AUDIT COMMITTEE

Monday, 28th September, 2015

7.00 pm

Town Hall, Watford

Publication date: 18 September 2015

CONTACT
If you require further information or you would like a copy of this agenda in another format, e.g. large print, please contact Sandra Hancock in Democracy and Governance on 01923 278377 or by email to legalanddemocratic@watford.gov.uk .

Welcome to this meeting. We hope you find these notes useful.

ACCESS

Access to the Town Hall after 5.15 pm is via the entrance to the Customer Service Centre from the visitors' car park.

Visitors may park in the staff car park after 4.00 p.m. and before 7.00 a.m. This is a Pay and Display car park; the current charge is £1.50 per visit.

The Committee Rooms are on the first floor of the Town Hall and a lift is available. Induction loops are available in the Committee Rooms and the Council Chamber.

FIRE/EMERGENCY INSTRUCTIONS

In the event of a fire alarm sounding, vacate the building immediately following the instructions given by the Democratic Services Officer.

- Do not use the lifts
- Do not stop to collect personal belongings
- Go to the assembly point at the Pond and wait for further instructions
- Do not re-enter the building until authorised to do so.

MOBILE PHONES

Please ensure that mobile phones are switched off or on silent before the start of the meeting.

FILMING / PHOTOGRAPHY / RECORDING / REPORTING

Please note: this meeting might be filmed / photographed / recorded / reported by a party other than Watford Borough Council for subsequent broadcast or publication.

If you do not wish to have your image / voice captured you should let the Chair or Democratic Services Officer know before the start of the meeting.

An audio recording may be taken at this meeting for administrative purposes only.

COMMITTEE MEMBERSHIP

Councillor I Brown (Chair)
Councillor T Williams (Vice-Chair)
Councillors A Khan, B Mauthoor and S Silver

AGENDA

PART A - OPEN TO THE PUBLIC

1. **APOLOGIES FOR ABSENCE/COMMITTEE MEMBERSHIP**

2. **DISCLOSURE OF INTERESTS (IF ANY)**

3. **MINUTES**

   The minutes of the meeting held on 30 June 2015 to be submitted and signed.

   Copies of the minutes of this meeting are usually available seven working days following the meeting.
   (All minutes are available on the Council's website.)

4. **EXTERNAL AUDITOR'S REPORT TO THOSE CHARGED WITH GOVERNANCE (SEPTEMBER 2015) AND APPROVAL OF THE STATEMENT OF ACCOUNTS 2014/15** (Pages 5 - 8)

   Report of the Acting Head of Finance

   This report allows the Committee to ask questions of the external auditor concerning his 'Report to those charged with Governance (ISA260)' and to approve the Statement of Accounts for 2014/15.

   Appendices to follow

5. **INTERNAL AUDIT - SIAS BOARD ANNUAL REPORT 2014/15** (Pages 9 - 26)

   Report of the Acting Head of Finance and Head of Assurance

   This report introduces the Shared Internal Audit Services (SIAS) annual report for 2014/15.

6.   **INTERNAL AUDIT PROGRESS REPORT** (Pages 27 - 86)

Report of the Acting Head of Finance and Head of Assurance

This report gives details of the progress made in implementing the recommendations of the internal auditor.

7.   **COMMITTEE'S WORK PROGRAMME** (Pages 87 - 90)

Report of the Acting Head of Finance

This report enables the Committee to review and make necessary changes to the Audit Committee's Work Programme.

Report to: Audit Committee

Date of meeting: 28 September 2015

Report of: Acting Head of Finance Shared Services

Title: External Auditors Report To Those Charged With Governance (September 2015) and Approval Of The Statement of Accounts 2014/15

1.0 **SUMMARY**

1.1 This report allows the Committee to ask questions of the external auditor concerning his 'Report to those charged with Governance (ISA260)' and to approve the Statement of Accounts for 2014/15.

2.0 **RECOMMENDATIONS**

2.1 That the Committee notes the external auditor's 'Report to those charged with Governance.

2.2 That the Committee seeks any clarification it needs concerning the Statement of Accounts for 2014/15.

2.3 That the Committee confirms that it is satisfied that the accounting policies adopted are the most appropriate.

2.4 That the Statement of Accounts for 2014/15 be approved.

Contact Officer:
For further information on this report please contact: -
Nigel Pollard, Acting Head of Finance, Shared Services
telephone extension: 7198
email: nigel.pollard@threerivers.gov.uk

Report approved by: Joanne Wagstaffe Director of Finance

3.0 DETAILS

3.1 The Audit Committee at its meeting on the 30 June received the draft Statement of Accounts for 2014/15.The Accounts have since been audited by Grant Thornton UK LLP.

3.2 The Auditor's 'Report to those charged with Governance' is attached at Appendix 1. It is issued in accordance with ISA260 and incorporates a conclusion on final accounts work and a value for money judgement. Grant Thornton will attend the meeting to present the report and answer questions.

3.3 Attached at Appendix 2 is a draft letter of representation which should be signed at the meeting.

3.4 The Council's Statement of Accounts for 2014/15 is attached at Appendix 3.

3.5 The accounts must be signed by the Chief Financial Officer before they are approved by the Committee and, subject to approval, the Chairman of the Committee shall sign and date them at the meeting.

3.6 Financial Reporting Standard 18 requires the Committee to confirm that it is satisfied that the accounting policies adopted are the most appropriate.

4.0 KEY ISSUES AND INTERPRETATION OF THE ACCOUNTING STATEMENTS

4.1 The purpose of the Statement of Accounts is to give interested parties an understanding of the Council's financial position. It also provides an opportunity to compare how the Council performed financially against its original plan published when setting the budgets in February 2013. Members are referred to the Foreword to the Statement of Accounts.

4.2 The Financial Statements have been prepared under International Financial Reporting Standards (IFRS), a statutory accounting framework which has replaced the United Kingdom Generally Accepted Accounting Principles (UK GAAP). The Chartered Institute of Public Finance and Accountancy produces a Code of Practice on Local Authority Accounting which reflects the statutory requirements and has been followed in preparing the financial statements.

4.3 A draft Annual Governance Statement (AGS) was presented to the Committee and approved on 30 June 2015. It is now included in the Statement of Accounts before the Committee, and has been signed by the Mayor and the Managing Director as required by proper practice.

4.4 *Summary of Financial Position*

4.5 The Council's medium-term financial planning has aimed to achieve a balanced budget and a prudent level of balances. With the reductions in government grant and changes to business rates, this means that the Council will continue to find

savings through efficiencies that do not impact on service level provision. Close monitoring will be required to ensure that the savings identified are achieved.

5.0   **IMPLICATIONS**

5.1   **Financial**

5.1.1   Contained in the Statement of Accounts

5.2   **Legal Issues** (Monitoring Officer)

5.2.1   None Specific.

5.3   **Equalities**

5.3.1   None Specific.

5.4   **Potential Risks**

There are no risks associated with the decisions members are being asked to make**.**

APPENDICES

1. Report to those charged with Governance (ISA260) – Grant Thornton – September 2015.
2. Draft Letter of Representation
3. Statement of Accounts 2014/15

BACKGROUND PAPERS

The Accounts and Audit (England) Regulations 2011

.

Report to:　　　　　Audit Committee

Date of meeting:　　28 September 2015

Report of:　　　　　Acting Head of Finance Shared Services

Title:　　　　　　　Internal Audit - SIAS Board Annual Report 2014/15

1.0　　**SUMMARY**

1.1　　This report introduces the Shared Internal Audit Services (SIAS) annual report for 2014/15

2.0　　**RECOMMENDATIONS**

2.1　　That Shared Internal Audit Service Annual Report for 2014/15 is noted.

Contact Officer:
For further information on this report please contact: -
Nigel Pollard, Acting Head of Finance, Shared Services
Telephone extension: 7198
email: nigel.pollard@threerivers.gov.uk

Report approved by: Joanne Wagstaffe Director of Finance

3.0   **DETAILS**

3.1   The SIAS Annual Report for 2014/15 is attached at Appendix 1.The report highlights key areas of success in the year before describing the performance of the partnership during 2014/15. It looks ahead to the future and the developments SIAS plan to deliver the partners' vision.

4.0   **IMPLICATIONS**

4.1   **Financial**

4.1.1   None Specific.

4.2   **Legal Issues** (Monitoring Officer)

4.2.1   None Specific.

4.3   **Equalities**

4.3.1   None Specific.

4.4   **Potential Risks**

4.4.1   There are no risks associated with the decisions members are being asked to make

APPENDICES

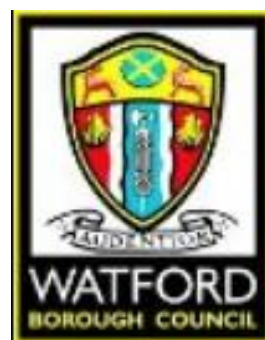1. Shared Internal Audit Service Annual Report for 2014/15

BACKGROUND PAPERS

None

Shared Internal Audit Service

Annual Report

2014/15

Annual Report Contents

Introduction and Highlights

Welcome to the fourth annual report on the activity of the Shared Internal Audit Service during the 2014/2015 financial year.

It is now almost four years since a group of Hertfordshire Chief Financial Officers took the decision to work in partnership to provide internal audit services. The vision was for the service to bring together the best of the public and private sectors: combining the 'in-house' appreciation and understanding of local government, with the business-like focus of the big internal audit firms.

The service has made a transforming change to achieve this vision and this has meant a fundamental re-design of the way in which we deliver internal audit services in the area.   All this has been made possible by commitment and dedication on the part of the team and through the co-operation of our partners in understanding the vision and giving us the support we have needed to achieve it.

I am very proud of the work of the team and delighted to be able to share some of the highlights of our working year in this report.

Helen Maneuf
Head of Assurance for the Shared Internal Audit Service

Helen Maneuf

Head of Assurance for the Shared Internal Audit Service

May 2015

Achieving results

Performance against our two key productivity measures was strong. Our billable days target of 95 percent was exceeded with 98 percent days being achieved, and our target percentage of audits delivered to draft by year end also exceeded the 95 percent target by three percentage points, continuing the positive trend of the last four years.

Figure 1: Improvement in percentage of audits to draft stage by year end

Key performance targets exceeded

Audits Delivered to Draft by Year End
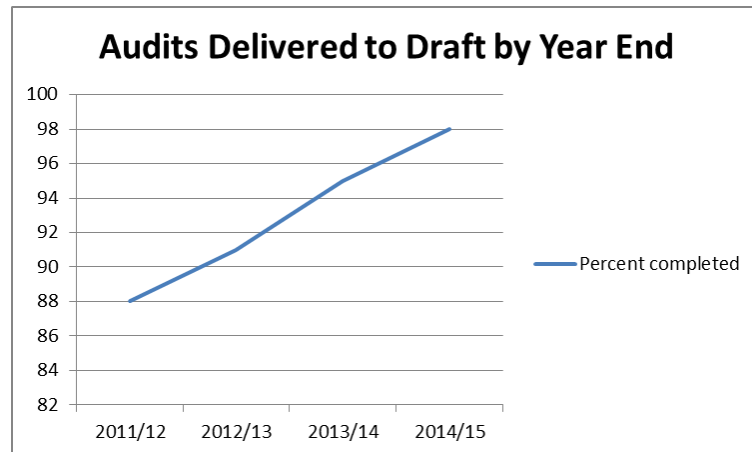
The team pulled out all the stops to exceed its year end targets and this sense of all working together to achieve the results makes those within the team feel motivated and committed. The benefits to our partners of this improving picture are that we are able go into the next financial year with minimal work from the previous year still to be completed and that we are able to write our annual report for each partner with a complete picture of the work we have done, better informing our annual opinion for each council.

Quality Assured

April 2013 saw the introduction of the Public Sector Internal Audit Standards (PSIAS) which aim to further professionalise the discipline of Internal Audit. Responding to the new requirements saw SIAS develop its thinking on its Quality Assurance and Improvement Programme or QAIP, which ensures that the service has the process it requires to deliver robust assurance work.

Figure 2: SIAS Quality Assurance and Improvement

We have recently reviewed our performance against all aspects of the PSIAS standards and are pleased to confirm a good level of compliance across the service.
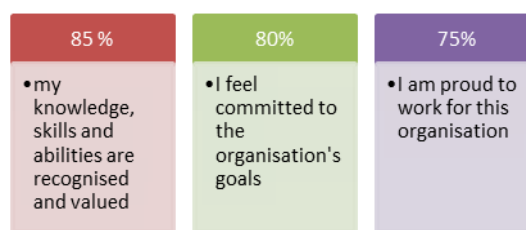
Developing our team

The story of our team's development over the last four years has been a fascinating one. From the early days where six different in-house teams came together the vision has been to create one unified team with auditors who are able to operate within any of our partner councils and, subject to having the necessary skills, to audit a diverse range of systems and processes.   We have built a team that has the flexibility and resilience we need to meet the challenges of working with multiple partners.

Employee engagement levels rising steadily

Since the establishment of SIAS we have monitored the 'engagement index' of our team, a measure of how far people are committed to the work of the team. The most recent survey undertaken in September 2014 shows an increase on this measure of 9 percentage points, building on the 12 percentage point rise achieved in the previous survey.

Figure 3: Highlights of Staff Survey 2014

85 %	80%	75%
• my knowledge, skills and abilities are recognised and valued	• I feel committed to the organisation's goals	• I am proud to work for this organisation

Customer focus is a core value of the service and our annual team development session has been used to develop our understanding of what good customer service means, and how we can best deliver this.

Personal development and self-awareness are also an important area of focus for the team, and in 2014/15 the whole team undertook Myers Briggs Personality Type Indicator assessments, building a deeper understanding across the team of the personality types within it and how we can get the best out of each other.

Technical training is fundamental to our service, equipping our team with the resources and competencies they need to offer our partners excellent and reliable assurance; to this end colleagues have undertaken courses in specialist areas such as contract audit, project and programme assurance, social media, and treasury management. We have supported a number of the team to achieve professional status by undertaking Institute of Internal Auditor exams.

Figure 4: Training and Development inputs and benefits

Training and development at the core of our service

Harnessing the power of partnership

It has long been part of the vision of our Board that the service acts to facilitate the sharing of learning across its partners. During its development to date SIAS has been able to provide many ad hoc opportunities to work in this way. We presented a paper to the SIAS Board in December 2014 that identified the breadth of initiatives thus far and set the foundations for an increasingly planned and structured approach in this area.

Highlights for the year included a workshop on Annual Governance Statements in which all our partners participated. The review compared the processes that contribute to the production of Annual Governance Statements and the common areas included in the AGS, to understand approaches and areas of difference. The review culminated in a workshop session attended by authority AGS leads. Together we examined the key areas and identified areas for potential continuous improvement.

Figure 5: Key Observations from our Joint Review of Annual Governance Statements

Bringing those serving on and working with Audit Committees together

In October 2014 we hosted an Audit Committee Development Session which saw more than fifty delegates, both members and officers, convene to discuss how Audit Committees contribute to effective corporate governance. We heard from two chairmen of Audit Committees operating in the private sector and took the opportunity to compare their practices with those in the public sector.

All delegates rated the course as good or better and indicated that the most useful aspects were the opportunity to hear from the private sector and the group discussions.

On the minds of our delegates in terms of themes for the future are the changing arrangements for appointing external auditors, embedding risk management within our councils, and how the perception of audit and the work of Audit Committees can be improved.

Figure 6: Audit Committee Development Session – Areas of Focus for our Delegates

Changing external audit arrangements

Embedding Risk Management

Promoting the work of Audit Committees
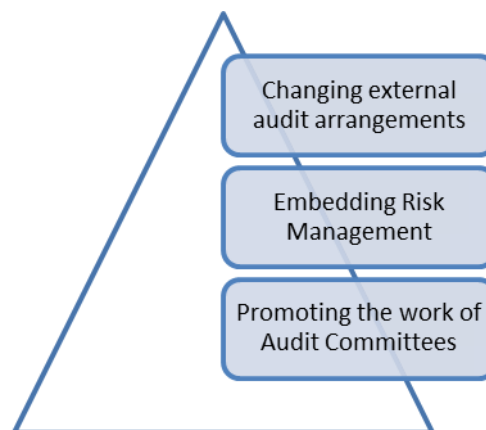
First Class Customer Service

In order to monitor our effectiveness and improve our service, at the end of each assignment we request the completion of a short satisfaction survey. We have been given and have acted upon invaluable improvement ideas, and we are proud of the fact that we have received 96% satisfactory or higher feedback rating from our customers.

'The approach, professionalism and recommendations of the audit were to a high standard and will help to improve the service area and minimise some existing risks.'

'The auditor was very supportive and understood that as a newish head that I may not be aware of the documentation that could be useful to me. She took time to show me and I learnt more.'

'I found the audit process helpful and the auditor, considerate of the pressures on Managers within the service. The conversation was open, frank and constructive.'

Performance

SIAS worked on 293 assurance and other projects during the year, giving assurance opinions and recommendations as demonstrated in the charts below. For those pieces which resulted in a formal opinion the distribution is set out in figures 7 and 8 below:

Figure 7: Distribution of Audit Opinions 2014/15

293 assurance and other projects identifying 700 recommendations

Distribution of Audit Opinions 2014/15

- Not Assessed, 34
- Full, 57
- Limited, 2
- Moderate, 51
- Substantial, 149
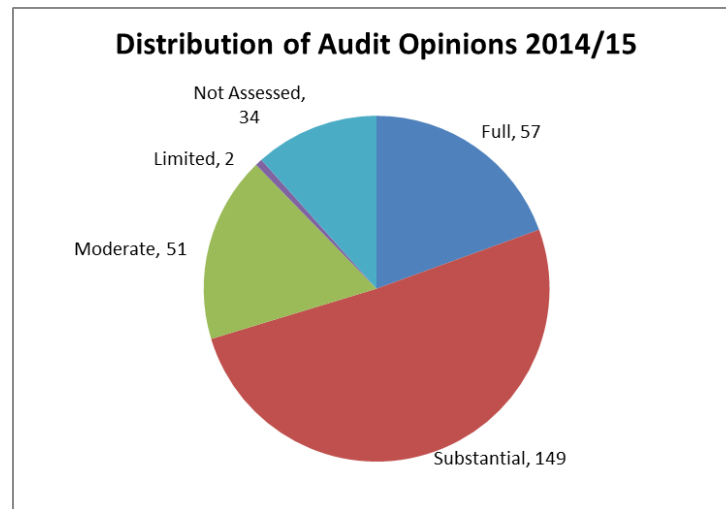
Figure 8: Prioritisation of Recommendations 2014/5

Prioritisation of Recommendations 2014/15

- High 33
- Low 336
- Medium 331
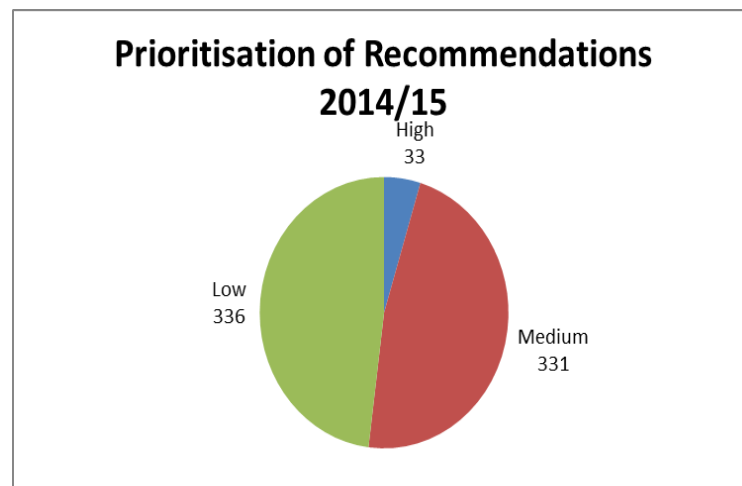
Business Performance of SIAS

The overall business performance of SIAS is monitored by the SIAS Board by means of a balanced scorecard which provides a range of measures by which progress can be evaluated.

The overall performance of SIAS against our key performance indicators is reported below

Table 1: SIAS Business Performance

Indicator	Target	Actual as at 31 March 2014	Actual as at 31 March 2015	Commentary
Progress against plan: actual days delivered as a percentage of planned days.	95%	97%	98%	A one percentage point increase
Progress against plan: audits issued in draft by 31 March	95%	95%	98%	Work to drive efficiency through the audit process has enabled an increase of three percentage points in comparison with the previous year
Client satisfaction	Satisfactory and above	99%	96%	Strong performance in this area
Financials: income recovered	N/A	£1,248k	£1,338k	The service aims to recover its costs

Financial Performance of SIAS

SIAS began operating on a fully traded basis in 2012/13; Appendix A sets out the summary financial position at 31 March 2015. The partners determined that the service should aim to build a small surplus in order and to move to considering the financial position of the service on a three year rolling basis. The intention of this is to smooth the impact of any unforeseen events impacting on trading performance in future years.

Future Developments

The final section of this Annual Report looks forward to the future. The partnership has signed off this vision for SIAS:

> *'SIAS aims to operate at industry-standard levels of productivity and output and to demonstrate best practice by being at the leading edge of audit service delivery. The service aims to operate as an exemplar shared service and provide a return on investment for the partner councils by identifying opportunities to grow the business'.*

An exciting development for the year ahead is the establishment of the new Shared Anti-Fraud Service involving 5 of our existing partners, and one new partner. SAFS will aim to provide resilient anti-fraud arrangements responding to the changes in the counter fraud landscape emanating from the incorporation of benefit fraud related work into the DWP.

Four priority areas have been identified for SIAS development activity in the year ahead:

1. Establish a leading reputation in respect of governance, risk assurance and internal control services – ensuring SIAS delivers a good quality service

2. Be at leading edge of audit service delivery –ensuring SIAS delivers an efficient, resilient, cost-effective service

3. Build a team ready to meet the challenges of the future – ensuring SIAS has the right skills to deliver in the changing public sector environment

4. Be an exemplar shared service with a 'return on investment' for partners and first choice public sector internal audit provider in the region with a growing client base.

The detailed development actions which feed into each of these priority areas were agreed by the Board in March 2015 and are monitored regularly by the SIAS Management Team. Table 2 sets out the main activities.

Table 2: SIAS Mission Critical Activities

Priority	Activity
Leading reputation in governance, risk and control	• Undertake peer review by credible external assessor and plan for the implementation of any recommendations • Implement the new SIAS methodology, ensuring it is sufficiently LEAN, easy to use and builds in opportunities to add value / insight and share this across the partnership • Roll out structured approach to sharing learning across partnership, including newsletter and joint reports • Build synergy with new Shared Anti-Fraud Service • Offer joint workshop opportunity to Audit Committee members • Establish ways of working with our new external partner, BDO
Leading edge of service delivery	• Review performance reporting arrangements to reflect move towards committee date driven approach, including development of reporting to Audit Committees on this basis • Review 'end of audit process' to improve efficiency in this area of work • Audit work allocation – refine work allocation process
Team are ambassadors with the right skills	• Individual and team development plans agreed and maintained • Team development day • Continued support for initial professional training and Continued Professional Development
Exemplar shared service	• Continue to explore opportunities to expand the service as these arise • Sign off extension of SIAS partnership

Building on the strong foundations already in place, these activities will take SIAS forward in the year ahead in a way that we believe will be to the benefit of all the partnership stakeholders.

Our Board Members

The SIAS Board provides strategic direction and oversight for the partnership, bringing a wealth of local government experience and insight to our operation.

Scott Crudgington, SBC
Director of Resources

Sajida Bijle, HBC
Director of Resources

Sarah Pickup, Herts CC
Deputy Chief Executive

Norma Atlay, NHDC
Director Finance, Policy & Governance

Pam Kettle, WHBC
Director of Finance & Operations

Adele Taylor, EHDC
Director of Finance & Support Services

Jo Wagstaffe, WBC and TRDC
Shared Director of Finance

Helen Maneuf, SIAS
Head of Assurance

SIAS cost centre: revised budget against outturn 2014/15		
	Budget **£**	**Outturn**
Salaries & Salary Related	1,162,531	1,072,242
Partner / consultancy costs	98,000	161,554
Transport	13,019	9,947
Supplies	31,823	17,013
Office Accommodation cost	22,673	22,673
	1,328,046	1,283,519
Total expenditure		
Income	1,367,245	1,338,209
Net surplus	**39,199**	**54,690**

Levels of assurance	
Full Assurance	There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives. No weaknesses have been identified.
Substantial Assurance	Whilst there is a largely sound system of control, there are some minor weaknesses, which may put a limited number of the system objectives at risk.
Moderate Assurance	Whilst there is basically a sound system of control, there are some areas of weakness, which may put some of the system objectives at risk.
Limited Assurance	There are significant weaknesses in key control areas, which put the system objectives at risk.
No Assurance	Control is weak, leaving the system open to material error or abuse.

Priority of recommendations	
High	There is a fundamental weakness, which presents material risk to the objectives and requires urgent attention by management.
Medium	There is a significant weakness, whose impact or frequency presents a risk which needs to be addressed by management.
Merits Attention	There is no significant weakness, but the finding merits attention by management.

Report to: Audit Committee

Date of meeting: 28 September 2015

Report of: Acting Head of Finance Shared Services

Title: Internal Audit Progress Report

1.0   SUMMARY

1.1   This report gives details of the progress made in implementing the recommendations of the internal auditor.

2.0   RECOMMENDATIONS

2.1   Note the Internal Audit Progress Report Against the 2015/16 Audit Plan

2.2   Approve amendments to the Audit Plan as at September 2015

2.3   Agree removal of implemented recommendations (see Appendix 4)

2.4   Agree the changes to the implementation date for 12 recommendations (paragraph 2.5.1 of Appendix 1) for the reasons set out in Appendix 4.

2.5   Note the status of the 16 IT audit recommendations (paragraph 2.5.2 of Appendix 1

Contact Officer:
For further information on this report please contact: -
Nigel Pollard, Acting Head of Finance, Shared Services
Telephone extension: 7198
email: nigel.pollard@threerivers.gov.uk

Report approved by: Joanne Wagstaffe Director of Finance

3.0   **DETAILS**

3.1   The Shared Internal Audit Service (SIAS) latest Progress Report is attached at Appendix 1.

3.2   Details of progress against the Internal Audit Plans for 2015/16 are attached at Appendix 2. Appendix 3 shows the proposed start dates of the 2015/16 audit plan.

3.3   Appendix 4 provides information on recommendations which remain outstanding from audits carried out in 2010/11, 2011/12, 2012/13, 2013/14, 2014/15 and 2015/16 and detail only those recommendations which were not resolved at the time of the last report together with new audit reports issued since that time. New reports and new comments are shown in bold.

3.4   The table below summarises progress in implementation of the recommendations:

Year	Recommendations made.	Implemented	Not yet due	Outstanding & Request made for Extended Time	Percentage implemented %
2010/11	213	212	1	0	99
2011/12	114	111	0	3	97
2012/13	49	47	1	1	96
2013/14	93	84	3	6	90
2014/15	57	39	0	18	70
2015/16	0	0	0	0	0

4.0   **IMPLICATIONS**

4.1   **Financial**

4.1.1   None Specific.

4.2   **Legal Issues** (Monitoring Officer)

4.2.1   None Specific.

4.3   **Equalities**

4.3.1   None Specific.

4.4   **Potential Risks**

4.4.1   There are no risks associated with the decisions members are being asked to make.

APPENDICES
>   Appendix 1   Shared Internal Audit Service Progress Report
>   Appendix 2   Progress against the Audit Plan
>   Appendix 3   2015/16 Audit Plan - projected start dates
>   Appendix 4   Progress on Recommendations

Watford Borough Council
Audit Committee Progress Report
28 September 2015

Recommendation

Members are recommended to:

- Note the Internal Audit Progress Report for the period to 4 September 2015
- Approve amendments to the Audit Plan as at 4 September 2015
- Agree removal of implemented recommendations (see Appendix C)
- Agree changes to the implementation dates for 12 recommendations (paragraph 2.5.1) for the reasons set out in Appendix C
- Note the status of the 16 IT audit recommendations (paragraph 2.5.2)

Contents

Appendices

1. Introduction and Background

Purpose of Report

1.1 This report details:

a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's Annual Audit Plan for 2014/15 as at 4 September 2015.

b) Proposed amendments to the approved 2015/16 Annual Audit Plan.

c) Implementation status of all outstanding previously agreed audit recommendations from 2010/11 onwards.

d) An update on performance management information as at 4 September 2015.

Background

1.2 The work of internal audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed annual audit plan.

1.3 The 2015/16 Annual Audit Plan was approved by Audit Committee on 11 March 2015.

1.4 The Audit Committee receives periodic updates on progress against the Annual Audit Plan from SIAS, the most recent of which was brought to this Committee on 30 June 2015.

2. Audit Plan Update

Delivery of Audit Plan and Key Audit Findings

2.1   As at 4 September 2015, 28% of the 2015/16 Audit Plan days had been delivered for the combined WBC and Shared Services plans (calculation excludes contingency). Appendix A provides a status update on each individual deliverable within the audit plan.

2.2   No 2015/16 audits have yet been finalised, however, a number of projects are in progress as follows:

- One to draft report stage
- One at quality review
- Four in fieldwork
- Four in planning

The detail of these and all other audits in the 2015/16 Audit Plan can be seen at Appendix A.

Status of Audit Recommendations

2.3   Members will be aware that a Final Audit Report is issued when it has been agreed by management and includes an agreement to implement the recommendations made. It is SIAS's responsibility to bring to Members' attention the implementation status of all audit recommendations. It is the responsibility of officers to implement recommendations by the agreed date.

2.4 The table below summarises progress in implementation of all outstanding internal audit recommendations at August 2015, with full details given in Appendix C:

Year	Recommendations made No.	Implemented	Not yet due	Outstanding & request made for extended time	Percentage implemented %
2010/11	213	212	1	0	99%
2011/12	114	111	0	3	97%
2012/13	49	47	1	1	96%
2013/14	93	84	3	6	90%
2014/15	57	39	0	18	70%
2015/16	0	-	-	-	-

2.5 The 28 recommendations in the 'outstanding and request made for extended time' column fall into 2 categories as per sections 2.5.1 to 2.5.2 below.

2.5.1 Extension to implementation dates have been requested for 12 recommendations as follows:

a) Two for Housing Redesign;
b) One for Main Accounting System,
c) One for Health & Safety,
d) Two for Debtors,
e) Three for NDR, and
f) Three for Benefits.

2.5.2 For the 16 outstanding IT audit recommendations, no specific updates have been provided and a generic comment has been added to each in appendices 3 to 9. The following management comment was provided by the IT Client Section Head:

'In view of the termination of the Capita contract on 8 September 2015, any deadlines within the audit recommendations can now not be committed to from our side and therefore it is not useful to provide an update at this time'. The recommendations relate to the following audits:

a) One for IT Remote Working,

b) One for IT Project Management,
c) Two for IT Back-Up and Disaster Recovery,
d) One for Server Virtualisation,
e) Two for Cyber Risk,
f) Three for IT Change Management,
g) Three for Disaster Recovery, and
h) Three for IT Operations and Contract Management.

Proposed Audit Plan Amendments

2.6   Since June 2015 Audit Committee, the following amendments to the 2015/16 Shared Services Audit Plan have been agreed with officers of the Council and are detailed below for Audit Committee approval:

- IT Managed Service Delivery – audit cancelled in view of status of outsourced IT arrangements.
- IT Disaster Recovery Extended Follow Up – as above.

A total of 20 days from these two audits has been returned to the contingency budget. Discussions are in progress with management to identify alternative audits and early agreement on these is needed to ensure they can be scheduled within the year.

Performance Management

Reporting of Audit Plan Delivery Progress

2.7   To help the Committee assess the current situation in terms of progress against the projects in the 2015/16 Audit Plan we have provided at Appendix B an analysis of agreed start dates. These dates have been agreed with management and resources allocated accordingly. This is designed to facilitate smoother delivery of the audit plan through the year. An updated view is brought to each meeting of Audit Committee.

2.8   Annual performance indicators and associated targets were approved by the SIAS Board on 11 March 2015. Actual performance for Watford Borough Council against the targets that can be monitored for 2015/16 is shown the table below.

Performance Indicator	Annual Target	Profiled Target to 4 September 2015	Actual to 4 September 2015
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excluding unused contingency)	95%	30%	28%
2. Planned Projects – percentage of actual completed projects to draft report stage against planned completed projects (excludes 2014/15 completion and 'on-going' pieces)	95%	14% (3 out of 22 projects to draft)	5% (1 out of 22 projects to draft)
3. Client Satisfaction – percentage of client satisfaction questionnaires returned at 'satisfactory' level	100%	100%	100%
4. Number of High Priority Audit Recommendations agreed	95%	95%	N/A (none yet made in 2015/16)

2.9   In addition, the performance targets listed below are annual in nature. Performance against these targets will be reported on in the 2015/16 Head of Assurance's Annual Report:

- **5. External Auditors' Satisfaction** – the Annual Audit Letter should formally record whether or not the External Auditors are able to rely upon the range and the quality of SIAS' work.

- **6. Annual Plan** – prepared in time to present to the March meeting of each Audit Committee. If there is no March

meeting then the plan should be prepared for the first meeting of the civic year.

- **7. Head of Assurance's Annual Report** – presented at the Audit Committee's first meeting of the civic year.

2015/16 SIAS Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Key Financial Systems								
Benefits (shared plan)					14	Yes	1.5	System parameters tested May 2015. Due to start November 2015
Council Tax (shared plan)					11	Yes	0	Due to start October 2015
Creditors (shared plan)					9	Yes	0	Due to start January 2016
Debtors (shared plan)					10	Yes	0	Due to start October 2015
Main Accounting CRSA Yr2 (shared plan)					10	Yes	0	Due to start January 2016
NDR (shared plan)					11	Yes	1.5	System parameters tested May 2015. Due to start October 2015
Payroll including payroll contract (shared plan)					15	Yes	0	Due to start November 2015
Treasury Management CRSA Yr2 (shared plan)					8	Yes	0	Due to start November 2015
Budget Monitoring					8	Yes	0	Due to start February

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
(shared plan)								2016
Operational Audits								
Asset Management					10	Yes	7	In fieldwork
Building Control					7	Yes	0.5	In planning - fieldwork to start November 2015
Business Continuity & Emergency Planning					12	Yes	1	Terms of Reference issued – fieldwork to start November 2015
Data Protection					6	Yes	5.5	In quality review
Development Control					6	Yes	5	In fieldwork
Homelessness					10	Yes	0	Planned for Q4
Recruitment (shared plan)					10	Yes	3.5	In fieldwork
Safeguarding					12	Yes	11.5	Draft report issued
Procurement								
Contract Management					10	Yes	0	Planned for Q3
Capital Projects and Project Management					12	Yes	1	In planning – fieldwork to start October 2015
Counter Fraud								
Review of counter-fraud					5	No	0	Planned for Q4

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
arrangements (shared plan)								
Risk Management and Governance								
No audits planned for 2015/16								
IT Audits								
IT Managed Service Delivery (shared plan)					0.5	Yes	0.5	Cancelled
IT Contract Management (shared plan)					15	Yes	10	In fieldwork
IT Disaster Recovery Extended Follow-Up (shared plan)					0.5	Yes	0.5	Cancelled
SIAS Joint Work								
Shared Learning Newsletters and Summary Themed Reports					2	N/A	0.5	On-going
Audit Committee Workshop					1	N/A	0	Planned for Q4
Risk Management Benchmarking Workshop					2	N/A	0	In planning
Ad Hoc Advice								
Ad Hoc Advice					3	N/A	0	On-going

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Contingency								
Unused Contingency (shared plan)					33	N/A	0	As required
Strategic Support								
Head of Internal Audit Opinion 2014/15					2	N/A	2	Complete
External Audit Liaison					1	N/A	0.5	On-going
Audit Committee					10	N/A	4	On-going
Monitoring & Client Liaison					12	N/A	4	On-going
2016/17 Audit Planning					8	N/A	0	Planned for Q3/4
SIAS Development					3	N/A	3	On-going
Follow-up of recommendations					10	N/A	4.5	On-going
Completion of 2014/15 audits								
Time required to complete work commenced in 2014/15 (5 days shared; 4 days WBC)					9	N/A	9	Complete
WBC TOTAL					**143**		**54**	
SHARED SERVICES TOTAL					**165**		**22.5**	
COMBINED TOTAL					**308**		**76.5**	

Key to recommendation priority levels:
H = High
M = Medium
MA = Merits attention

N/A = Not applicable

Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Safeguarding **(Draft report issued)**			Data Protection **(In quality review)**	Asset Management **(In fieldwork)**	Capital Projects and Project Management **(In planning)**	Business Continuity and Emergency Planning **(ToR issued)**	Building Control	Risk Mgmt (Joint Review)	Creditors (shared plan)	Budget Monitoring (shared plan)	
Revenues & Benefits System Parameter Testing (shared plan)* **(Complete)**			IT Contract Management (shared plan) **(In fieldwork)**	Recruitment (shared plan)* **(In fieldwork)**		Council Tax (shared plan)	Benefits (shared plan)	NDR (shared plan)	Main Accounting (shared plan)	Review of Counter-Fraud Arrangements (shared plan)	
			Development Control **(In fieldwork)**			Debtors (shared plan)	Payroll inc contract (shared plan)	Treasury Mgmt (shared plan)	Homelessness		
							Contract Management				

*Notes:
- Revenues & Benefits System Parameter Testing work completed in May – remainder of Benefits, NDR and Council Tax audits to be completed in Q3.
- Recruitment audit moved from June to late August / September at request of Head of HR. Audit scoped and terms of reference issued in April.
- IT Contract Management brought forward from November and switched with IT Managed Service Delivery which is now cancelled (see 2.6).

Audit Plan 2010/11

IT Remote Working 2010/11							
Final report issued January 2012							
Ref No.	**Recommendation**	**Priority**	**Action to Date**	**Responsibility**	**Deadline**	**Resolved** **× or ✓**	**Revised** **Deadline**
09	Management should ensure that security settings on mobile device handsets such as iPhones enforce the following settings: • Devices should be required to be protected by a power on password or PIN. Any default passwords or PIN codes need to be changed on first use, these should not be removed unless authorised in writing by ICT; • Devices should be set to 'Non-discoverable' or 'Hidden' to help prevent information disclosure by short distance data transfer; and • Users should be restricted from reconfiguring the security settings on devices. The remote wipe solution should be investigated to ensure all the data stored on the mobile phone can be wiped either remotely or by exceeding the login threshold. Management should ensure that only ICT approved mobile devices should are procured and issued and all confidential and	Important	Agreed. Government Code of Connection stipulates that they have only approved Blackberry's for use as mobile devices. There are currently more critical priorities to address within ICT and this is where the focus will lie. The implementation of a Blackberry Enterprise Server will address the above recommendation and will be identified as a future project for the ICT Service. Position - August 2012 Due to the large resource and investment required with this, it will be assigned a priority once the future of the ICT Shared Service is known. Position - November 2012 The councils are currently conducting due diligence with the preferred supplier for the ICT Service. Outstanding audit recommendations will be discussed during due diligence and reported to the next Audit committee meeting. Position - January 2013 Mobile telephony is outside the proposal. Implementation of a Blackberry solution which can provide all of these requirements has been included as part of 13/14 project requirement and will be discussed during transformation.	ICT Client Section Head	March 2013	×	March 2014 Dec 2015

IT Remote Working 2010/11

Final report issued January 2012

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved × or ✓	Revised Deadline
	sensitive data held on mobile device handsets such as iPhones is adequately encrypted according to the sensitivity of the data		Position - May 2013 No change from above. Position - August 2013 Recommendation not yet due for completion. It should be noted that the PSN compliance requirements will impact the solution to this recommendation. Position - November 2013 No change to above. This needs to be prioritised in line with other ICT projects. Government directive for PSN (Public Services Network), now states that unmanaged end user devices e.g. personal computers etc, should be addressed and compliant for use on the PSN by 2015 accreditation. A revised timeframe for implementation of this recommendation needs to be agreed. Position – February 2014 Already requested that this deadline is moved to Dec 2015, in line with PSN requirements to manage data on mobile devices. Position – May 2014 Recommendation not yet due for implementation. Position – August 2014 Not yet due Position – October 2014 Not yet due				

IT Remote Working 2010/11							
Final report issued January 2012							
Ref No.	**Recommendation**	**Priority**	**Action to Date**	**Responsibility**	**Deadline**	**Resolved** **✗ or ✓**	**Revised** **Deadline**
			Position – February 2015 Not yet due Position – May 2015 Not yet due **Position – August 2015** **See section 2.5.2 of the main SIAS Update Report.**				

Audit Plan 2011/12

IT Project Management 2011/12							
Final report issued November 2011							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✔	Revised Deadline
02	An IT Strategy that supports both Councils' corporate strategies needs to be implemented to direct the forward usage of ICT within both Councils and the Shared Service. An IT strategy should be developed in consultation with the business strategies for both Councils and the Shared Service to ensure that IT development links into corporate priorities.	Minor	Agreed Position - August 2012 This has not progressed due to resource constraints caused by work on the ICT Outsourcing Position - November 2012 The councils are currently conducting due diligence with the preferred supplier for the ICT Service. The decision to outsource will have a large impact on the strategy. Position - January 2013 Capita can help with advice on this but the responsibility for this lies with the ICT Client Manager roles which are currently being advertised at both councils. Position - May 2013 ICT Client Managers have now been appointed. Due to the high workload during transition to Capita the revised deadline has been amended. Position - August 2013 No change to above. Terms of reference for the IT Steering group have been amended to reflect the requirement for the development of an ICT strategy.	ICT Client Section Head	October 2012	✘	Mar 2013 May 2013 Sept 2013 May 2014 Sept 2014 Feb 2015 June 2015 Dec 2015

IT Project Management 2011/12							
Final report issued November 2011							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✔	Revised Deadline
			Position - November 2013 Technical strategy is underway. ICT Client management team are working with Capita SIS to develop an approach to the overall ICT strategy in parallel to this. Position – February 2014 No change. Position – May 2014 Underway. Terms of Reference have been agreed with the Council. Officers involved with interviews have been briefed and all interviews have been scheduled. Interviews span from mid-June to end of July and report is expected for review by end of August 2014. Position – August 2014 On track. Report to be completed by end of September. Position - October 2014 IT Strategy Report Completed. Requires sign off and agreed way forward from both Councils. Position – February 2015 IT Strategy Report Completed. Requires sign off and agreed way forward from both Councils. Revision of dates will fall in line with budget setting for Sept 2015. Position – May 2015 This has been delayed due to Officer resource required on both remediation and ModerniseIT.				

IT Project Management 2011/12

Final report issued November 2011

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✔	Revised Deadline
			Position – August 2015 **See section 2.5.2 of the main SIAS Update Report.**				

IT Back up and Disaster Recovery 2011/12

Final report issued December 2012

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✔	Revised Deadline
02	The Shared Service should conduct a risk assessment of the capability to recover key systems and services in the event of a disaster based on the Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) for Councils' systems. This should ensure that any potential issues that could be faced are documented with appropriate counter measures put in place.	Essential	Agreed Position - January 2013 This work will be undertaken by Capita during transition and transformation. Position - May 2013 As above, Capita will propose a full disaster recovery plan, post data-centre move (scheduled for Q4 2013). Position - August 2013 No change from May update. It should be noted that as part of the contract Capita will work with the Councils to define and implement a back-up strategy and policy. This includes working with business services to define appropriate frequency of backups with RPO's where appropriate of 30 minutes. Data centre move design has commenced and a risk assessment will be included within this planning.	ICT Client Section Head	May 2013	✘ (In progress)	Dec 2013 May 2014 Sept 2014 Oct 2014 Feb 2015 TBC

IT Back up and Disaster Recovery 2011/12

Final report issued December 2012

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Position - November 2013 Disaster recovery scoping meeting has taken place. Disaster recovery plan has been included within the Data Centre Migration PID (Project Initiation Document) as a deliverable. Position – February 2014 This is being progressed through the data centre migration project. There is a backup workstream within this project which is currently assessing all backups. Note the revised data centre migration is end of June 2014. This allows for critical Council business, year end, elections, and IER go live and was agreed at 10th Dec – ITSG. Position – May 2014 In progress. Backup solution architect is currently assessing ability to recover. This is all feeding into the data centre migration project. IER dates have changed to mid-end of June and the data centre migration move will be adjusted to accommodate that. Position – August 2014 Revised backup solutions documented and are currently being costed by Capita ready for implementation in line with the data centre migration. Backup solution implementation target was mid Sept, and has been revised to end of Oct 2014. Position - October 2014 As above. DC move timeframe extended to migrate services/hardware from mid Dec 2014 to end of Jan 2015.				

IT Back up and Disaster Recovery 2011/12

Final report issued December 2012

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✔	Revised Deadline
			Position – February 2015 DC Migration delayed indefinitely. DR planning moved to Account Recovery works. Position – May 2015 DR audit completed, DR test plan and DR plan drafted. Dependencies to complete this fully relate to ModIT and remediation and therefore the timeframe needs to be confirmed. **Position – August 2015** **See section 2.5.2 of the main SIAS Update Report.**				
04	The Shared Service should test its DR arrangements on an annual basis at both Adam Continuity and ICM. Testing should follow a detailed test plan and test results should be reported to management following the test period. We also recommend that where appropriate, ad hoc tests of tape restores are performed when not otherwise tested.	Essential	Agreed Position - January 2013 A DR test is being planned before the service is transferred to Capita are expected to continue this into the future. Position - May 2013 Due to extensive workload in the run-up to service commencement, a "dry run" of the existing Disaster Plan has not been carried out. However, existing arrangements with both of our continuity providers have been amended and re-signed for a period of one year. Before the expiry of these agreements, Capita will have their own Disaster Plan in place (post data centre move). Position - August 2013 Data centre move design planning has commenced. It has been agreed that revised BC/DR plans will be created in parallel with the	ICT Client Section Head	March 2013	✘ (part resolved)	Dec 2013 Apr 2014 June 2014 Dec 2014 Feb 2015 TBC

IT Back up and Disaster Recovery 2011/12							
Final report issued December 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			data centre move itself. As part of the Capita contract Councils can ask for ad-hoc restores of random files to verify effective backups. This quality check is the responsibility of ICT client managers and is an aspect of monthly service delivery meetings. Position - November 2013 DR contract vendor has been contacted to arrange a DR test post data centre migration. This will be arranged to take place before April 2014. Position – February 2014 In progress. Engagement with existing DR vendors has taken place, as well as a review of service continuity plans. DR test will take place prior to the data centre move at the end of June 2014. Position – May 2014 In progress. DR test to be scheduled in line with data centre migration plans. Position – August 2014 Data Centre Migration scope has expanded to include additional works to de-risk "Lift and shift" of W3R equipment. For example where there is aged equipment e.g. file and print server for Watford, this data will be transferred to the new SAN (Storage Area Network) prior to the move itself. This has therefore contributed to the movement of the Data Centre migration deadlines. Position - October 2014				

IT Back up and Disaster Recovery 2011/12							
Final report issued December 2012							
Ref No.	**Recommendation**	**Priority**	**Action to Date**	**Responsibility**	**Deadline**	**Resolved** ✗ **or** ✓	**Revised Deadline**
			As above. DC move timeframe extended to migrate services/hardware from mid Dec 2014 to end of Jan 2015. Position – February 2015 DC Migration delayed indefinitely. DR planning moved to Account Recovery works. Position – May 2015 DR audit completed, DR test plan and DR plan drafted. Equipment lists for both Councils have been updated for both Phoenix and ADAM R contracts. Dependencies to complete this relate to ModIT and remediation and therefore the timeframe needs to be confirmed. **Position – August 2015** **See section 2.5.2 of the main SIAS Update Report.**				

Audit Plan 2012/13

IT Server Virtualisation (ICT) 2012/13							
Final report issued December 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	The adequacy of the security settings and management arrangements established and applied to the virtual environment at both the Councils should be reviewed and where the standards currently are not aligned with best practice standard such as recommended by CIS (Centre for Internet Security), then they should be applied/configured to create a baseline for on-going security and monitored accordingly.	Essential	Agreed The Council is waiting for Capita to respond with their view on outstanding settings. They are planning to virtualise the remainder of servers and move them up to their own data centre within the first year of the contract, which should go live in May 2013. Position - January 2013 Capita will be moving all servers to their data Centre in Chippenham by December 2013 with new hardware and vmware installations. This recommendation will be incorporated into the design of this implementation. Position - May 2013 The above position has been endorsed and supported by the ICT Client Management Team. Position - August 2013 Data centre design has commenced. Within the design itself all vmware environments will be reviewed and aligned with best practice standards. Position - November 2013 In progress Position – February 2014 VMWare design document completed and signed off. This doc includes a review of all	ICT Client Section Head	November 2013	✗ (part resolved)	Dec 2013 May 2014 Sept 2014 Nov 2014 Feb 2015 TBC

	IT Server Virtualisation (ICT) 2012/13							
	Final report issued December 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			current virtual servers. Awaiting implementation in line with data centre migration. Position – May 2014 Servers currently being re-configured in line with design documentation. This is a prerequisite for the data centre migration. E.g. single fibre paths being replaced with dual fibre paths, thereby increasing resilience. Position – August 2014 This is progressing as per the update above. Data Centre Migration scope has expanded to include additional works to de-risk "Lift and shift" of W3R equipment. Position - October 2014 As above. DC move timeframe extended to migrate services/hardware from mid Dec 2014 to end of Jan 2015. Position – February 2015 No progress Position – May 2015 No progress. IT is under review, revised timescales will be communicated at the next audit committee. **Position – August 2015** **See section 2.5.2 of the main SIAS Update Report.**				

Risk Management 2012/13

Final report issued May 2013

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✓	Revised Deadline
5.3.2	There should be effective action plans in place to address significant risks identified in the Service Risk registers. The action plan may include for example the following areas : - Detailed action to be taken, - Officer(s) responsible for taking action, - Timescales for implementing appropriate action.	Important	Agreed Position - May 2013 Not yet due. Position - August 2013 Head of Democracy and Governance just taken over lead responsibility for risk. Meeting of Risk Management Group scheduled early September 2013 to review risk registers. Position - November 2013 Progress on updating service risk registers and actions plans to be reviewed at meeting in November. Position – February 2014 Action plan template circulated to service heads for completion. Will be discussed at next Group meeting. Position – May 2014 In progress Position – August 2014 Action plans discussed at Group. Not yet implemented. Position – November 2014 Not yet due Position – February 2015 We have not yet developed action plans this will need to be deferred to September 2015. Position – May 2015	Head of Democracy & Governance	30 June 2013	✘	31 Oct 2013 Feb 2014 for Service risk registers and action plans to be updated Sept 2014 Mar 2015 Sept 2015

Risk Management 2012/13							
Final report issued May 2013							
Ref No.	**Recommendation**	**Priority**	**Action to Date**	**Responsibility**	**Deadline**	**Resolved** **✖ or ✓**	**Revised Deadline**
			Not yet due **Position – August 2015** **Will not be completed by September 2015.** **Discussion due at Extended Leadership team in October on managing risk and updating risk registers.**				

Audit Plan 2013/14

Housing Redesign 2013/14							
Final report issued December 2013							
Ref No.	**Recommendation**	**Priority**	**Action to Date**	**Responsibility**	**Deadline**	**Resolved** ✗ or ✓	**Revised Deadline**
04	The Council should ensure, for those Housing Associations which carry out their own short-listing of applicants that they comply with the Council's good practices.	Medium	Position – November 2013 Not yet due Position – February 2014 Taken to Herts Choice Homes (HCH) Operational Group in January 2014. Agreed that amendments need to be made to service level agreements and a training session held for registered providers. To be taken forward by HCH Co-ordinator who is based at Three Rivers District Council. Position – May 2014 28 July 2014 will be a workshop with Registered Providers and the local authorities to ensure shared understanding of roles in relation to redrafted SLAs. Position – August 2014 Workshop has taken place and partners have proposed options regarding the Herts Choice Homes Service Level agreements which set out how much of the shortlisting process is carried out by registered providers. Good practice regarding verification of applicants to be circulated for partner consideration. Partners need to assess the resources required to carry out more or less of the shortlisting process and appropriate redrafting of SLAs and training will need to be undertaken.	Housing Supply Manager **Interim Housing Section Head**	31 March 2014	✗	28 July 2014 31 December 2014 **31 December 2015**

Housing Redesign 2013/14

Final report issued December 2013

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Position – November 2014 Further workshop scheduled 17 November. Position – February 2015 No update received. Position – May 2015 No update received. **Position – August 2015** **A small number of associations are carrying out their own short-listing. However, the decision has now been taken to end this.** **This decision was taken at a Herts Choice Homes (HCH) meeting recently where an options paper was discussed. The unanimous decision was that Associations should not be able to short-list themselves. The Council will provide the nomination and the HA would be given greater access to the system in terms of viewing rights only, with regard to the nominated tenant. HA concerns around void turnaround times would be dealt with through an SLA.** **The process of actually bringing this about lies with the HCH Co-ordinator, based in Three Rivers DC.**				
07	Housing assessments and short-listing systems should be fully documented at the earliest	Medium	Position – November 2013 Not yet due	Housing Supply Manager	31 March 2014	✗	November 2014

Housing Redesign 2013/14

Final report issued December 2013

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	opportunity.		Position – February 2014 Not yet due. Shortlisting process has been documented. Housing assessments work to be progressed in February 2014. Position – May 2014 Systems most sensibly to be documented as part of implementation of new Nomination Policy. Position – August 2014 Not yet due Position – November 2014 As above – processes in design phase as part of implementation (go live date now April 15). Position – February 2015 Not yet due Position – May 2015 No update received. **Position – August 2015 The new Nominations Policy is going live at the moment. Training notes have been written. It is in the Action Plan to fully document the process.**	Housing Demand Manager **Interim Housing Section Head**			April 2015 **31 December 2015**

Counter Fraud Arrangements in the Shared Service Benefit Fraud Team 2013/14							
Final report issued February 2014							
Ref No.	**Recommendation**	**Priority**	**Action to Date**	**Responsibility**	**Deadline**	**Resolved ✗ or ✓**	**Revised Deadline**
01	The Benefits Fraud Shared Service should produce an annual work plan outlining proactive work and resource allocation.	Merits Attention	Agree to the principle providing we maintain the ability to flex given fraud referrals/risks are not provided in advance indicating where exact resources should be made available. A review of current risk assessments would be required in order to allow the allocation of a plan of proactive work. Proposals and timetable to be agreed with Director of Finance. Target date set is to agree proposals. Position – May 2014 Not yet due Position – August 2014 The fraud service with Sfis scheduled for 2015 has lost 2 members of staff. It is currently exploring options. Until this position is agreed no changes are appropriate as it would take resources away from reactive referrals. Matter to be agreed by Jo Wagstaffe. Position – October 2014 Not yet due Position – February 2015 The position remains the same. Whilst we have a significant reduction in staff we cannot allocate resources to additional proactive work. This will change in Dec 2015 when some HB transfers to SFIS. Position – May 2015 The position remains the same as in February 2015. We have meetings scheduled in June	Fraud Manager	1 June 2014	✗	Dec 14 Dec 15

Counter Fraud Arrangements in the Shared Service Benefit Fraud Team 2013/14							
Final report issued February 2014							
Ref No.	**Recommendation**	**Priority**	**Action to Date**	**Responsibility**	**Deadline**	**Resolved** **✗ or ✓**	**Revised** **Deadline**
			to discuss post SFIS and the allocation of work will be discussed and agreed. **Position – August 2015** **The target date has not fallen due yet and the housing benefit ONLY investigations will transfer to SFIS in December. We will incorporate these recommendations into the business plan we will produce.**				
02	Going forwards in 2014/15 the Benefits Fraud Shared Service should consider undertaking a proactive intervention exercise to identify and investigate relief claims and empty properties. This should be considered in the context of the financial incentive introduced by the business rates retention scheme.	Medium	Agreed. Target date is to agree proposals for training. This is an area not previously investigated and is highlighted as a major risk by the Audit Commission report 2013. Position – May 2014 Not yet due Position – August 2014 The fraud service with Sfis scheduled for 2015 has lost 2 members of staff. It is currently exploring options including exercises appropriate to identify empty properties and NNDR avoidance. Until this position is agreed no changes are appropriate as it would take resources away from reactive referrals. Matter to be agreed by Jo Wagstaffe. Position – October 2014 Not yet due Position – February 2015 The position remains the same. Whilst we have a significant reduction in staff we cannot allocate resources to additional proactive work. This will change in Dec 2015 when	Fraud Manager	1 June 2014	✗	Dec 14 Dec 15

Counter Fraud Arrangements in the Shared Service Benefit Fraud Team 2013/14							
Final report issued February 2014							
Ref No.	**Recommendation**	**Priority**	**Action to Date**	**Responsibility**	**Deadline**	**Resolved** **✗ or ✓**	**Revised** **Deadline**
			some HB transfers to SFIS. Some reactive enquiries are ongoing however. Position – May 2015 The position remains the same as in February 2015. We have meetings scheduled in June to discuss post SFIS and the allocation of work will be discussed and agreed. Some reactive work however has been completed in this area. **Position – August 2015** **The target date has not fallen due yet and the housing benefit ONLY investigations will transfer to SFIS in December. We will incorporate these recommendations into the business plan we will produce.**				
03	The Benefits Fraud Shared Service should consider undertaking a proactive intervention exercise to investigate Single Person Discount cases.	Merits Attention	Agreed. Target date is to agree proposals as above. Previously only facilitated data matching. Managing whole process may provide resources to be able to accurately determine discounts allocated. Position – May 2014 Not yet due Position – August 2014 We have data from NFI to explore with Revs and Bens – this is proactive in addition to matching that takes place with County. It is yet to be assessed. Position – October 2014	Fraud Manager	1 June 2014	✗	Dec 14 Apr 15 Dec 15

Counter Fraud Arrangements in the Shared Service Benefit Fraud Team 2013/14

Final report issued February 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Not yet due. Position – February 2015 SPD data should be received back from exercise in March 2015. Position – May 2015 The position remains the same as in February 2015. We have meetings scheduled in June to discuss post SFIS and the allocation of work will be discussed and agreed. NFI outcome are being referred now for enquiries. **Position – August 2015** **The target date has not fallen due yet and the housing benefit ONLY investigations will transfer to SFIS in December. We will incorporate these recommendations into the business plan we will produce.**				

Main Accounting 2013/14

Final report issued April 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	Access rights of general users to e-Financials / general ledger, as well as those with enhanced administrator rights, should be reviewed on a regular basis, e.g. annually.	Medium	Not considered a significant risk. Only Finance staff are able to make changes to data / records. No new Finance staff set-up since the last reviews. A review of access rights will be undertaken.	Tracy Langley – Senior Finance Officer	30 September 2014	✗	31 December 2014 30 June 2015

Main Accounting 2013/14

Final report issued April 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	This control procedure should be evidenced, either through an electronic audit trail on e-Fin, or confirmed by a senior officer for review purposes.		Position – May 2014 Not yet due Position – August 2014 Not yet done will be completed by End of December 2014 together with a review approval levels. Position – October 2014 Not yet due Position – February 2015 Not yet done –Due to year end revised deadline June 2015. Position – May 2015 Commenced but not completed. **Position – August 2015** **In the process of doing an approval review.**				**30 Sept 2015**

Cyber Risk 2013/14

Final report issued June 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
03	Management should ensure the data loss prevention policy is developed and published at the earliest. As part of this process, management should:	High	a) Encrypted media devices are in the process of being deployed, however the aged desktop estate restricts a technical ability to "use" to Council devices only. This requirement to restrict will be	IT Client Section Head	30 June 2015	✗	TBC

Cyber Risk 2013/14

Final report issued June 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	a) Consider all possible media for data loss and risk assess the various options.		included within the "IT Improvement Roadmap". Position – August 2014 a) Not Yet Due Position – October 2014 Part A - Not yet due. This is within scope of ModerniseIT. Position – February 2015 a) Still in progress – encrypted usb keys currently being deployed. Position – May 2015 IT is under review, revised timescales will be communicated at the next audit committee. There is a key dependency here related to the deployment of Windows 7 desktops which is within the ModIT programme. **Position – August 2015** **See section 2.5.2 of the main SIAS Update Report.**				
09	There should be formal, scheduled review and testing of the Disaster Recovery Plan on a periodic basis.	Medium	In progress. Agreed as an outcome and deliverable of the data centre migration. Position – August 2014 Not yet due Position – October 2014 Deadline revised in line with DC move. Position – February 2015 No progress – moved into recovery.	ICT Client Section Head	31 December 2014	✗	Feb 2015 June 2015 TBC

Cyber Risk 2013/14

Final report issued June 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Position – May 2015 DR audit completed, DR test plan and DR plan drafted. Equipment lists for both Councils have been updated for both Phoenix and ADAM R contracts. Dependencies to complete this relate to ModIT and remediation and therefore the timeframe needs to be confirmed. **Position – August 2015** **See section 2.5.2 of the main SIAS Update Report.**				

Health & Safety 2013/14

Final report issued July 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
02	Ensure that actions arising from risk assessments are centrally recorded, allocated an owner, and actively monitored to ensure that they are completed on a timely basis. Introduce supervisory review which acts to hold responsible officers to account regarding the completion of risk assessment actions. Retain evidence of completion and sign-off centrally and on-site.	High	Instruct suitably qualified contractor to execute environmental clean-up of key identified areas from the plan. Update asbestos management plan to record these works. Place on file and copy to site log. Position – August 2014 Not yet due Position – November 2014 All accessible areas have been cleared from Town Hall and are now returned to use. Additional debris was discovered in risers during this process which has been scheduled	Ian Browne - Head of Facilities Management	30 September 2014	✓	May 2015 Aug 2015

Health & Safety 2013/14

Final report issued July 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			in for removal May 2015 or once heating system has been turned off. Position – February 2015 Asbestos register has been completed with all known sources identified and recorded. Any actions also recorded against this document and the Policy & Management Plan have been updated in line with these actions. Outstanding actions form part of the ongoing management plan. Position – May 2015 Site inspection commenced on 28 May and Specialist contractor commenced identification of items scheduled for removal. Works to commence in conjunction with major boiler replacement works for efficiency and disruption minimising purposes. Works Commenced and due for completion to meet new restrictions by Aug 2015. **Position – August 2015** **All required works completed. Certificates in central file and on site. Regular Supervisory review in place and recorded.**				
04	Those staff members responsible for the management of asbestos must be made fully aware, through asbestos awareness training, of the importance of issuing work permits, as well as completing asbestos logs, and their responsibility for doing so.	Medium	Create contact register of responsible persons and provide responsible persons training for identified Buildings Managers and key personnel. Insert into Asbestos Management Plan. Arrange for refresher programme to be annualised.	Ian Browne - Head of Facilities Management	31 March 2015 (Part completed - training regime being finalised and agreed with Supplier)	✗ (Part met)	July 2015 to commence training programme **30 Sept**

Health & Safety 2013/14

Final report issued July 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	Access requested by, and granted to, sub-contractors should be centrally logged by Buildings Managers. Building Managers should ensure that inspections of those properties containing asbestos are carried out at least once a year, and that a central log is maintained detailing the date of the inspection and the inspection outcomes. On-going monitoring of Buildings Managers should take place through spot checks, which will ensure that where work has been carried out on these properties, the asbestos log is being completed for the buildings.		Deliver an annualised programme of asbestos inspections by independent Company to ensure risk management is robust and identification of material degradation is noted for appropriate action. Position – August 2014 Not yet due Position – November 2014 Responsible persons training module and management package is in draft for approval and subsequent roll out to meet deadline. Annualised Asbestos Inspections have been instructed through Appointed Compliance Contractor and will now take place as a matter of course. Position – February 2015 Responsible persons training module circulated for comment and feedback. Final version being prepared for release and implementation once Service Heads have approved staff involvement. This forms part of a wider programme of awareness training to cover all aspects of statutory building compliance. Position – May 2015 Training module has been sent to training provider who is now tasked with devising the final programme of activities. Building manager cascade taking place and awareness has therefore been raised. Final Date for commencement and completion required.				**2015**

Health & Safety 2013/14

Final report issued July 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✖ or ✓	Revised Deadline
			Asbestos monitoring is now also regularised and on record for view in contractors database. **Position – August 2015** **Training Package completed and signed off. Initial test on select group to take place Sept 2015 for final roll out programme.** **(delay in roll caused by lengthy absence of responsible officer).**				

Audit Plan 2014/15

SLM & HQ Theatres Contract Management 2014/15							
Final report issued July 2014							
Ref No.	**Recommendation**	**Priority**	**Action to Date**	**Responsibility**	**Deadline**	**Resolved** ✗ **or** ✓	**Revised Deadline**
03	For both contracts, management should consider maintaining a shared risk register. A good example would be the shared risk register for the contract with Veolia.	Merits Attention	We are already looking at the Veolia joint risk register template and will raise this with SLM at our meeting on 28th August. Position – August 2014 Not yet due Position – November 2014 This is underway. Meeting with SLM in December to discuss and finalise. We will be developing a joint risk register with HQ Theatres to be finalised by March 2015. Position – February 2015 Initial meeting with SLM – document being finalised anticipated this will be completed end of February and HQ Theatres will be completed by end of March 2015. Position – May 2015 SLM risk register in place. HQ Theatres risk register is in progress – anticipated to be completed by end of June 2015. **Position – August 2015** **The risk registers for SLM & HQ have been completed and they will be reviewed again March 2016.**	Prema Mani – Commissioning Manager	31 October 2014	✓	31 March 2015 30 June 2015

Debtors 2014/15

Final report issued December 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✔	Revised Deadline
01	The Council should explore the possibility of developing an authorisation function within e-Financials that will not allow the releasing of a credit note without appropriate authorisation from a second officer. Given that developments to the system may take some time to be implemented, in the interim a manual authorisation process should be introduced. A second officer should review and authorise all credit notes raised prior to being sent to the customers. Evidence, by way of a control sheet, should be retained to support the authorisation process. Part of the authorisation process should include a review of the evidence that supports the reason for the credit note. To aid the review, consideration should be given to allowing all services access to Anite.	Medium	Head of Service and Revenues Manager are currently looking at staffing structure to streamline processes. Position – February 2015 Ongoing Position – May 2015 Ongoing **Position – August 2015 Restructure will now not take place until January, 2016**	Revenues Manager	31 March 2015	✘	31 May 2015 30 Sep 2015 **31 January 2016**
04	We recommend that consideration is given to including the unit cost within the invoice to allow an arithmetic check to be performed by a second officer. Unit costs may be in the form of, but not limited to, weekly rental amounts, hourly rates for hire or one off costs relating to services provided.	Merits Attention	Head of Service will be exploring further with S151 Officer due to Shared Services and review of processes. Position – February 2015 Ongoing Position – May 2015 Ongoing **Position – August 2015**	Revenues Manager	31 January 2015	✘	31 May 2015 30 Sep 2015 **30 November 2015**

Debtors 2014/15
Final report issued December 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Ongoing				

IT Change Management 2014/15
Final report issued January 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	(b) We recommend that a copy of the Communication Plan for W3R is obtained from Capita and is then reviewed jointly to confirm / revise the specified local variances to the generic Capita central CM processes.	Medium	Accepted Position – February 2015 Not due Position – May 2015 New date **Position – August 2015** **See section 2.5.2 of the main SIAS Update Report.**	ICT Client Section Head & Capita Account Director	30 June 2015	✗	Sep 15
02	(b) We recommend that there is appropriate liaison and confirmation between Capita and W3R to obtain clarity and agreed understanding about the evaluation, scheduling and authorisation of changes, including the CAB processes, and to obtain reassurance about the quality checking that is carried out by Capita in this	Merits Attention	Accepted Position – February 2015 Not due Position – May 2015 New date **Position – August 2015** **See section 2.5.2 of the main SIAS Update Report.**	ICT Client Section Head & Capita Account Director	30 June 2015	✗	Sep 15

IT Change Management 2014/15

Final report issued January 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	respect.						
03	We recommend that the test plans and respective results are fully detailed and documented for each RFC as part of the relevant Work Plans. This should also include evidence of reviews carried out by Capita for ensuring that the testing complies with their defined process and that appropriate quality standards are met in this regard.	Medium	Accepted Position – February 2015 Not due Position – May 2015 New date **Position – August 2015** **See section 2.5.2 of the main SIAS Update Report.**	ICT Client Section Head & Capita Account Director	30 June 2015	✗	Sep 15

NDR 2014/15

Final report issued January 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
03	The available hardware should be introduced within the inspection regime, with appropriate training given where necessary	Merits Attention	To clarify, the Service has bought the Inspectors module (2010 I believe) but yet to purchase the required tablets to support implementation due to lack of IT support. Whilst the current Revenues Manager has implemented such a module at a previous authority this was implemented with the help of internal IT resources and CSS. Position - February 2015 Yet to start awaiting Tablet / Module – Meeting arranged with Capita on 240315 re	Revenues Manager	31 July 2015	✗	**30 November 2015**

NDR 2014/15

Final report issued January 2015

			implementation. Position – May 2015 Not yet due **Position – August 2015** **Migration has still not taken place.**				
06	Management should undertake periodic checks of a sample of debts on-hold to ensure decisions being made by officers are valid and appropriate.	Medium	Spreadsheet created for Senior Officers to cursory check 3 Reminder, Final Notice and Summons suppressions. Position - February 2015 To start 01/04/15 Position – May 2015 Ongoing **Position – August 2015** **Started in August hence only 1 month in.**	Revenues Manager	1 April 2015	✗	30 Sep 2015 **31 October 2015**
07	Management should undertake periodic checks of a sample of special payment arrangements to ensure decisions being made by officers are valid and proportionate.	Medium	Recovery Team Leader to review Arrangements monthly. Revenues Manager to look into Arrangement Manager module that is currently available within Academy. Position - February 2015 To start 30/04/15 Position – May 2015 Awaiting 2008 upgrade to Academy. **Position – August 2015** **Awaiting 2008 upgrade to Academy**	Recovery Team Leader / Revenues Manager	30 April 2015	✗	31 Jul 2015 **30 November 2015**

Contract Payments 2014/15

Final report issued March 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
02	Changes to the schedule of rates should be formally agreed between both parties at the beginning of each year and invoices received matched to the rates before being approved for payment.	Medium	The up to date figures were sent and agreed as correct following the audit, this contract is coming to an end shortly and more robust management systems for finances will be written into the new contract. Position – May 2015 We are currently in the process of specifying a new contract which will have in it stronger monitoring requirements. Not yet due. **Position – August 2015** **The use of consultants contract has now expired and is no longer in use. The contract will be removed from the register. A new contract will be procured to reflect the Authority's requirements and incorporating the relevant legislation changes over the period of the last contract.**	Facilities and Resilience Manager	October 2015	✓	

Benefits 2014/15							
Final report issued April 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved × or ✓	Revised Deadline
01	The declaration of interest form should be reviewed to ensure it provides adequate protection to the respective Councils. Completed forms should be checked to ensure all staff who have (and need) access to the Academy system have returned a conflicts of interest form. This should be extended to staff outside of the Revenues and Benefits service, for example Customer Service Centre staff. Access to declared accounts should be restricted.	Merits Attention	We will cross check against the establishment list and determine who stills needs to sign a declaration for 2014/15 to get the outstanding ones completed. Position - May 2015 Now we are into a new financial year I will organise the re-signing for all staff in Revs and Bens. **Position – August 2015** **We are currently going through major upgrades of our systems and my focus at the moment is getting a stable system. I will re-visit the declaration of interest document in October.**	Benefits Manager	31 May 2015	×	30 June 2015 **31 October 2015**
05	In order to ensure accurate and robust recording of quality checks undertaken, consideration should be given to raising the priority level for the introduction of the QA module within the Academy system. Once set up, this will enable targeted checks to be undertaken and documented, with multiple sampling categories as well as allowing for the identification and monitoring of new or temporary staff who are more likely to make errors.	Merits Attention	The Academy QA system has been reloaded into a test system and we are currently working with IT and Capita CSS to get the module working. Whilst this is being worked on, we continue to carry out accuracy checks and complete a pro-forma with details of any error found and actions that need to be taken to correct the error and by whom etc. Whilst these are paper forms, they are held by the QA Team Leader and available for internal or external audit to view as well as Housing Benefit Team Leaders. Position - May 2015 Date moved. **Position – May 2015**	Benefits Manager	31 May 2015	×	30 Jun 2015 **31 October 2015**

Benefits 2014/15

Final report issued April 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			This was fixed on the 25/7 but failed again on the 27/7 and fixed again on 30/7. Until we have QA working for at least a month I would say it is not resolved. It is evident that the QA issue is linked to thin client problems.				
06	In order to ensure compliance with the Data Protection Act (DPA), the Council should ensure that as a matter of urgency, the historical data stored within Anite is cleared. Going forward, the Council should ensure that there are arrangements in place to clear old data on an annual basis to ensure ongoing compliance with the DPA.	Medium	Awaiting Anite upgrade. Position - May 2015 Not yet due **Position – August 2015** **The Anite upgrade that will allow archiving of old data was scheduled for 1/8. Although Northgate have completed their work, Capita have not linked Anite to Office of Outlook so we cannot go line on 1/8. This has been moved from 8/8 to 12/9. If this is successful, it will take a further 8-10 weeks to restructure the database and then archiving can happen.**	Benefits Manager	30 June 2015		**31 December 2015**

Use of Consultants 2014/15

Final report issued April 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	Where engagement of consultants run beyond a twelve-month period, evidence of adequate insurance	Merits Attention	A Contract Management Forum Toolkit Guidance Note is being drafted, outlining the requirement to check professional indemnity	Procurement Manager	30 June 2015	✓	

Use of Consultants 2014/15							
Final report issued April 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	cover, including professional indemnity insurance should be obtained annually for such consultancy appointments.		insurance on an annual basis. This will be launched at a Toolkit event in June.

Position – May 2015
The Guidance Note has been produced. The Toolkit will be formally launched at the CMF session on 5th June.

**Position – August 2015
Use of Consultants Guidance Note produced June 2015. CMF Toolkit soft launch held on 5th June 2015. Two Lunch & Learn training sessions for WBC and TRDC staff arranged for Thursday 1st October at TRDC and Thursday 15th October at WBC.** | | | | |
| 02 | Performance management meetings should be held with all appointed consultants and those meetings should be recorded.

This should be in proportion to the size, value, nature and length of the consultancy, as well as the underlying project itself.

Any highlighted issues should be picked up as action points, which should then be followed up by the service to ensure that the objectives of appointing the consultants have been achieved. | Merits Attention | The two projects for which the consultants had been appointed have now been concluded. However, the recommendation will be included in the Use of Consultants Guidance Note, which will form part of the Contract Management Forum Toolkit.

Responsibility of producing monitoring meeting minutes will still remain with individual project leaders.

Position – May 2015
The Guidance Note is a work in progress which if not ready for the CMF session on 5th June will be done before the end of June.

**Position – August 2015
Use of Consultants Guidance Note produced June 2015. CMF Toolkit soft** | Procurement Manager | 30 June 2015 | ✓ | |

Use of Consultants 2014/15

Final report issued April 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			launch held on 5th June 2015. Two Lunch & Learn training sessions for WBC and TRDC staff arranged for Thursday 1st October at TRDC and Thursday 15th October at WBC.				

Disaster Recovery 2014/15

Final report issued June 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	• The Councils should take priority to ensure the kit lists for both the Councils are updated and fit for purpose, this is to be shared with Capita who are responsible for handling the 3rd party contracts for Disaster Recovery. • During the review it was mentioned that the Councils have been shown the Essex Councils comprehensive Disaster Recovery Plan as a template. Although this DRP is not part of this review and we can therefore not pass comment on its adequacy, it can form the basis for W3R. • Ensure procedure documents are	High	Recommendation accepted. **Position - August 2015** **See section 2.5.2 of the main SIAS Update Report.**	Capita Account Director	31 August 2015	✗	

Disaster Recovery 2014/15

Final report issued June 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✓	Revised Deadline
	kept up to date incorporating current technological environment so that the process steps covers all the detail recovery procedures in the event of disaster. • IT disaster recovery and business continuity plans should be reviewed at least once a year, or if any material changes occur within the IT environment, to ensure its continuing suitability, adequacy, and effectiveness.						
02	• Once these kit lists have been reviewed and approved, Capita should liaise with the two contractors responsible for Disaster Recovery to initiate Disaster Recovery Tests on Critical systems and their key dependencies. • A complete DR scenario test on all applications and systems should ideally take place to provide assurance that recovery could happen within an acceptable time frame. • Document and retain test results and evidence for review by information owners. Initiate corrective actions based upon test results.	High	Recommendation accepted. **Position - August 2015** **See section 2.5.2 of the main SIAS Update Report.**	Capita Account Director / ICT Client Section Head	31 August 2015	✘	

Disaster Recovery 2014/15							
Final report issued June 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	• There should be Councils management oversight of the testing schedule to ensure that all disaster recovery plans are tested for adequacy and that they meet the Councils business needs. • IT Disaster Recover and Business Continuity plans should be reviewed at least once a year or if any material changes occur within the IT environment to ensure its continuing suitability, adequacy, and effectiveness.						
03	• Talks surrounding the use of a data centre should be progressed. • The problem with keeping the Councils data locally is that, should a disaster occur unexpectedly be it natural or man-made, all or part of the data could be lost – including backups. • An offsite data centre solution should be considered if effective disaster recovery is a requirement at the Councils.	Medium	Recommendation accepted. **Position - August 2015** **See section 2.5.2 of the main SIAS Update Report.**	Capita Account Director	31 August 2015	✗	

IT Operations & Contract Management 2014/15

Final report issued June 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	• The CSIS Account Director should agree a clear, formal process for the completion and closure of incidents, within their team and gain formal approval of this process from the Councils. Open / Outstanding actions should be assigned to the individual employees responsible and not to a default employee. Turnaround targets should be set and managed by CSIS formally on an on-going basis. This should be included in the progress report to the Councils. • There should be an additional status indicator for closed and completed tickets. A ticket may be complete but not closed until they have gathered all the necessary evidence for the relevant incidents. This would clear up incidents being marked as closed without the supporting evidence. • Where appropriate, these processes should be written into formal documentation to be shared and agreed across the CSIS teams and the Councils. • The processes should be reviewed at least once a year or if any material changes occur within the IT environment to ensure its continuing suitability, adequacy and	High	Recommendation accepted. **Position - August 2015** **See section 2.5.2 of the main SIAS Update Report.**	Capita Account Director	30 September 2015	✗	

IT Operations & Contract Management 2014/15							
Final report issued June 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✔	Revised Deadline
	effectiveness.						
02	• Discussions between the Council and CSIS should take place once improvements have been observed with the delivery of ICT Shared Services. This should encompass the current KPI definitions and how they are measured with associated targets. This would include the amount of physical evidence deemed appropriate and sufficient to support the closure of tickets. • The Council should gain formal agreement on the amount of outstanding penalties due, and a strategy be put in place for CSIS to meet that penalty.	High	Recommendation accepted. **Position - August 2015** **See section 2.5.2 of the main SIAS Update Report.**	ICT Client Section Head	31 August 2015	✘	
03	• In-house knowledge sharing should be recommended for the on-site employees within CSIS. This would help grow the teams' knowledge growth and eventually improve the efficiency of the team which may impact positively on their Service Level Agreements (SLA's). • The CSIS Account Director should put a formal plan in place to ensure knowledge sharing between team members. Responsibilities should be assigned within CSIS. We suggest creating	Medium	Recommendation accepted. **Position - August 2015** **See section 2.5.2 of the main SIAS Update Report.**	Capita Account Director	31 December 2015	✘	

IT Operations & Contract Management 2014/15

Final report issued June 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved × or ✓	Revised Deadline
	sub-team leaders to relieve these duties from the Account Director so he can focus on areas where his role will be more effective for the recovery plan. This should include weekly and perhaps daily catch ups to discuss any outstanding issues and progress made on historical incidents.						

Report to: Audit Committee

Date of meeting: 28 September 2015

Report of: Acting Head of Finance Shared Services

Title: Committee's Work Programme

1.0   **SUMMARY**

1.1   To review and make necessary changes to the Audit Committee's Work Programme

2.0   **RECOMMENDATIONS**

2.1   That the Committee considers and makes necessary changes to its Work Programme.

Contact Officer:
For further information on this report please contact: -
Nigel Pollard, Acting Head of Finance, Shared Services
Telephone extension: 7198
email: nigel.pollard@threerivers.gov.uk

Report approved by: Joanne Wagstaffe Director of Finance

3.0   DETAILS

3.1   The work programme is presented at each meeting of the Committee to enable any changes to be made and to provide Members with updated information on future meetings:-

Date	Reports
7 December 2015	- External Auditor's Annual Letter - External Auditor's Update - FOI update - Treasury Management 2015/16 Mid-Year Update - Standing Items
14 March 2016	- External Auditor's Certification Work Report - External Auditor's Fee Letter - Internal Audit Annual Plan 2016/17 - Standing Items - Review of Risk Register

Standing items are: -

- Internal Audit Progress Report
- External Audit Progress Report – Recommendations
- Annual Governance Statement Progress Report
- Committee's Work Programme

3.2   Attached at Appendix 1 is a list of topics that can be scheduled for discussion as part of the Committee's Agenda business

4.0   IMPLICATIONS

4.1   Financial

4.1.1   None Specific.

4.2   Legal Issues (Monitoring Officer)

4.2.1   None Specific.

4.3   Equalities

4.3.1   None Specific.

4.4   Potential Risks

4.4.1   There are no risks associated with the decisions members are being asked to make.

The table below contains a list of proposed discussion topics for the Audit Committee and offers the opportunity to express an interest in each topic.

Topic	Led by
Audit Committee effectiveness	SIAS
Navigating SIAS audit reports	SIAS
The role of the Audit Committee in corporate governance	Governance Officer / SIAS
The role of the Audit Committee in risk management	Risk Manager / SIAS
The role of the Audit Committee with the work of external audit	External Audit
Statement of Accounts for Audit Committees	Finance
Anti-Fraud and Corruption	Anti-Fraud Team
Emerging Risks	SIAS
Oversight of Freedom of Information (where relevant)	FOI Officer
About SIAS	SIAS

Each of the above topics could be covered as a high level 'lite bite' (15 to 30 minutes) or as an extended session (45minutes to 1 hour max) prior to the commencement of each Audit Committee. The latter may involve merging some of the proposed topics.

Shorter sessions are a popular choice for Members pressed for time and not wishing to be overwhelmed by detail.