide free off peak travel on local bus services to eligible residents of the Council. Approximately 59,000 residents, including about 6,700 disabled people, have been issued with free bus passes under the Scheme.

The scheme has been promoted well in Plymouth and has been successful in achieving its aim of giving eligible residents the opportunity for greater freedom and independence to travel around Plymouth. However, there are some concerns surrounding the administration of the scheme which include the accuracy and reliability of records maintained by the bus operators and the potential for fraudulent or incorrect use of passes and the opinion formed was "Improvements Required".

Corporate Information Management 2010/11

There are a number of fundamental weaknesses in the current information governance arrangements that will continue to restrict the Council's ability to manage its information assets securely and effectively, unless the role of the SIRO is implemented effectively and the approved Information Management Principles are embedded throughout the organisation.

The current weaknesses could result in poorly informed decisions at any level of the organisation and could have an adverse impact on the provision of frontline services, the effectiveness of partnership working, the completeness and accuracy of the Authority's annual accounts and the performance of the Council as a whole. Failure to comply with statutory requirements is also a significant risk.

CRB Disclosure Checks 2009/10

Overall the Council was found to have policies and procedures in place, which in the main, appeared to be in line with the guidance published by the Criminal Records Bureau. However, conflicting guidance has been issued by the Department of Health and Ofsted in relation to the roles which may be subject to a CRB disclosure check.

Clarification is required to ensure that managers/officers understand the roles and criteria which indicate the need for a CRB disclosure check. Other areas requiring action include clarification of the Council's position on CRB portability and improving access to policies for School's including communication of their publication. Overall the opinion formed was "Good Standard".

Devonport Regeneration Community Partnership (DRCP) 2009/10

The audit review focussed on the DRCP Succession Strategy which has been developed by DRCP in consultation with its key partners, to sustain the improvements delivered through the New Deal grant programme beyond the ten year lifetime. The strategy was found to be of a "Good Standard".

Fleet Management 2009/10

The systems and procedures operated by Fleet Management are currently not as robust as they could be and the audit has identified some key issues which if addressed, would assist the service in becoming more competitive. Although the opinion formed was “Improvements Required” the staff reaction to the audit was positive, advice and suggestions that were made were taken on board and in some cases implemented immediately.

Highways Amey Contract Monitoring 2009/10

At the time of the audit review, in Autumn 2009, there was evidence that a good working relationship had developed between Plymouth City Council and Amey LG Ltd. for the operation of the Highways Services Contract. Processes for receiving and approving valuations from Amey were in accordance with the contract and a review of a monthly invoice from Amey confirmed that the payment process was being adhered to by both Amey and the City Council. Management Boards at both strategic and operational level meet regularly to monitor the management of schemes and the overall contract. Members of the Network Management Unit, set up to manage and monitor the contract, have undertaken audits of Amey’s records and discussed any findings and required actions with the contractor. Subsequent checks are made to ensure that actions have been implemented.

Subsequent to our review in Autumn 2009, the nature of some of the work being undertaken as part of the contract has changed. As well as routine maintenance, major, longer term road schemes such as the East End Transport Scheme, have been included. These require different governance and monitoring arrangements which are being put in place. Internal Audit intends to examine these as part of a future review.

HR/Payroll System 2009/10

Consistent application of internal controls have ensured that PCC employees have been paid accurately, on time and in accordance with their contract of employment. The system continues to operate to a “Good Standard” and further efficiencies may be achieved through improved utilisation of the e-HR SAP system and review of payroll processes, together with the roll-out of Managers Online (MOL) which was due to be piloted from April 2010.

Information Governance (Government Connect) 2009/10

The Government Connect system (Gov Connect) provides a robust and secure means of sending and receiving communications between approved local and central government bodies. Whilst the arrangements in place within the ICT department for managing the Council’s use of the Government Connect system and for ensuring compliance with the Code of Connection (CoCo) were found to be of a good standard, a number of issues were identified that could threaten the continued availability of the system as a result the overall opinion formed was “Improvements Required”.

LAA - Data Quality – National Indicator Set 2009/10

Data quality arrangements were considered as part of the Use of Resources (UoR) assessment and a sample of 10 national indicators were reviewed. It was found that overall, Plymouth City Councils data quality arrangements are of a good standard and provide the structure by which performance management processes can be carried out in a robust and comprehensive manner. However further action is required to strengthen and fully embed

arrangements throughout the organisation and the opinion formed was “Improvements Required”.

Loans and Investments 2009/10

The Treasury Management (TM) Team continue to provide an effective service with cash flow maintained at an appropriate level and demonstrating compliance with CIPFA’s Code of Practice. Internal controls continue to operate to a “Good Standard” with the TM Board continuing to meet on a regular basis to discuss, review and approve investment and borrowing decisions.

Main Accounting System 2009/10

The consistent application of internal controls ensures that the Main Accounting System (including budgetary control) continues to operate to a “Good Standard”. It was noted that budget forecasting during the current year has continued to improve, demonstrated by a lack of the significant swings in forecasts as experienced in previous years with reasons for budget variations being clearly laid out in the bi-monthly joint finance and performance reports to Cabinet.

Main Accounting System IT Review 2009/10

The Civica General Ledger (MAS) application is well managed, with clear governance and communication arrangements in place to ensure that it operates as required by the Finance Service. However, some concerns exist with regard to the number of users with “Full Access” to the computer system and with some of the privileges that Civica application support have been allocated on the corporate computer network.

Management of Partnerships 2010/11 (Draft)

Plymouth City Council (PCC) is involved in many partnerships to enable the delivery of its Corporate Priorities and the associated outcomes for local people.

The Council's overall arrangements for managing its involvement in partnerships requires further improvement to ensure a consistent robust approach is adopted across the authority that will mitigate the associated risks.

Material Systems IT Review 2009/10

This review has confirmed that, as in previous years, the majority of the common processes and procedures, undertaken within the ICT department in respect of the Council’s material systems, are carried out in a secure, well-managed and professional manner and are now of a good standard. During the past year, significant progress has been made in a number of key areas but the exercise has also highlighted other areas in which improvements are still required in order to raise the standards still further.

The overall audit opinion of “Improvements Required” is based on an assessment of the individual risks in ‘normal circumstances’. However, when considered together, the combined potential impact of some of the risks identified, does raise concerns regarding the Council’s ability to ensure the continued availability of its material systems, in the event of a major

disaster. (i.e. where the probability of the event occurring is unlikely but its impact on the business of the Council would be significant.)

Mt. Edgcumbe Accounts 2009/10

In accordance with Regulation 6 of the Accounts and Audit Regulations 2003 Devon Audit Partnership has carried out a review of the Mount Edgcumbe Joint Committee's financial accounting systems and internal control arrangements in place during 2009/10 financial year. The opinion formed was that in all significant respects the control objectives were being achieved throughout 2009/10.

However, it was noted that as at the 31 March 2010 Mount Edgcumbe Joint Committee reported a £300K deficit and nil reserves.

OLM CareFirst System 2009/10

In October 2009, the Audit Service issued a draft report which concluded that "fundamental weaknesses" existed within the Carefirst system. The findings of the report were accepted by the CareFirst Programme Board, now chaired by the Assistant Chief Executive on behalf of the Corporate Management Team. This has ensured that appropriate resources have been allocated to address the weaknesses identified in all four control areas reviewed, namely, Compliance and Governance, Information and Data Security, Change Management and Operational Procedures.

The Audit Service has maintained a watching brief and has recently completed a high level follow-up exercise to establish the full extent of the progress made. The follow-up review found significant improvements in the governance arrangements in CareFirst's administration which has a positive influence upon all areas of internal control. As a result of this, better resourcing, and improvements made in the three other control areas covered, the overall audit opinion has improved from "Fundamental Weaknesses" to "Improvements Required".

Revenues & Benefits Cheque Payments 2009/10

Following negative publicity arising from the issue of a misprinted refund cheque, the Director for Corporate Support commissioned Devon Audit Partnership to undertake a review of the adequacy of the systems deployed in the production of Council Tax refund cheques. For completeness, the review was expanded to include Non Domestic Rate refunds and Housing Benefit payments.

The review found that overall, the systems and procedures were operating to a good standard but there appeared to be an intermittent fault in the Academy System which when it occurred, resulted in cheque details being wrongly aligned for Council Tax and NNDR but not for Housing Benefit cheques. The fault has been reported to the software supplier and manual checks have been put in place pending resolution of the problem.

Security Services Contract Monitoring Review 2009/10

The review identified a lack of robust monitoring processes for six of the seven security contracts that the City Council had entered into since April 2008. As a result an opinion of "Improvements Required" was formed. The review could not find direct evidence that rates paid were being applied consistently, in accordance with those quoted in the contracts. In addition, there was a lack of one main point of contact for each contract within the Council

although this has subsequently been rectified. There was limited monitoring of performance and achievement of service standards in accordance with the contracts, undertaken.

Supporting People 2009/10

The Supporting People Services' operational procedures continue were found to be administered to a "High Standard". Recent password quality and data security improvements made to the CareFirst computer application have assisted in improving the level of assurance in the area of data security.

	<u>INTERNAL AUDIT SERVICE</u> High Priority Weaknesses Identified	
Client	Director for Corporate Support (Senior Information Risk Officer)	
System	Corporate Information Management (2010-2011) – Final Audit Report issued September 2010	
Matter Arising	Recommendation	Responsible Officer / Target Date
<p>Information Governance is not recorded consistently as a risk across the Authority.</p> <p>It is identified as a 'Medium' risk in the Council's Strategic Risk Register and also in the ICT department's Operational Risk Register.</p> <p>However, although various information-dependent issues are included in the other departmental Operational Risk Registers, information governance itself is not considered to be a risk and does not appear in any of them.</p>	<p>The Senior Information Risk Officer (SIRO) should ensure that this issue is addressed through the Operational Risk Management Group and that Information Governance becomes a mandatory inclusion in every department's operational risk register.</p>	<p>Head of Corporate Risk and Insurance</p> <p>Target Date: 11/11/10</p>
Management Response to Audit Report issued September 2010		
<p>Recommendation agreed. A way forward in raising the profile of the risk issues would be to make Information Governance a mandatory risk for inclusion in all directorate/departmental Operational Risk Registers - this would then promote regular monitoring in line with well-established existing processes to DMTs, CMT and Members of Audit Committee.</p> <p>The Council's Corporate Information Manager attended a meeting of the Operational Risk Management Group (ORMG), on 15th October 2010, to take them through the key issues in order to achieve consistency in the way that risks are recorded and monitored. This will be followed up by more detailed guidance at the next meeting of the ORMG in December 2010.</p>		

Matter Arising	Recommendation	Responsible Officer / Target Date
The topic of Information Management lacks a sufficiently high profile within the Council. i.e. There is no regular monitoring of progress on information management issues at Committee level.	The SIRO should seek to formalise Member and Committee reporting arrangements for the management and oversight of information management across the organisation, in a manner similar to that already in place for topics such as Risk Management and RIPA reporting procedures.	Head of Corporate Risk and Insurance Target Date: Process to commence from 11/11/10
Management Response to Audit Report issued September 2010		
Recommendation agreed. Once Information Governance has been included in every department's operational risk register, it will be managed through the existing Risk Management process, which includes regular reports to Audit Committee.		
Matter Arising	Recommendation	Responsible Officer / Target Date
Other than the identified 'Caldicott Guardians' in the Adult Health and Social Care and the Children and Young People areas, there are no Information Lead Officers in any of the Council's other directorates.	The Corporate Information Manager should take action to ensure that: <ul style="list-style-type: none"> a. An Information Lead Officer is identified in each directorate and that their responsibilities are incorporated into their Role Profiles and linked to their Staff Appraisal Objectives. b. Assistant Directors identify all information management roles within their directorates and include them in the relevant Role Profiles and Staff Appraisal Objectives. 	Corporate Information Manager Target Date: 31/12/10 Corporate Information Manager Target Date: 31/12/10
Management Response to Audit Report issued September 2010		
Recommendation agreed. The need to identify departmental Information Lead Officers is set out in the Council's approved Information Management Strategy and the Corporate Information Manager will pursue this issue as agreed.		

Matter Arising	Recommendation	Responsible Officer / Target Date
<p>There is no corporate steering group in place to manage the changes needed in order to implement the requirements of the Council's Information Management Strategy and embed its Information Management Principles.</p>	<p>The Corporate Information Manager should instigate the formation of an Information Management Steering Group, comprised of the nominated Information Lead Officers from each directorate (See section 1.4 above) and with formal Terms of Reference, to manage the implementation of the Council's Information Management Strategy and the embedding of its approved Information Management Principles throughout the organisation.</p>	<p>Corporate Information Manager Target Date: 31/12/10</p>
Management Response to Audit Report issued September 2010		
<p>Recommendation agreed. The group will be convened once the directorate Information Lead officers have been identified.</p>		
Matter Arising	Recommendation	Responsible Officer / Target Date
<p>The principles of the Council's approved Information Management Strategy have not yet been fully embedded throughout the organisation.</p>	<p>The Corporate Information Manager should ensure that the Action Plan, attached to the IMS, is updated and should then gain the approval and commitment of CMT for the allocation of the corporate and directorate budgets (and other resources) needed in order to ensure its completion.</p>	<p>Corporate Information Manager Target Date: 30/4/11</p>
Management Response to Audit Report issued September 2010		
<p>Recommendation agreed. The action plan will be updated and approval sought.</p>		

Matter Arising	Recommendation	Responsible Officer / Target Date
<p>Information Management is not covered as a specific topic in the Council's corporate induction process and there are no formal training courses available in-house in respect of information management (except for the e-learning course for Government Connect email users, which is only taken by a limited number of staff).</p>	<p>The SIRO should ask the Assistant Director for HR and Organisational Development to amend the corporate induction programme to include coverage of the aims, objectives and requirements of the Council's Information Management Strategy.</p>	<p>This issue will need to be actioned by the Assistant Director for HR and Organisational Development and a target date agreed.</p>
Management Response to Audit Report issued September 2010		
<p>The Assistant Director for ICT and the Corporate Information Manager both agree that the recommended action is necessary and important but its implementation has not yet confirmed by the Assistant Director for HR and Organisational Development. This issue will be pursued and an update provided to the next Audit Committee.</p>		
Matter Arising	Recommendation	Responsible Officer / Target Date
<p>Comprehensive written policies, procedures, instructions and user guidance notes, covering all aspects of information management, are readily available to all computer users via the Document Library on Staffroom. However, they are not so readily available to non-computer users who may also handle equally valuable physical forms of information.</p> <p>Furthermore, staff do not acknowledge receipt and understanding of Council policies and procedures, etc</p>	<p>The SIRO should ask the Assistant Director for HR and Organisational Development to ensure that all departmental induction programmes are amended to include a section covering of the aims, objectives and requirements of the Council's Information Management Strategy and of the Council's information management policies and guidelines, etc. e.g. the Information Security Policy.</p>	<p>This issue will need to be actioned by the Assistant Director for HR and Organisational Development and a target date agreed.</p>
Management Response to Audit Report issued September 2010		
<p>The Assistant Director for ICT and the Corporate Information Manager both agree that the recommended action is necessary and important but its implementation has not yet confirmed by the Assistant Director for HR and Organisational Development. This issue will be pursued and an update provided to the next Audit Committee.</p>		

Matter Arising	Recommendation	Responsible Officer / Target Date
<p>Although PCC acknowledges that information is its second most important asset, the Authority does not know what information it actually holds or where it is all stored.</p> <p>Although there are long established inventory procedures in place for recording and controlling physical assets, there is no approved system for recording information assets.</p> <p>As things stand, the Council cannot be sure that it holds an up to date 'single version of the truth' and it cannot ensure that its information assets are being used to their full potential.</p>	<p>The SIRO should initiate the introduction of corporate Records Management capabilities, throughout the organisation, by asking the Corporate Information Officer/Manager to prepare appropriate recommendations for approval, together with proposed timescales for their implementation.</p>	<p>Corporate Information Officer/Manager</p> <p>Target Date: 31/3/11</p>
Management Response to Audit Report issued September 2010		
<p>Recommendation agreed. The Corporate Information Manager will prepare a report for the SIRO.</p>		
Matter Arising	Recommendation	Responsible Officer / Target Date
<p>Although responsibility for the security and appropriate use of information assets is clearly set out throughout the Council's Financial Regulations, the general concept of 'Information Ownership' has not yet been embedded throughout the organisation.</p>	<p>The SIRO should write to all Chief Officers to formally remind of their specific responsibilities in respect of information management and security and asking them to identify all of their information systems and pass these details on to the Corporate Information Officer, together with the name of the 'Owner' of each of them.</p>	<p>Corporate Information Officer/Manager</p> <p>Target Date: 1/12/10</p>
Management Response to Audit Report issued September 2010		
<p>Recommendation agreed. The Corporate Information Officer/Manager will draft the communication on behalf of the SIRO.</p>		

Matter Arising	Recommendation	Responsible Officer / Target Date
<p>Section D.1.20 of Financial Regulations sets out the responsibility of Chief Officers “To ensure that, where appropriate, computer based and other operational systems containing relevant information are registered in accordance with the Data Protection and related legislation, and that staff are aware of their responsibilities under the legislation.”</p> <p>However, there is no formal process in place to enable them to do this and this exposes the Council to the risk of ‘Failure to comply with statutory requirements’. (See Item R46 on the Strategic Risk Register)</p>	<p>The SIRO should initiate the introduction of a formal Data Protection Act registration system, throughout the organisation, by asking the Corporate Information Manager to prepare an appropriate procedure document, together with proposed timescales for its implementation.</p>	<p>Corporate Information Manager</p> <p>Target Date: Ongoing.</p> <p>(It will not be possible to implement an effective system until an initial information audit has been completed.)</p>
<p>Management Response to Audit Report issued September 2010</p>		
<p>Recommendation agreed. However, this recommendation cannot be implemented until an Information Management Steering Group has been established and a full information audit has been carried out. It will then be possible to collate and maintain the data protection registration details from the initial information audit and any subsequent changes to it.</p>		