



AUDIT COMMITTEE

Tuesday, 25th September, 2012

7.00 pm

Town Hall, Watford

Publication date: 17 September 2012

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 Legal and Property Services on 01923 278377 or by email to legalanddemocratic@watford.gov.uk .

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

ACCESS

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COMMITTEE MEMBERSHIP

Councillor I Brown (Chair)
Councillor A Burtenshaw (Vice-Chair)
Councillors I Brandon, A Khan and P Taylor

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 27 June 2012 to be submitted and signed.

4. **OMBUDSMAN'S ANNUAL REVIEW** (Pages 1 - 10)

This reports sets out the Ombudsman's Annual Review of its dealings with the Council for the financial year 2011/12.

5. **EXTERNAL AUDITOR'S REPORT**

Report to follow

6. **STATEMENT OF ACCOUNTS**

Report to follow

7. **TREASURY MANAGEMENT UPDATE** (Pages 11 - 16)

This report provides the regular review of the Council's Treasury Management Strategy and investment performance.

8. **IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS** (Pages 17 - 50)

This is the regular report on progress with the implementation of Internal Audit recommendations, providing an update since the last meeting.

9. INTERNAL AUDIT PROGRESS REPORT (Pages 51 - 58)

This report and appendices provide updated information on the work undertaken by Internal Audit.

PART A

Report to: Audit Committee
Date of meeting: 25th September 2012
Report of: Head of Legal and Property Services
Title: Ombudsman's Annual Review

1.0 SUMMARY

1.1 Attached as Appendix A is a copy of the Ombudsman's Annual Review of its dealings with the Council for the financial year 2011/12.

2.0 RECOMMENDATIONS

2.1 That the Annual Review be noted.

Contact Officer:

For further information on this report please contact: Carol Chen
telephone extension: 8350 email: Carol.chen@watford.gov.uk

Report approved by: Managing Director

3.0 DETAILED PROPOSAL

3.1 Attached at Appendix A is the Ombudsman's Annual Letter now called Annual Review detailing the complaints it received against the Council from members of the public in the financial year 2011/12

3.2 In 2011/12 the Ombudsman received 18 enquiries and complaints about the Council down from 22 enquiries and complaints in 2010/11, of which 11 were forwarded for further investigation.
The subject area generating the largest number of complaints and enquiries was planning and development (6), with benefits and tax (3) and environmental services (3) being the next highest.

3.3 In addition the Ombudsman decided 11 complaints against the Council in the same period. The figures do not match with those in 3.2 above as some decisions may have related to complaints actually received in the previous accounting year but not finalised, and some cases still being outstanding at the end of this accounting period.

- 3.4 No complaint resulted in a finding of maladministration. Of those investigated in 2 instances the Council accepted at the outset it had made a mistake and had apologised to the complainant before the Ombudsman concluded her investigation. In the remaining 5 cases where the complaint was investigated the Ombudsman concluded either there was not enough evidence of fault (3) or no injustice (2)
- 3.5 The Council's average response time for responding to enquiries was 17.5 days an improvement on the 20 days in 2009/10 and well within the Ombudsman's target of 28 days
- 3.6 The Ombudsman intends to publish all decisions on line during the course of this financial year.

4.0 **IMPLICATIONS**

4.1 **Financial**

- 4.1.1 The Head of Strategic Finance comments that There are no financial implications in this report. Any payments of compensation agreed with the Ombudsman come out of the budgets of the requisite service area.

4.2 **Legal Issues** (Monitoring Officer)

- 4.2.1 The Head of Legal and Property Services comments that there are no legal issues in this report.

4.3 **Equalities**

- 4.3.1 None

4.4 **Potential Risks**

- 4.4.1 None

4.5 **Staffing**

- 4.5.1 None

4.6 **Accommodation**

- 4.6.1 None

4.7 **Community Safety**

- 4.7.1 None

4.8 **Sustainability**

4.8.1 None

Appendices

Ombudsman's Annual Review

Background Papers

"No papers were used in the preparation of this report".

File Reference

None

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22 June 2012

By email

Mr Manny Lewis
Managing Director
Watford Council
Town Hall
WATFORD WD17 3EX

Dear Mr Lewis

Annual Review Letter

I am writing with our annual summary of statistics on the complaints made to me about your authority for the year ended 31 March 2012. I hope the information set out in the enclosed tables will be useful to you.

The statistics include the number of enquiries and complaints received by our Advice Team, the number forwarded by the Advice Team to my office, and decisions made on complaints about your authority. The decision descriptions have been changed to more closely follow the wording in our legislation and to give greater precision. Our guidance on statistics provides further explanation ([see our website](#)).

The statistics also show the time taken by your authority to respond to written enquiries.

I am pleased to say that I have no concerns about your authority's response times and there are no issues arising from the complaints that I want to bring to your attention.

Changes to our role

I am also pleased to have this opportunity to update you on changes to our role. Since April 2010 we have been exercising jurisdiction over the internal management of schools on a pilot basis in 14 local authority areas. This was repealed in the Education Act 2011 and the power restored to the Secretary of State for Education. During the short period of the pilot we believe we have had a positive impact on the way in which schools handle complaints. This was endorsed by independent research commissioned by the Department for Education which is available [on their website](#).

Our jurisdiction will end in July 2012 and all complaints about internal school matters will be completed by 31 January 2013.

From April 2013, as a result of the Localism Act 2011, local authority tenants will take complaints about their landlord to the Independent Housing Ombudsman (IHO). We are working with the IHO to ensure a smooth transition that will include information for local authority officers and members.

Supporting good local public administration

We launched a new series of Focus reports during 2011/12 to develop our role in supporting good local public administration and service improvement. They draw on the learning arising from our casework in specific service areas. Subjects have included school admissions, children out of school, homelessness and use of bankruptcy powers. The reports describe good practice and highlight what can go wrong and the injustice caused. They also make recommendations on priority areas for improvement.

We were pleased that a survey of local government revenue officers provided positive feedback on the bankruptcy focus report. Some 85% said they found it useful.

In July 2011, we also published a report with the Centre for Public Scrutiny about how complaints can feed into local authority scrutiny and business planning arrangements.

We support local complaint resolution as the most speedy route to remedy. Our training programme on effective complaint handling is an important part of our work in this area. In 2011/12 we delivered 76 courses to councils, reaching 1,230 individual learners.

We have developed our course evaluation to measure the impact of our training more effectively. It has shown that 87% of learners gained new skills and knowledge to help them improve complaint-handling practice, 83% made changes to complaint-handling practice after training, and 73% said the improvements they made resulted in greater efficiency.

Further details of publications and training opportunities are on [our website](#).

Publishing decisions

Following consultation with councils, we are planning to launch an open publication scheme during the next year where we will be publishing on our website the final decision statements on all complaints. Making more information publicly available will increase our openness and transparency, and enhance our accountability.

Our aim is to provide a comprehensive picture of complaint decisions and reasons for councils and the public. This will help inform citizens about local services and create a new source of information on maladministration, service failure and injustice.

We will publish a copy of this annual review with those of all other English local authorities on our website on 12 July 2012. This will be the same day as publication of our Annual Report 2011/12 where you will find further information about our work.

We always welcome feedback from councils and would be pleased to receive your views. If it would be helpful, I should be pleased to arrange a meeting for myself or a senior manager to discuss our work in more detail.

Yours sincerely

A handwritten signature in black ink that reads "Anne Seex". The signature is written in a cursive, slightly slanted style.

Anne Seex
Local Government Ombudsman

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LGO advice team

| Enquiries and complaints received | Adult Care Services | Benefits & Tax | Corporate & Other Services | Education & Childrens Services | Environmental Services & Public Protection & Regulation | Housing | Planning & Development | Total |
|---|---------------------|----------------|----------------------------|--------------------------------|---|----------|------------------------|-----------|
| Advice given | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Premature complaints | 0 | 2 | 1 | 0 | 2 | 0 | 1 | 6 |
| Forwarded to Investigative team (resubmitted) | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 |
| Forwarded to Investigative team (new) | 1 | 1 | 1 | 0 | 1 | 2 | 2 | 8 |
| Total | 1 | 3 | 2 | 1 | 3 | 2 | 6 | 18 |

Investigative team - Decisions

| Not investigated | | | Investigated | | | Report | Total |
|-------------------------|---|-------------------------------------|------------------------------|-------------------------------|-------------------------------------|--------|-------|
| No power to investigate | No reason to use exceptional power to investigate | Investigation not justified & Other | Not enough evidence of fault | No or minor injustice & Other | Injustice remedied during enquiries | | |
| 0 | 2 | 2 | 3 | 2 | 2 | 0 | 11 |

| | No of first enquiries | Avg no of days to respond |
|-----------------------------------|-----------------------|---------------------------|
| Response times to first enquiries | 4 | 17.5 |

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PART A

Report to: Audit Committee
Date of meeting: 25th September 2012
Report of: Head of Strategic Finance
Title: Treasury Management Update Report

1.0 **SUMMARY**

1.1 This report provides the regular review of the Council's Treasury Management Strategy and investment performance.

2.0 **RECOMMENDATIONS**

2.1 That the Committee notes the report.

Contact Officer:

For further information on this report please contact: Bernard Clarke, Head of Strategic Finance, telephone extension: 8189 email: bernard.clarke@watford.gov.uk

3.0 Background

- 3.1 The uncertainties within the Eurozone continue to dominate the Council's investment strategy. At the time of preparing this report, the ECB has announced an 'unlimited' bond buying programme that would provide a 'fully effective' backstop to the stricken eurozone economies (called the 'Outright Money Transactions' initiative).
- 3.2 The most significant aspect of this announcement was that the ECB would renounce its seniority and be on a par with other creditors. This is a change of direction whereby in Greece for example, the ECB has written off none of its loans but has effectively imposed a 70% write down of all other private debt. The fear that the ECB would retain 'seniority' has led to a run on Spanish banks in particular with a massive 74 billion of euros being withdrawn in July alone and repatriated elsewhere. The ECB announcement will hopefully stop this flight of capital.
- 3.3 The ECB announcement has not been greeted with any enthusiasm in Germany/ Finland and the Netherlands. The Head of the German Bundesbank threatened to resign and it is highly likely that Germany will impose very severe terms upon any rescue of Spain and Italy.
- 3.4 This raises the one big stumbling block still to be negotiated namely that the ECB will support Spain and Italy only if they agree to ask for help and also agree to have their finances monitored. The ECB has also announced that any support would stop immediately if any country missed its targets on reducing budget deficits. Spain and Italy have considered this level of control to be unacceptable and an all too frequent game of brinkmanship is being played out.
- 3.5 Within the UK there are problems of LIBOR rate fixing and in addition Lloyd's and the Co-operative bank have had to make large compensation provisions for payment protection insurance. China has its own problems with a significant slow down in growth and a hard landing for its economy being predicted. Finally the United States has an election in the near future and will be imposing tax increases and spending cuts in the New Year.
- 3.6 In the immediate future it looks highly probable that Greece will be forced out of the eurozone (as a token sop for German public consumption).

4.0 The Council's Current Investment Strategy

- 4.1 The Council's strategy gives priority to the security of its assets before seeking a high interest rate return. The uncertainties within Europe could affect UK financial institutions and this has caused the Council's portfolio to have a generally short maturity profile in order to be able to react to 'events'. Further, the lack of growth within the UK economy and the high levels of personal and private company debt has resulted in there being no expectation of an early increase in interest rates.

4.2 The effect can best be illustrated in quotations received on 29th August for the deposit of Council funds:

| Rate of Interest | 1 month | 3 months | 6 months | 12 months |
|----------------------------|---------|----------|----------|-----------|
| Yorkshire Building Society | N/A | 0.40% | 0.65% | 1.10% |
| Leeds Building Society | N/A | 0.52% | 0.90% | 1.36% |
| Barclay's Bank | 0.35% | 0.50% | 0.77% | 1.25% |

4.3 The two building societies are not interested in 1 month money and the rates generally are pretty pathetic. The average rate of return anticipated for 2012/2013 was 1.3% so current rates (unless placed for 12 months) are well below this target.

4.4 **Money Market Funds (MMF)**

4.4.1 At the June meeting of the Audit Committee discussion was held regarding the use of MMFs, at which time I was unconvinced of the potential risk/ reward relationship. Since that time, the number of reliable counterparties for the Council's funds has continued to reduce. The opportunity was taken at the CIPFA national conference in July (where there is a large exhibition centre) to discuss MMFs with all the leading suppliers. Discussion was also held with a number of local authorities that invest in Money Market Funds.

4.4.2 As a consequence, £3m of the Council's portfolio has been invested with Deutsche Asset Management (DAM) whose credentials are as follows:

- * The Money Market Fund is triple AAA rated by Moody's and Standard and Poors—the two leading credit rating agencies.
- * DAM has over 180 public sector mandates
- * DAM has £6.3billion under management all within the same fund
- * DAM has 9 dedicated money market analysts constantly monitoring credit risk
- * The Council's portfolio can be called back at a day's notice

4.4.3 Deutsche Asset Management was awarded 'Best Money Market Fund-Europe' at the Treasury Management International ceremony in 2011. It also was deemed to be 'Best Provider of Money Market Funds-Western Europe' at the Global Finance ceremony in both 2011 and 2012.

4.4.4 Its current portfolio includes 107 counterparties and are mainly international banks who would never consider dealing with individual local authorities. The portfolio includes amongst others the bank of China; bank of Tokyo/ Mitsubishi; and a number of North European banks. It has no exposure to Spain; Italy; Portugal; Ireland; or Greece. Due to the wide scope of the counterparties used, the overall fund is considered triple AAA rated. It meets the Council's main priority for security of the investment. It is also highly 'liquid' and can be called back at a day's notice. In these circumstances the 'yield' is not great (0.49%) but, as shown at paragraph 4.2, is comparable with most alternatives. The Government backed Debt Management Office offers a 0.25% rate of interest and will take, on average, 1 month to repay funds.

5.0 **The Council's Investment Portfolio**

5.1 The Council's current investment portfolio is attached at **Appendix 1** and is as at 14th September. It is currently over loaded with deposits with Nat West and this is

because a £3m investment with Santander UK Ltd matured on 7th September. Although it has previously been reported that it is a separate entity from its Spanish parent, however, in the light of the fluctuating situation with Spain (and as reported in Section 3 of this report) it has been felt prudent to await developments. Should the Spanish Government formally request support from the ECB then the pressure on financial institutions in Spain should ease considerably. If this were to occur, then £3m of the Council's Portfolio would probably be placed again with Santander UK Ltd. Should however the Spanish Government prevaricate then it is probable that there will be a further run on their banking sector and this £3m investment will need to be placed elsewhere. The problem relates to the fact that the number of counterparties available to the Council is extremely small.

5.2 Currently, the portfolio comprises leading banks in the UK (where a £3m maximum ceiling is in place), and £2m with each of the top 5 Building Societies. As explained earlier the maturity profile is being kept short for the present time.

6.0 IMPLICATIONS

6.1 Financial Issues

The Head of Strategic Finance comments that the revenue estimates for 2012/2013 has assumed £325k of investment interest will be achieved (based upon a 1.3% rate of return). It is anticipated that this will still be achieved due to an increased rate of return from the early part of the financial year and the fact that the investment portfolio is larger than originally anticipated.

6.2 Legal Issues (Monitoring Officer)

The Head of Legal and Property Services comments that there are statutory limitations governing cash fund investments and all proposals within this report ensure continued compliance.

6.3 Potential Risks

| Potential Risk | Likelihood | Impact | Overall score |
|---|------------|--------|---------------|
| Investment with non approved body | 1 | 3 | 3 |
| Investment with an approved counterparty that subsequently defaults | 1 | 4 | 4 |
| Failure to achieve investment interest budget targets | 2 | 2 | 4 |
| Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register. | | | |

6.4 Staffing & Equalities

None Directly

6.5 Accommodation

None Directly

| Loan Ref | Lender | Loan Type | Broker | Profile | Fix/Var | Notice | Start Date | Maturity | Principal | Rate | APPEND |
|----------|----------|-----------|--------|---------|---------|--------|------------|-----------|------------------------------|------|--------|
| 1005 | CLYDESDA | D | | V | V | | 06-Apr-10 | - - | -3,000,000.00 | 0.85 | IX 1 |
| 1010 | NATWESTS | D | | V | V | | 27-Apr-10 | - - | -7,000,000.00 | 0.90 | |
| 1025 | CO-OP | D | | V | V | C | 01-Jul-10 | - - | -550,000.00 | 0.56 | |
| 1054 | NATIONWI | D | STER | M | F | | 23-Feb-12 | 21-Feb-13 | -2,000,000.00 | 1.85 | |
| 1056 | BARCLAYS | D | PREB | M | F | | 06-Mar-12 | 05-Mar-13 | -2,000,000.00 | 1.82 | |
| 1059 | LLOYDSTS | D | | M | F | | 13-Apr-12 | 11-Apr-13 | -2,000,000.00 | 3.00 | |
| 1062 | DEUTSCHE | D | | V | V | C | 25-Jul-12 | - - | -3,000,000.00 | 0.49 | |
| 1063 | SKIPTON | D | STER | M | F | | 15-Aug-12 | 15-Feb-13 | -2,000,000.00 | 0.92 | |
| 1064 | LEEDS BS | D | PREB | M | F | | 16-Aug-12 | 16-Nov-12 | -1,000,000.00 | 0.52 | |
| 1065 | LLOYDSTS | D | | M | F | | 20-Aug-12 | 20-Nov-12 | -1,000,000.00 | 1.35 | |
| 1066 | YORKSHIR | D | PREB | M | F | | 03-Sep-12 | 03-Dec-12 | -1,000,000.00 | 0.40 | |
| 1067 | BARCLAYS | D | TRAD | M | F | | 03-Sep-12 | 03-Dec-12 | -1,000,000.00 | 0.50 | |
| 1068 | LEEDS BS | D | | M | F | | 05-Sep-12 | 02-Jan-13 | -1,000,000.00 | 0.63 | |
| 1069 | COVENTRY | D | TRAD | M | F | | 10-Sep-12 | 11-Mar-13 | -2,000,000.00 | 0.82 | |
| 1070 | YORKSHIR | D | TRAD | M | F | | 12-Sep-12 | 12-Dec-12 | -1,000,000.00 | 0.40 | |
| | | | | | | | | | <u>-29,550,000.00</u> | | |

AS AT 14th September

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Agenda Item 8

PART A

Report to: Audit Committee

Date of meeting: 25th September 2012

Report of: Audit Manager

Title: Implementation of Internal Audit Recommendations

1.0 SUMMARY

This is the Audit Manager's regular report on progress with the implementation of Internal Audit recommendations. It provides an update on those recommendations reported to Audit Committee as outstanding in June 2012.

2.0 RECOMMENDATIONS

2.1 The contents of the report be noted.

Contact Officer:

For further information on this report please contact: Mark Allen – Audit Manager telephone extension 8104 (Watford) or (01923) 727463 (Three Rivers) email: mark.allen@watford.gov.uk

Report approved by: Bernard Clarke – Head of Strategic Finance.

3.0 DETAILS

3.1 Responses to the follow up requests were received promptly and are showing good progress towards full implementation.

3.2 The table below summarises progress in implementation of the recommendations for 2010/11, 2011/12 and 2012/13 to date.

| Year | Total Recommendations made | Implemented | Not yet due | Request for extended time | Outstanding | % age Implemented |
|---------|----------------------------|-------------|-------------|---------------------------|-------------|-------------------|
| 2010/11 | 213 | 201 | 0 | 12 | 0 | 94% |
| 2011/12 | 82 | 68 | 9 | 5 | 0 | 83% |
| 2012/13 | 1 | 0 | 1 | 0 | 0 | 0% |

3.3 The 12 requests for extended time for 2010/2011 audits are broken down as follows (the page numbers in brackets relate to the corresponding page of Appendix 1 which details all current recommendations):

- IT Service Desk/Change Management = 2 on hold (page 1)
- Health & Safety = 1 (page 5)
- Asset Management = 1 (page 8)
- IT Remote Working = 8 (page 9)

3.4 The 5 requests for extended time for 2011/2012 audits are broken down as follows:

- Money Laundering = 3 (page 16)
- Vehicle Maintenance = 1 (page 21)
- Gifts & Hospitality = 1 (page 21)

3.5 **Internal Audit Reports for 2011/2012**

Final reports have been issued for all planned audits except for the IT Backup & Disaster Recovery, Benefits Administration systems, Council Tax, NNDR, Income Collection, Reconciliations, Budget Monitoring, Financial Procedure Rules and Treasury Management audits which are at draft report stage. The recommendations from these draft reports, and from some of the more recently issued final reports, are not included in the table at 3.2 above but will be included in future updates.

3.6 **Internal Audit Reports for 2012/2013**

Final reports have been issued for the Closure of 2011/12 Accounts, Emergency Planning (Olympics Readiness) and West Herts Crematorium audits.

The eFinancials Upgrade, Benefits Subsidy Claims, Asset Management, Procurement, Data Protection, Data Transparency, Partnerships, Risk Management and Carbon Management audits are currently work in progress.

3.7 Appendix 1 provides the detail of the current status of recommendations reflecting responses to the follow up exercise conducted in August 2012.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 The Head of Strategic Finance comments that there are no financial implications in this report.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Legal and Property Services comments that there are no legal issues in the report. The Council has a responsibility to ensure that it maintains an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control.

4.3 **Potential Risks**

| 4.3.1 | Potential Risk | Likelihood | Impact | Overall score |
|-------|---|------------|--------|---------------|
| | Progress in implementing Internal Audit recommendations is not monitored, recommendations are not implemented and as a consequence, internal controls are weakened. | 1 | 3 | 3 |

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

Internal Audit Files

File Reference

None.

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Audit Plan 2010/2011

| IT Service Desk and Change Management Audit | | | | | | | |
|---|---|-----------|---|----------------|-----------|--------------------|---------------------|
| Final report issued March 2011 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 01 | <p>The Service Catalogue should be updated and finalised to ensure it contains a listing of all the current services being provided by ICT.</p> <p>Once finalised, the Service Desk contact details and fault reporting procedures should be made available to all Watford and Three Rivers staff on the intranet.</p> | Important | <p>Position (August 2011) This work has been placed on hold and priority has been given to other work streams and projects. ICT is currently conducting an options appraisal of alternative models of service delivery, which may mean that staff interact with the service desk differently from 1 Oct 2012. Position (February 2012) As at August 2011 above.</p> <p>Position (June 2012) Update regarding IT Tender is that any potential transition to an outsourced provider would be early 2013.</p> <p><i>Position (August 2012)</i> <i>No change from June update</i></p> | Head of ICT | June 2011 | x | On Hold |
| 03 | <p>Management should review the priority settings and the associated response times within the LanDesk system to ensure that they correspond to the defined agreed SLA.</p> <p>Management should ensure that procedures and processes are documented to escalate calls to Service Desk management when the incident is approaching the SLA to help identify if remedial action is required.</p> | Important | <p>To be investigated and rectified.</p> <p>Position (May 2011): This has been investigated. Remedial work to correct this will form an outcome once the existing Touchpaper system is upgraded in early June 2011. Position (August 2011) The LANDesk system was upgraded in July 2011 but further work has been placed on hold and priority has been given to other work streams and projects. ICT is currently conducting an options appraisal of alternative models of service delivery, which may mean that staff interact</p> | Head of ICT | June 2011 | x | On Hold |

| IT Service Desk and Change Management Audit | | | | | | | |
|--|----------------|----------|--|----------------|----------|--------------------|---------------------|
| Final report issued March 2011 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| | | | with the service desk differently from 1 Oct 2012. Position (February 2012) As at August 2011 above. Position (June 2012) Update regarding IT Tender is that any potential transition to an outsourced provider would be early 2013. <i>Position (August 2012)</i> <i>No change from June update</i> | | | | |

| BACS Procedures | | | | | | | |
|--------------------------------|---|----------|---|----------------|-----------|--------------------|---------------------|
| Final report issued March 2011 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 4.29 | Consideration should be given to transferring the responsibility for transmitting BACS payment and DD request files to the Services responsible for the corresponding expenditure and income transactions following the principles set out in the "Draft BACS Procedure – Payments" and "Draft BACS Procedure – Direct Debit" documents. Such a transfer would have to be supported by an in-depth handover process by ICT. | HIGH | Responsibility is being transferred to Services. Finance have the necessary hardware but staff require training. Revs and Bens will follow. Position (August 2011): This has been delayed due to technical problems. Revs & Bens rollout has been planned to occur by the end of December 2011 Position (October 2011) As at August 2011 above. | Head of ICT | June 2011 | ✓ | December 2011 |

| BACS Procedures | | | | | | | |
|--------------------------------|----------------|----------|--|----------------|----------|--------------------|---------------------|
| Final report issued March 2011 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| | | | <p>Position (February 2012) Transfer of BACS to Finance has been completed. Transfer to Revs & Bens is in progress and due to be completed by the time the Audit Committee meets.</p> <p>Position (June 2012) Transfer to revs and bens is in progress. Slight delay due to additional licenses required across WBC and TRDC sites. Due to be completed by the time audit committee meet.</p> <p><i>Position (August 2012)</i> <i>Transfer to R&B complete with training provided.</i></p> | | | | |

| Payroll | | | | | | | |
|--------------------------------|---|----------|--|--------------------------------|------------|--------------------|---|
| Final report issued March 2011 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 4.10.5 | Arrangements should be made to harmonise the process for making third party payments. | Medium | <p>Position May 2011: Discussions have taken place with Finance, who are not in favour of harmonising third party payments until the Finance system has been upgraded to allow automatic logging of data. Finance are resolving this directly with Northgate</p> <p>Position August 2011: This requires rewriting the interfaces between</p> | Finance Manager (Dot Reynolds) | April 2011 | ✓ | <p>April 2012</p> <p>July 2012</p> <p>July/ August 2012</p> |

| Payroll | | | | | | | |
|--------------------------------|----------------|----------|---|----------------|----------|--------------------|---------------------|
| Final report issued March 2011 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| | | | <p>Payroll and COA. This is not a major priority as the current arrangements are satisfactory to meet the operational needs.</p> <p>Position October 2011: As at August 2011 above.</p> <p>Position February 2012: We have received a quote from Northgate to update their payroll codes which was approved in January 2012. We anticipate the work will be completed in March 2012. When the coding issue has been resolved successfully, it will be possible to harmonise feeders to the GL, and the third party payment procedures will be harmonised as part of that process. Proposed Revised Deadline July 2012.</p> <p>Position May 2012: Northgate have started work on updating their payroll codes, this is being tested on the May 2012 pay run (expected to go live in June 2012). When the coding issue has been resolved successfully, it will be possible to harmonise feeders to the GL, and the third party payment procedures will be harmonised as part of that process. Proposed Revised Deadline July/August 2012 depending on closing of accounts progress and leave.</p> <p><i>Position August 2012: Northgate completed work on payroll journal codes in July 2012. Northgate will make third party payments from September 2012. This will harmonise the process for making third party payments.</i></p> | | | | |

| Health & Safety Follow Up | | | | | | | |
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| Final report issued November 2010 | | | | | | | |
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| 5.1.31 | The guidance provided for the "Potential Risks" element of the 'Implications' section of the standard report format for all reports to Cabinet and Council should be updated to include specific reference to the need to consider health and safety risks. This will demonstrate that health and safety considerations will have been taken into account as appropriate for all strategic and policy decisions. | HIGH | <p>Update Aug 2011 Discussions have taken place, however, report format has not been updated. Recommendation is still under review.</p> <p>Update December 2011 Recommendation is still under review.</p> <p>Update January 2012. To be reviewed and resolved by 31 March 2012</p> <p>Update May 2012 Item to be discussed at next LT on 15 May. Do not believe report format is due to be updated.</p> <p><i>Update August 2012 Due to the age of this recommendation and the fact that H&S is now under better control than previously, I no longer consider this to be required. H&S is raised regularly at LT meetings and Management Board in Three Rivers. No major concerns have been raised regarding Health and Safety.</i></p> | Shared Services Head of Human Resources | December 2010. | ✓ | <p>31 March 2012</p> <p>15 May 2012</p> |
| 5.4.26 | Effective systems for storing and accessing evidence of the performance of statutory health and safety related inspections and assessments of operational buildings; plant and equipment should be agreed and implemented as a matter of urgency. | HIGH | <p>November 2010. Responsibility of Legal & Property Services. H&S Advisor to comment on via risk based audits</p> <p>Update December 2011 Site logs currently being rolled out by Buildings and Projects. Asset Management Database still progressing following a number of data capture issues. All current legislative</p> | Health & Safety Advisor/ Buildings and Projects Team | November 2010. (via risk based audits) | * (Partly resolved) | Position to be reviewed again in March 2012 |

| Health & Safety Follow Up | | | | | | | |
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| Final report issued November 2010 | | | | | | | |
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| | | | <p>compliance requirements are managed in site logs or relevant contract file . Where possible electronic files have been created for viewing or web links created for on line access. New asset database is now not likely to be ready in the very near future.</p> <p>Update Jan 2012. New asset management database modules for Asset Assessment will be commenced by end of financial year. Design of this module will enable the recording of essential data to ensure compliance under a central depository. Additional features are already being tested to deliver plant & equipment monitoring facilities with improved drawings and visual aides/unique referencing methods .</p> <p>Position May 2012 Risk Management Policies for control of Asbestos, Control of Legionella, Control of Fire are all now complete and adopted by the Authority. Site logs are all completed and will be distributed during a training session to building managers (during Q1 2012/13 subject to availability of managers). All hard copy files have now been scanned and are ready for input into the Atrium Asset Management Database. (human resource dependant possible option to front load as required). On line accessibility now exists for Asbestos and Portable Appliance Testing compliance. All other statutory requirements are held electronically in Buildings and Projects awaiting input into new asset management database. Final Phase of the project that will allow this information to be accessed by all has commenced and a meeting with the service provider has been scheduled for 30</p> | | | | June 2012 |

| Health & Safety Follow Up | | | | | | | |
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| Final report issued November 2010 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| | | | <p>May to scope the final requirements for delivery of this module.</p> <p>A new spreadsheet for capturing roles and responsibilities for WBC & Tenants Operators has been drafted and circulated to majority portfolio stakeholders for comment. Includes all statutory requirements for avoidance of doubt. Implementation to commence Q2 2012/13 once final layout approved.</p> <p><i>Position (August 2012)</i> <i>Statutory Data is held in Buildings & Projects. Copies of relevant data is included in the building site logs that have been distributed. All outstanding actions from the H&S Audit for Buildings & Projects have been completed and signed off.</i> <i>Roles & Responsibilities Spreadsheet has been handed to the Property Section for population. Asset Management Database is in final Preparation Stage for accessing stored statutory information but has had to be deferred pending delivery of other Key Authority Projects. Continuation of the Asset Management Database will take place in September 2012 which is still in-keeping with previous update.</i></p> | | | | July – September 2012 |

| Asset Management | | | | | | | |
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| Final report issued March 2011 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 5.4.7 | There should be detailed procedures in place for administering the fixed asset registers. | High | <p>Agreed</p> <p>The procedures will be compiled to take account of the IFRS standard.</p> <p>The IFRS compliant module was installed late in the closing of accounts process. Existing assets have been updated on the system, but no new assets have yet been added New assets acquired during 2010/11 will be added to the register during the 2011/12 financial year. Procedures will be written as the asset register is updated.</p> <p>Position February 2012: This is the first full year with a fully operational integrated fixed asset module. Fixed asset / capital procedure notes will be prepared during the 2012 closing period as the work is undertaken. Proposed Revised Deadline July 2012</p> <p>Position May 2012: Closing of accounts in progress. Deadline remains July 2012.</p> <p><i>Position August 2012: General procedures can be documented, but detailed procedures relate to the screens in the Financial Management System (FMS). The FMS is being upgraded, going live with version 4.1 on 20 August. Detailed procedures will be written with reference to the upgraded version.</i></p> | Finance Manager | June 2011 | * | <p>July 2012</p> <p><i>October 2012</i></p> |

| IT Remote Working 2010/2011 | | | | | | | |
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| Final report issued January 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved x or ✓ | Revised Deadline |
| 01 | A remote working policy and procedures should be developed. This should include all areas pertaining to remote working. | Important | To be included within the IT Security Policy and Handbook for both WBC and TRDC. Position June 2012 This has been delayed due to staff workload relating to the IT tender. <i>Position (August 2012)</i> <i>No change from June update</i> | Head of ICT | March 2012 | x | December 2012 |
| 02 | All remote users should be issued with Terms and Conditions of Use for any laptops and mobile phone devices and should be required to confirm that they have read, understood and agree to comply with the stated policies. | Minor | ICT will define the terms and conditions of use for laptops and mobile phone devices. Mobile phones are not within the remit of the ICT Shared Service, this will need to be managed by the relevant officer within each council. Position (February 2012) <ul style="list-style-type: none"> WBC T&C for mobile phone usage has been completed and sent out to all mobile phone users. T&C for all laptops and TRDC Mobile phones is pending. Position June 2012 This has been delayed due to staff workload relating to the IT tender. <i>Position (August 2012)</i> <i>No change from June update</i> | Head of ICT | March 2012 | x (Part resolved) | December 2012 |
| 03 | Management should ensure that the risks associated with home and offsite working have been assessed and addressed within the Corporate and ICT risk registers. This should include in particular the increased risk of breaches in data security and confidentiality when Council information is accessed away from | Important | A risk assessment as described will be carried out and identified risks will be recorded within the service risk register. However, it should be noted that the councils acknowledge that data can also be lost via attachments within emails and paper documents being mishandled, lost or stolen. | Head of ICT | March 2012 | x | December 2012 |

| IT Remote Working 2010/2011 | | | | | | | |
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| Final report issued January 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved x or ✓ | Revised Deadline |
| | offices through loss, theft or mishandling. In particular the increased risk of breaches in data security and confidentiality when Council information is accessed using non-Council equipment should be evaluated and any necessary countermeasures developed. | | Position June 2012 This has been delayed due to staff workload relating to the IT tender. <i>Position (August 2012)</i> <i>No change from June update</i> | | | | |
| 04 | A procedure to review leavers and dormant remote access accounts should be developed to ensure that remote access is promptly removed for users on termination of their employment and that all IT equipment or mobile devices are returned to ICT. | Important | Agreed Position (June 2012) Service desk act on notifications from HR related to leavers. A more formal process is currently being worked on. This has been delayed due to staff workload relating to the IT tender. <i>Position (August 2012)</i> <i>No change from June update</i> | Head of ICT | March 2012 | x | December 2012 |
| 05 | The ICT Shared Service should ensure the two-factor user authentication solution is enabled for remote users to gain remote access to the Council networks. | Important | Agreed Position (June 2012): This has been installed and we are in the process of testing this functionality <i>Position (August 2012)</i> <i>Rollout of this functionality is being planned and intended to be in place within the deadline.</i> | Infrastructure Manager | June 2012 | x | December 2012 |
| 08 | Management should ensure that mobile devices are recorded on the IT Asset Register when new stock is issued and when stock is returned from users. | Important | Agreed. However, mobile phones are not within the remit of ICT Shared Services, they are under the remit of Corporate Services. Hence need to determine responsibility for recording of mobile phone assets within WBC and TRDC. | Head of ICT Corporate Services (Office Services Manager) | March 2012 | ✓ | |

| IT Remote Working 2010/2011 | | | | | | | |
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| Final report issued January 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved x or ✓ | Revised Deadline |
| | | | <i>Progress (August 2012)</i> <i>The register of mobile phones for Watford Borough Council is maintained by the Member Development and Civic Officer (Maternity Cover)</i> | | | | |
| 09 | <p>Management should ensure that security settings on mobile device handsets such as iPhones enforce the following settings:</p> <ul style="list-style-type: none"> • 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. <p>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 be procured and issued and all confidential and sensitive data held on mobile device</p> | Important | <p>Agreed. Government Code of Connection stipulates that they have only approved Blackberrys for use as mobile devices. There are currently more critical priorities to address within ICT and this is where the focus will lie.</p> <p>The implementation of a Blackberry Enterprise Server will address the above recommendation and will be identified as a future project for the ICT Service.</p> <p><i>Position (August 2012)</i> <i>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.</i></p> | Infrastructure Manager | March 2013 | x | |

| IT Remote Working 2010/2011 | | | | | | | |
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| Final report issued January 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved x or ✓ | Revised Deadline |
| | handsets such as iPhones is adequately encrypted according to the sensitivity of the data | | | | | | |
| 10 | Data stored on returned laptops or mobile devices should have all data removed prior to issuing the device to another user. | Minor | <p>Agreed</p> <p>Position (June 2012) New (and some old) laptops are configured to not allow the user to save information locally. If there is a requirement to save data offsite, users are given encrypted memory sticks for use.</p> <p>There is a wider desktop replacement and re-configuration project required to complete this fully. This is a large piece of work and would need to be prioritised in line with other priorities</p> <p><i>Position (August 2012)</i> <i>No change from June update</i></p> | Infrastructure Manager | March 2012 | x (partly met) | March 2014 |
| 11 | The ICT Shared Service should ensure that any laptops issued to remote users are configured to receive Operating System and anti-virus updates | Important | <p>Agreed</p> <p>Position (June 2012) Laptops are configured to receive windows updates. New laptops are configured to receive anti-virus updates, however this only occurs when the laptops are plugged into the Council network. Finalising this work would tie into the wider desktop project as per ref 10 above.</p> <p><i>Position (August 2012)</i> <i>No change from June update</i></p> | Infrastructure Manager | March 2012 | x (partly met) | March 2014 |

Audit Plan 2011/2012

| IT Project Management 2011/2012 | | | | | | | |
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| 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 <i>Position (August 2012)</i> <i>This has not progressed due to resource constraints caused by work on the ICT Outsourcing</i> | Avni Patel, Head of ICT | October 2012 | * | |

| Museum 2011/2012 | | | | | | | |
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| Final report issued August 2011 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 4.2.7 | The Heritage Officer should pass the current catalogue of exhibits to the Insurance Officers and liaise with them to see how they can be adequately covered through the insurance. | Medium | The Museum Officer is liaising with Insurance Officers about insurance arrangements for collection and making a priority list. Progress @ November 2011 This is still on-going as there are decisions to be made about the insurance of the collections. Victoria is in consultation with the Regional Conservation Officer. Progress at February 2011 This is still on-going as there are decisions to be made about the insurance of the collections. Victoria Jones and Sarah Priestley have prepared a priority list and are in the process of getting quotations for valuation of this list. | Victoria Jones | March 2012 | ✓ | |

| Museum 2011/2012 | | | | | | | |
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| Final report issued August 2011 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| | | | <p>Progress May 2012 Valuations sought from Bonhams for 21 most significant items within the collection – total valuation £470,000 Victoria has produced a Collections Risk Management Policy, Collection Risk Assessment and an Emergency Plan which all contribute to the safe-guarding of the collection. All information now with Insurance Officer for consideration. The Bonhams valuations have been sent to the insurers for their files and the values have been incorporated within the existing “All Risks” policy.</p> <p>Zurich Municipal are also to send details of their “Fine Art” policy and these will be reviewed to determine whether this would be of benefit to the Council.</p> <p><i>Progress August 2012 As above – all information required by Museum has been sent to Insurance Officers for Consideration. Further Progress reports to be sort from Sarah Priestley, Museum & Heritage Manager as Victoria Jones leaving August 2012</i></p> | | | | July 2012 |
| 4.2.8 | The Insurance Officer should be contacted to see how the valuation of items could be carried out to achieve best results. Suggestions could include valuing certain groups of items per financial year. | Medium | <p>Heritage Officer and Museum Officer to investigate. There is no museum budget available for valuation of items at present.</p> <p>Progress @ November 2011 As 4.2.7 above</p> <p>Progress at February 2012 As 4.2.7 above</p> | Sarah Priestley/ Victoria Jones | March 2012 | ✓ | July 2012 |

| Museum 2011/2012 | | | | | | | |
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| Final report issued August 2011 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| | | | <p>Progress May 2012 Valuations sort from Bonhams for 21 most significant items within the collection – total valuation £470,000. Further valuations to be sought on case by case basis when necessary. Insurance Officer to advise when valuations already sought will need to be updated. See also 4.2.7 above.</p> <p><i>Progress August 2012 As above – all information required by Museum has been sent to Insurance Officers for Consideration. Further Progress reports to be sort from Sarah Priestley, Museum & Heritage Manager as Victoria Jones leaving August 2012</i></p> | | | | |

| Money Laundering 2011/2012 | | | | | | | |
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| Final report issued January 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 4.1.7 | Procedure notes should be updated to ensure that the correct agency's name is included on it. The notes should then be reviewed on a periodic basis to ensure they reflect the current requirements. | Low | <p>Garry Turner/Nigel Pollard are drafting a new harmonised policy for TRDC and WBC which will include a new reporting form. The remaining recommendations will be addressed once these Policies have received approval.</p> <p>Position May 2012 We have drafted policy just need to finalise and circulate.</p> | Bernard Clarke, Head of Strategic Finance | End of June 2012 | ✓ | |

| Money Laundering 2011/2012 | | | | | | | |
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| Final report issued January 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 4.1.14 | A training session should be arranged in conjunction with Three Rivers District Council to ensure that key staff that need to be given further in-depth training are trained. | Medium | Garry Turner/Nigel Pollard are drafting a new harmonised policy for TRDC and WBC which will include a new reporting form. The remaining recommendations will be addressed once these Policies have received approval. Position May 2012 We have drafted policy just need to finalise and circulate. <i>Position August 2012 Just amending Bribery act on E learning before issuing</i> | Bernard Clarke, Head of Strategic Finance | End of June 2012 | * | <i>October 2012</i> |
| 4.1.15 | Refresher training should then be arranged for all key staff especially within 'CSC' and 'Revenues and Benefits' at regular intervals (e.g. every two years) to ensure that understanding of the practical requirements of the Money Laundering legislation remains current. | Medium | Garry Turner/Nigel Pollard are drafting a new harmonised policy for TRDC and WBC which will include a new reporting form. The remaining recommendations will be addressed once these Policies have received approval Position May 2012 We have drafted policy just need to finalise and circulate. <i>Position August 2012 Just amending Bribery act on E learning before issuing</i> | Bernard Clarke, Head of Strategic Finance | End of June 2012 | * | <i>October 2012</i> |
| 4.1.16 | The MLRO should liaise with Human Resources to include the Money Laundering policy on the induction packs for new starters to WBC. | Medium | Garry Turner/Nigel Pollard are drafting a new harmonised policy for TRDC and WBC which will include a new reporting form. The remaining recommendations will be addressed once these Policies have received approval. Position May 2012 We have drafted policy just need to finalise and circulate. <i>Position August 2012 HR aware of new requirement and also that</i> | Bernard Clarke, Head of Strategic Finance | End of June 2012 | ✓ | |

| Money Laundering 2011/2012 | | | | | | | |
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| Final report issued January 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| | | | <i>of Bribery Act discussed at LT. They are reviewing induction.</i> | | | | |
| 4.1.20 | The Deputy MLROs should be formally informed when they are appointed. When updating the procedure notes, the MLRO should ensure that the details of the Deputy MLRO's along with the MLRO's are on the procedure notes. (A recommendation has been made for this information to be included on the e-tool). | High | Garry Turner/Nigel Pollard are drafting a new harmonised policy for TRDC and WBC which will include a new reporting form. The remaining recommendations will be addressed once these Policies have received approval Position May 2012 We have drafted policy just need to finalise and circulate. | Bernard Clarke, Head of Strategic Finance | End of March 2012 | ✓ | June 2012 |
| 4.1.22 | The Deputy MLROs should also liaise with the Fraud Manager whenever suspected money laundering activity is reported to them. This would enhance the co-ordination of efforts against money laundering as the Fraud Manager has experience handling money laundering cases that are reported to both WBC and TRDC by outside organisations (like the Banks) who might be investigating a Watford business or resident. | Medium | Garry Turner/Nigel Pollard are drafting a new harmonised policy for TRDC and WBC which will include a new reporting form. The remaining recommendations will be addressed once these Policies have received approval. Position May 2012 We have drafted policy just need to finalise and circulate. | Bernard Clarke, Head of Strategic Finance | End of June 2012 | ✓ | |
| 4.1.26 | Guidance should be issued by the MLRO to the Revenues Service to explain the process for dealing with cases where refunds are requested by consistent over-payers. | Medium | Garry Turner/Nigel Pollard are drafting a new harmonised policy for TRDC and WBC which will include a new reporting form. The remaining recommendations will be addressed once these Policies have received approval Position May 2012 We have drafted policy just need to finalise and circulate. <i>Position August 2012 E learning training will address this query. Just updating bribery act before issuing</i> | Bernard Clarke, Head of Strategic Finance | End of June 2012 | * | <i>October 2012</i> |

| Money Laundering 2011/2012 | | | | | | | |
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| Final report issued January 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved x or ✓ | Revised Deadline |
| | | | <i>revised E learning</i> | | | | |
| 4.2.7 | The procedure notes should ensure that the MLRO or the Deputy MLRO checks other Council systems whenever suspect activity is reported to them to ensure that the same person is not paying other amounts due to the Council by cash as well. | Medium | Garry Turner/Nigel Pollard are drafting a new harmonised policy for TRDC and WBC which will include a new reporting form. The remaining recommendations will be addressed once these Policies have received approval Position May 2012 We have drafted policy just need to finalise and circulate. | Bernard Clarke, Head of Strategic Finance | End of June 2012 | ✓ | |
| 4.2.8 | Paperwork gathered should be maintained by the MLRO to demonstrate the work carried out. | High | Garry Turner/Nigel Pollard are drafting a new harmonised policy for TRDC and WBC which will include a new reporting form. The remaining recommendations will be addressed once these Policies have received approval. Position May 2012 We have drafted policy just need to finalise and circulate. | Bernard Clarke, Head of Strategic Finance | End of March 2012 | ✓ | June 2012 |
| 4.1.10 | The dates of the Money Laundering regulations should be included on the e-tool. Other regulations that are relevant, namely the Terrorism Act 2000 and Proceeds of Crime Act 2002, should also be mentioned to make the tool fully inclusive. | High | Position is amendments drafted. Learning and Development make changes to the Learning Pool package. Carmel is the expert in this area and is on maternity leave. Linda Brooks is trying to progress the matter. We are therefore awaiting the updates. Position May 2012 Still awaiting Carmel to update e learning and is scheduled as urgent on her return from maternity leave in 3 weeks | Garry Turner, Fraud Manager | End of December 2011. | ✓ | June 2012 |
| 4.1.11 | Names and contact details for the MLRO and the Deputy MLRO(s) should also be included on the e-tool along with the limits of cash that would trigger the money laundering process. | High | Position is amendments drafted. Learning and Development make changes to the Learning Pool package. Carmel is the expert in this area and is on maternity leave. Linda Brooks is trying to progress the matter. We are therefore awaiting the updates. | Garry Turner, Fraud Manager | End of December 2011. | ✓ | June 2012 |

| Money Laundering 2011/2012 | | | | | | | |
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| Final report issued January 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| | | | Position May 2012 Still awaiting Carmel to update e learning and is scheduled as urgent on her return from maternity leave in 3 weeks | | | | |
| 4.1.12 | The e-tool should also mention the Money Laundering procedure notes introduced in 2006 which would add to the information already included in the e-tool. | High | Position is amendments drafted. Learning and Development make changes to the Learning Pool package. Carmel is the expert in this area and is on maternity leave. Linda Brooks is trying to progress the matter. We are therefore awaiting the updates. Position May 2012 Still awaiting Carmel to update e learning and is scheduled as urgent on her return from maternity leave in 3 weeks | Garry Turner, Fraud Manager | End of December 2011. | ✓ | June 2012 |

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| Vehicle Maintenance 2011/2012 | | | | | | | |
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| Final report issued February 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 5.1.2 | Systems for monitoring the Serco contract should be fully documented and distributed to the relevant officer at the earliest opportunity. | High | Agreed Position May 2012: Draft on circulation for comment and will be finalised and adopted by 31 May 2012 <i>Position August 2012</i> <i>Work on the waste and recycling/ street</i> | Depot & Transport Manager | March 2012 | * | May 2012 <i>October 2012</i> |

| Vehicle Maintenance 2011/2012 | | | | | | | |
|--------------------------------------|----------------|----------|--|----------------|----------|--------------------|---------------------|
| Final report issued February 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| | | | <i>cleansing redesign has meant that this recommendation has not progressed since May.</i> | | | | |

| Gifts and Hospitality 2011/2012 | | | | | | | |
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| Final report issued March 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 4.3.8 | When updates are made to the Codes of Conduct to reflect the implications of the Bribery Act 2010, it should be ensured that appropriate amendments are also made to the contract procedure rules and the Anti-Fraud and Corruption Policy. | Medium | <p>Contract procedure rules will be amended.</p> <p>Anti-fraud and corruption policy is being updated by the Fraud Manager.</p> <p>Position May 2012 Due to pressures of work on Procurement Manager the contract procedure rules will be updated for September Council</p> <p>Anti-fraud and corruption policy is being updated by the Fraud Manager.</p> <p><i>Position August 2012 Ongoing work pressures on the Procurement Manager mean that the redrafting of the Contract Procedure Rules and the standard contract terms & conditions has been postponed until December 2012.</i></p> | Carol Chen, Head of Legal and Property Services | End of May 2012 | * | September 2012 <i>December 2012</i> |

| eFinancials Post Implementation Review and Data Security 2011/2012 | | | | | | | |
|--|---|----------|--|---|---------------|--------------------|---------------------|
| Final report issued March 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 5.3.4 | There should be adequate management trails in place which record remote access and changes to eFinancial systems by ABS and Well Data. Also these management trails should be reviewed by a senior officer to ensure that only valid access and changes are made to eFinancials and this control procedure should be evidenced for management review purposes. The review of the management trails may be achieved by using an automated software tool. | High | <p>The servers log a certain amount of change and also remote access is logged by the AppGate system.</p> <p>ICT will investigate with ABS whether there is additional audit logging available at the application level and the potential cost to the councils of implementing this.</p> <p>It should be noted that ICT Service have a defined Change Management Control Procedure in place which has been reviewed by Internal Audit. Also all changes to e-financials system are filtered via Senior Accounts Assistant who logs the request with ICT Service Desk. Furthermore ICT Service have access to review ABS and Well Data helpdesk systems which record work done on our systems.</p> <p><i>Position (August 2012)</i> <i>This matter is still under investigation with the suppliers of the system and Well Data.</i></p> | Head of ICT | December 2012 | * | |
| 5.5.5 | The ICT service should allocate responsibility to a named senior officer for ensuring that penetration testing is carried out annually and that the issues raised in the report are addressed promptly. This Officer should report vulnerabilities identified as part of the penetration testing which relate to Service systems to the appropriate System Administrator. (High) | High | <p>A quote for the next round of penetration tests has been requested from the supplier at our last meeting on 11th January 2012.</p> <p><i>Position (August 2012)</i> <i>Penetration tests for both councils were undertaken in June 2012 and the recommendations within the report are being worked on by the ICT Team.</i></p> | Infrastructure Manager (or Service Provider if outsourced at time of ITHC). | December 2012 | ✓ | |

| eFinancials Post Implementation Review and Data Security 2011/2012 | | | | | | | |
|---|---|----------|--|---|---------------|--------------------|---------------------|
| Final report issued March 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 5.5.7 | There should be a process in place to address high risk issues identified at the time of the penetration test being carried out. These issues should be addressed by a senior officer at the earliest opportunity and the action taken should be recorded for management review purposes. | High | See 5.5.5 above. <i>Position (August 2012) Remedial actions on the high risk issues identified by the report are addressed as a priority by the team and we have procured external consultancy due to take place in September 2012 to assist is in implementing these.</i> | Infrastructure Manager (or Service Provider if outsourced at time of ITHC). | December 2012 | ✓ | |

| Accounts Payable 2011/2012 | | | | | | | |
|-----------------------------------|----------------|----------|----------------|----------------|----------|--------------------|---------------------|
| Final report issued July 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |

| Accounts Payable 2011/2012 | | | | | | | |
|-----------------------------------|---|----------------------|--|--------------------------------------|------------------------------|--------------------|---------------------|
| Final report issued July 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 4.1.4 | <i>Heads of all services across both authorities should be reminded by the Head of Finance to ensure that supplier invoices for their service are addressed to the Accounts Payable Team, which is in keeping with the established procedure. Any services needing to review an invoice before receipting it can do so by looking at the electronic copy of the invoice on eFinancials. Once the service is happy, the invoice can be receipted which would enable the Accounts Payable team to pay it promptly.</i> | <i>Medium</i> | <i>A reminder will be sent. There is no need for the service to view an actual copy of the invoice as invoices are scanned on the system. The reminder will include the correct process of raising orders prior to receipt of invoice. See 4.1.9 below.</i> | <i>Head of Finance</i> | <i>September 2012</i> | <i>✓</i> | |
| 4.1.9 | <i>The AP team should monitor the number of PO's that are raised after invoices are received on a quarterly basis for both authorities to see if any improvement in trend is noticeable and to identify any persistent areas of failure. These figures should be published to show the rise or fall in the use of commitment accounting by services across both councils.</i> | <i>Medium</i> | <i>Regular monitoring will not be possible following resource reductions to accounts payable team. However should resources allow the Accounts Payable team will address this issue.</i> | <i>Senior Finance Officer</i> | <i>Not applicable</i> | <i>✓</i> | |

| IT – Asset Management and Virus Protection 2011/2012 | | | | | | | |
|---|---|------------------|---|--|-----------------------|--------------------|---------------------|
| Final report issued August 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved x or ✓ | Revised Deadline |
| 01 | <p><i>An IT Asset Management Policy should be developed to define the objectives, scope, and resource requirements for IT Asset Management.</i></p> <p><i>Additionally, procedures for the management of all physical IT assets owned by the Council from procurement and maintenance to their disposal and destruction should be documented and procedures for performing asset management activities, such as asset identification, control, status accounting, auditing and analysing assets should be defined for all staff involved in maintaining the asset register.</i></p> | Important | <p>Partly Agreed. <i>Non-IT equipment is not the responsibility of the ICT Shared Service and will need to be raised with the appropriate managers listed below.</i></p> <p>Position (August 2012) <i>No progress to report since this report was issued in August 2012</i></p> | Avni Patel, <i>Head of ICT</i> | December 2012 | x | |
| 02 | <p><i>The responsibility for IT asset management should be formally assigned.</i></p> | Minor | <p>Agreed</p> <p>Position (August 2012) <i>This is included within the JD of the Service Desk Manager and has also been identified as a requirement in the ICT Tender for potential suppliers to fulfil.</i></p> | Avni Patel <i>Head of ICT</i> | September 2012 | ✓ | |
| 03 | <p><i>Management should perform a review of all assets recorded within the Asset Register to help ensure that the data input is up-to-date, complete and accurate.</i></p> <p><i>The following details should in particular be recorded for all assets to facilitate monitoring and tracking of all IT hardware and software.</i></p> | Important | <p>Agreed</p> <p>Position (August 2012) <i>No progress to report since this report was issued in August 2012. It may be most practical to do this during the transition phase if the service is to be outsourced.</i></p> | Avni Patel <i>Head of ICT</i> | December 2012 | x | |

| IT – Asset Management and Virus Protection 2011/2012 | | | | | | | |
|---|--|------------------|---|---|--------------------|--------------------|---------------------|
| Final report issued August 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved x or ✓ | Revised Deadline |
| 04 | <i>All hardware assets should be labelled upon their delivery and stored securely when they are not in use.</i> | <i>Important</i> | <i>Agreed</i> <i>Position (August 2012)</i> <i>A reminder has been sent to all ICT Staff to ensure that this process is adhered to.</i> | <i>Avni Patel</i> <i>Head of ICT</i> | <i>August 2012</i> | ✓ | |
| 05 | <i>A review should be undertaken to ensure that system update access to the IT Asset Register is restricted on a need to know basis.</i> | <i>Important</i> | <i>Agreed</i> <i>Position (August 2012)</i> <i>This is scheduled for completion this month.</i> | <i>Avni Patel</i> <i>Head of ICT</i> | <i>August 2012</i> | x | |
| 06 | <i>The Shared Service should ensure that printers and scanners are recorded on the Asset Register.</i> | <i>Important</i> | <i>Agreed</i> <i>Position (August 2012)</i> <i>No progress to report since this report was issued in August 2012. It may be most practical to do this during the transition phase if the service is to be outsourced.</i> | <i>Avni Patel</i> <i>Head of ICT</i> | <i>August 2012</i> | x | |
| 07 | <i>Management should review the physical security applied to IT equipment to ensure that all equipment is appropriately secured when in use within Council premises. Specifically this should ensure that:</i> <ul style="list-style-type: none"> • <i>IT equipment is locked away when not in use; and</i> • <i>All portable ICT equipment has cable locks assigned when issued.</i> | <i>Minor</i> | <i>Part agreed – access to the council building and meeting rooms is via a security badge. Only the ICT equipment in the reception area is accessible to the public.</i> <i>Whilst we agree that equipment in the ICT area that is new or unused will be locked away, the meeting room bookings are automated and the council does not have the resource to manage access to a locked cabinet for meetings.</i> <i>Position (August 2012)</i> <i>Any new portable equipment will be procured with Kensington locks from this</i> | <i>Avni Patel</i> <i>Head of ICT</i> | <i>August 2012</i> | ✓ | |

| IT – Asset Management and Virus Protection 2011/2012 | | | | | | | |
|--|---|------------------|--|--|----------------------|--------------------|---------------------|
| Final report issued August 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| | | | <p><i>point on.</i></p> <p><i>All laptops in WBC meeting rooms are already locked with Kensington locks. The rooms in TRDC are only associable via an ID badge. Neither councils have the capacity to unlock and lock equipment for each different meeting that takes place therefore this recommendation will not be implemented.</i></p> | | | | |
| 08 | <p><i>The Shared Service should develop procedures to ensure that when IT assets are no longer required that they are marked as disposed of on the asset register. Equipment that is physically destroyed either in house or by a third party should be periodically reconciled to the Asset Register to ensure that all hardware has been securely disposed.</i></p> | Important | <p>Agreed</p> <p><i>Position (August 2012) No progress to report since this report was issued in August 2012</i></p> | <p>Avni Patel Head of ICT</p> | December 2012 | * | |
| 09 | <p><i>We recommend that antivirus configuration settings should be consistent across both WDC and TRDC to ensure settings have been updated. In addition processes should be established to periodically review the current status of Anti-Virus updates to all devices managed by the Shared Service.</i></p> | Important | <p>Agreed</p> <p><i>Position (August 2012) No progress to report since this report was issued in August 2012</i></p> | <p>Avni Patel Head of ICT</p> | December 2012 | * | |

| Recruitment 2011/2012 | | | | | | | |
|---------------------------------|--|----------|---|--|-----------------------------------|--------------------|---------------------|
| Final report issued August 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 4.1.8 | <i>To provide consistent confirmation of the authority to advertise a post and the relevant details associated with the funding for that post a copy of the Request to fill post should be provided by services for all future vacancies prior to advertising to recruit to those vacancies.</i> | Medium | <i>Position August 2012 Stipulated in Recruitment policy and HR Advisors fully aware of the requirement</i> | <i>Cathy Watson, Human Resources Manager</i> | <i>End of July 2012.</i> | ✓ | |
| 4.1.10 | <i>Copies of the Request to fill posts should be filed on the personal file of the member of staff appointed to the post by the HR officer to demonstrate that authorisation was obtained before posts were advertised.</i> | Medium | <i>Position August 2012 Detailed on HR recruitment checklist and HR Advisors fully aware of requirement</i> | <i>Cathy Watson, Human Resources Manager</i> | <i>End of July 2012.</i> | ✓ | |
| 4.1.15 | <i>Copies of ID documents taken should be marked to confirm that the copy is of the original documents. The officer taking the copy should then initial and date the copy.</i> | Medium | <i>Position August 2012 HR Advisors fully aware of requirement</i> | <i>Cathy Watson, Human Resources Manager</i> | <i>With immediate effect.</i> | ✓ | |
| 4.1.20 | <i>Amendments should be made to the appointment letter/contract of employment templates to ensure that exact start date is specified for HR records.</i> | High | <i>This is HR responsibility under the new policy.</i> | <i>Cathy Watson, Human Resources Manager</i> | <i>Already implemented.</i> | ✓ | |

| Recruitment 2011/2012 | | | | | | | |
|---------------------------------|--|----------|---|--|-----------------------------------|--------------------|---------------------|
| Final report issued August 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved x or ✓ | Revised Deadline |
| 4.1.24 | <i>Information on the checklist should be updated in full including initials of the HR Officer completing the action and the date when it was completed.</i> | Medium | <i>Position (August 2012) Checklist updated and HR Advisors fully aware of requirement</i> | <i>Cathy Watson, Human Resources Manager</i> | <i>With immediate effect.</i> | ✓ | |
| 4.3.10 | <i>HR should ensure that six monthly reports are received from Comensura confirming compliance by agencies with appropriate vetting controls.</i> | High | <i>Position (August 2012) 6 monthly audit report received in August 2012; calendar reminder entry for February 2013 made. Confirmation of requirement with Comensura</i> | <i>Cathy Watson, Human Resources Manager</i> | <i>End of July 2012.</i> | ✓ | |
| 4.3.14 | <i>WBC and TRDC should review the potential benefits of using the Hertfordshire County framework for procurement of agency staff.</i> | Medium | <i>Position (August 2012) Agreed. The County framework should be signed by September and a presentation will then be made to District Heads of HR to see who wishes to use the new framework. HR will review at that stage.</i> | <i>Cathy Watson, Human Resources Manager</i> | <i>End of March 2013.</i> | x | |

Audit Plan 2012/2013

| Closure of Accounts for 2011/2012 | | | | | | | |
|--|---|-------------|--|--|-------------------|--------------------|---------------------|
| Final report issued June 2012 | | | | | | | |
| Ref No. | Recommendation | Priority | Action to Date | Responsibility | Deadline | Resolved * or ✓ | Revised Deadline |
| 4.2.8 | <i>Lessons from the 2011/12 process must be captured and turned into an improvement plan for the affected Services. Progress against this plan must be monitored during the year to ensure that the necessary improvements are implemented in advance of the closure process for 2012/13.</i> | HIGH | <i>Agreed. Finance will continue its practice of improving the annual closing programme to reflect emerging issues from the 2011/12 Closing of Accounts.</i> | Finance Manager (Stephen Exton) | March 2013 | * | |

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PART A

Report to: Audit Committee
Date of meeting: 25th September 2012
Report of: Audit Manager
Title: Internal Audit Progress Report

1.0 **SUMMARY**

This report and appendices provide updated information on the work undertaken by Internal Audit on the 2011/2012 Audit Plan in the period 1st April 2012 to 31st August 2012 and on the 2012/2013 Audit Plan from 1st April 2012 to 31st August 2012.

2.0 **RECOMMENDATIONS**

2.1 The contents of the report be noted.

Contact Officer:

For further information on this report please contact: Mark Allen – Audit Manager
telephone extension 8294 (Watford) or (01923) 727463 (Three Rivers) email:
mark.allen@watford.gov.uk

Report approved by: Bernard Clarke – Head of Strategic Finance.

3.0 **DETAILS**

3.1 This report covers the work undertaken by Internal Audit since the last report to Audit Committee in June 2012 to progress the Audit Plan for 2011/2012.

Appendix (1) shows the position on audits carried forward from 2011/12 and with audits from the 2012/13 Audit Plan, including cumulative time taken for the year compared to the time allocated in the annual audit plan.

Appendix (2) shows the local performance measures for 2012/13 to 31st August 2012.

3.2 The work undertaken to 31st August 2012 on the planned audits for 2011/2012 and 2012/2013 as listed in Appendix 1 has not, at this stage, generated issues that need to be brought to the attention of the Audit Committee, other than as previously reported.

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 The Head of Strategic Finance comments that there are no financial implications in this report.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Legal and Property Services comments that there are no legal issues in the report. The Council has a responsibility to ensure that it maintains an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper practices in relation to internal control.

4.3 **Potential Risks**

| 4.3.1 | Potential Risk | Likelihood | Impact | Overall score |
|-------|---|------------|--------|---------------|
| | The most significant potential risk is the possibility that Internal Audit work is of poor quality and the service ineffective. This could lead to an increase in control weaknesses, in greater risks to the Council and to a loss of confidence by the external auditors in Internal Audit and the Council's control environment. | 1 | 3 | 3 |

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

Audit Files

File Reference

None.

**Work Progress on Individual Audits
2012/2013**

| Project | Progress as at 31 August 2012 | Days Allocated 2012/13 | Days Taken 2012/13 |
|---|--|---------------------------------------|-----------------------------------|
| 2011/2012 Audits Carried Forward | | | |
| | | | |
| Shared Audits | | | |
| Payroll | Final Report 16/08/12 | - | 12.97 |
| Recruitment | Final Report 31/07/12 | - | 4.20 |
| NNDR | Draft report stage | - | 9.60 |
| Council Tax | Draft report stage | - | 9.23 |
| Benefits | Draft Report Stage | - | 1.80 |
| Creditors | Final Report 20/07/12 | - | 5.40 |
| Debtors | Final Report 20/08/12 | - | 16.10 |
| FMS Reconciliations | Draft report stage | - | 4.17 |
| IT - Disaster Recovery and Back-up (Deloitte) | Draft report stage | - | N/A |
| IT - Asset Management (Deloitte) | Final Report 01/08/12 | - | N/A |
| IT – Virus Protection (Deloitte) | Final Report 01/08/12 | - | N/A |
| | | | |
| Watford BC 2011/12 Carried Forward: | | | |
| Income Collection | Draft Report Stage | - | 21.53 |
| Treasury Management | Draft Report Stage | - | 9.90 |
| Budget Monitoring | Draft Report Stage | - | 1.00 |
| Financial Procedure Rules | Draft Report Stage | - | 0.00 |
| | | | |
| 2012/13 Audit Plan | | | |
| Shared Systems Audits: | | | |
| Payroll | | 14 | |
| NNDR | | 12 | |
| Council Tax | | 12 | |
| Benefits Administration | | 15 | |
| Creditors (Accounts Payable) | | 11 | |
| Debtors (Accounts Receivable) | | 11 | |

| Project | Progress as at 31 August 2012 | Days Allocated 2012/13 | Days Taken 2012/13 |
|---|-------------------------------|------------------------|--------------------|
| FMS - Reconciliations | | 14 | |
| FMS – Journals and Internal Transfers | | 5 | |
| Income Collection | | 16 | |
| Recruitment – follow up | | 5 | |
| eFinancials Upgrade | Work in Progress | 7 | 0.40 |
| Council Tax Support preparations | | 5 | |
| Final Accounts 2011/12 preparations | Final Report 25/06/12 | 5 | 3.37 |
| Implementation of new ICT arrangements | Work In Progress | 7 | 0.47 |
| Online expense claims | | 5 | |
| West Herts Crematorium | Final Report 10/08/12 | 4 | 7.07 |
| IT – Network Infrastructure (Deloitte) | | 10 | |
| IT – Virtualisation (Deloitte) | Draft Report Stage | 12 | N/A |
| IT – Governance (Deloitte) | | 7 | |
| | | | |
| Watford Audits 2012/13: | | | |
| Treasury Management | | 4.5 | |
| Budget Monitoring | | 7 | |
| Asset Management and Capital Accounting | Work in Progress | 6 | 1.67 |
| Benefits Subsidy Claim | Work in Progress | 5 | 0.50 |
| Cyber-crime awareness and prevention | Work in Progress | 10 | 1.93 |
| Bribery Act 2010 and Money Laundering | | 5 | |
| Project and Change Management | | 6 | |
| Risk Management | Allocated | 5 | |
| Fraud Prevention & Detection Arrangements | | 8 | |
| Channel Shift Programme | | 5 | |
| Charter Place Market and Commercial Rent Income | | 5 | |
| Emergency Planning Processes (Olympics Readiness) | Final Report 20/07/12 | 5 | 4.93 |
| Partnerships | Work in Progress | 5 | 0.13 |
| Carbon Management | Work in Progress | 4 | 2.97 |
| Procurement | Work in Progress | 7 | 1.77 |
| Data Transparency | Allocated | 5 | 0.00 |
| Data Protection | Work in Progress | 5 | 1.00 |
| Corporate Governance | | 5 | |
| Commissioning framework for Community | | 5 | |

| Project | Progress as at 31 August 2012 | Days Allocated 2012/13 | Days Taken 2012/13 |
|--|--|---------------------------------------|-----------------------------------|
| Services – advisory support | | | |
| Museum – Care of the collection | | 5 | |
| Housing redesign – advisory support | | 5 | |
| Colosseum – Post Implementation Review | | 5 | |

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LOCAL PERFORMANCE MEASURES 2012/2013

| <u>Criteria</u> | Target p.a. (as per Audit Plan) | Actual To 31 August 2012 | Comment |
|---------------------------------------|--|---------------------------------|--|
| % of annual audit plan achieved. | 92% | N/A | This is monitored throughout the year but is not meaningful until towards the year end. |
| Sickness – average days per employee. | 4 | 1 | |
| Training – average days | 4 | 1.6 | Time includes internal and external seminars and training. All auditors hold a relevant qualification. |

| Criteria | <u>Target p.a.</u> | Actual To 31 August 2012 | Comment |
|---|---------------------------|---------------------------------|--|
| Final audit reports issued within 10 available working days of agreement to draft report. | 100% | 100% | |
| Level of customer satisfaction | 94% | 99.38% | Based on 1 satisfaction survey received in respect of 2012/13 to date. |

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