AUDIT COMMITTEE

27 September 2017

7.00 pm

Town Hall, Watford

Committee Membership

Councillor D Scudder (Chair)
Councillor J Johnson (Vice-Chair)
Councillors Ahsan Khan, B Mauthoor and T Williams

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 29 June 2017 to be submitted and signed.

4. **Ombudsman's Annual Letter** (Pages 4 - 11)

    Report of the Head of Democracy and Governance

    The report provides the Ombudsman's annual letter for 2016/17.

5. **ICT Update** (Pages 12 - 22)

    Report of the ICT Section Head

    This report provides an update on the current position on ICT services.

6. **Internal Audit - SIAS Board Annual Report 2016/17** (Pages 23 - 37)

    Report of the Head of Finance (shared services) and Shared Internal Audit Service

    This report includes the 2016/17 annual report from the Shared Internal Audit Service.

7. **Shared Internal Audit Service Progress report** (Pages 38 - 90)

    Report of Shared Internal Audit Service

    This report updates the committee on the progress against the action plan.

Agenda Item 4

PART A

Report to:	Audit Committee
Date of meeting:	27 September 2017
Report of:	Head of Democracy and Governance
Title:	Ombudsman's Annual Letter

1.0 Summary

1.1 Attached as appendix 1 is the 2016/17 Ombudsman's Annual Letter together with two spreadsheets giving more detail regarding the complaints received and investigated by them during the year 1 April 2016 to 31 March 2017

2.0 Recommendations

2.1 To note the report

Contact Officer:
For further information on this report please contact: Carol Chen, Head of Democracy and Governance
telephone extension: 01923 278350   email: carol.chen@watford.gov.uk

3.0 Detailed proposal

3.1 Every year the Ombudsman sends his Annual Letter which details the number of complaints he has received throughout the year and the number of complaints he has determined.

3.2 The number of complaints received and the number of determinations may not match as not all complaints are taken forward and not all are necessarily concluded during the year.

3.3   This year the Ombudsman received 19 initial inquiries/complaints and made determinations on 17 matters. Of those only 4 led to the Ombudsman undertaking a detailed investigation. Of those 3 were not upheld and 1 was. This was a matter relating to Revenues and Benefits and as the Ombudsman concluded that there had been both fault and injustice it was reported to Cabinet in December 2016 as required by s.5 Local Government and Housing Act 1989

3.4   Housing and Revenues and Benefits both received 6 complaints and Planning and Development 4.

3.5   In the previous year the Ombudsman received 25 complaints, decided on 26 but undertook only 1 detailed investigation which was not upheld.

3.6   The Committee is asked to note the report

4.0   **Implications**

4.1   **Financial**

4.1.1 The Shared Director of Finance comments that there are no financial implications in this report

4.2   **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Democracy and Governance comments that under the Local Government and Housing Act 1989 that as Monitoring Officer I am obliged to make a report to Cabinet in the event of a finding of fault by the Ombudsman.

Appendices

- Appendix 1 Annual Letter and statistics

Background Papers

No papers were used in the preparation of this report.

File Reference

- None

20 July 2017

By email

Manny Lewis
Managing Director
Watford Borough Council

Dear Manny Lewis,

Annual Review letter 2017

I write to you with our annual summary of statistics on the complaints made to the Local Government and Social Care Ombudsman (LGO) about your authority for the year ended 31 March 2017. The enclosed tables present the number of complaints and enquiries received about your authority and the decisions we made during the period. I hope this information will prove helpful in assessing your authority's performance in handling complaints.

The reporting year saw the retirement of Dr Jane Martin after completing her seven year tenure as Local Government Ombudsman. I was delighted to be appointed to the role of Ombudsman in January and look forward to working with you and colleagues across the local government sector in my new role.

You may notice the inclusion of the '*Social Care Ombudsman'* in our name and logo. You will be aware that since 2010 we have operated with jurisdiction over all registered adult social care providers, able to investigate complaints about care funded and arranged privately. The change is in response to frequent feedback from care providers who tell us that our current name is a real barrier to recognition within the social care sector. We hope this change will help to give this part of our jurisdiction the profile it deserves.

Complaint statistics

Last year, we provided for the first time statistics on how the complaints we upheld against your authority were remedied. This year's letter, again, includes a breakdown of upheld complaints to show how they were remedied. This includes the number of cases where our recommendations remedied the fault and the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. In these latter cases we provide reassurance that your authority had satisfactorily attempted to resolve the complaint before the person came to us.

We have chosen not to include a 'compliance rate' this year; this indicated a council's compliance with our recommendations to remedy a fault. From April 2016, we established a new mechanism for ensuring the recommendations we make to councils are implemented, where they are agreed to. This has meant the recommendations we make are more specific, and will often include a time-frame for completion. We will then follow up with a council and seek evidence that recommendations have been implemented. As a result of this new process, we plan to report a more sophisticated suite of information about compliance and service improvement in the future.

This is likely to be just one of several changes we will make to our annual letters and the way we present our data to you in the future. We surveyed councils earlier in the year to find out, amongst other things, how they use the data in annual letters and what data is the most useful; thank you to those officers who responded. The feedback will inform new work to

provide you, your officers and elected members, and members of the public, with more meaningful data that allows for more effective scrutiny and easier comparison with other councils. We will keep in touch with you as this work progresses.

I want to emphasise that the statistics in this letter comprise the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, but who may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

The statutory duty to report Ombudsman findings and recommendations

As you will no doubt be aware, there is duty under section 5(2) of the Local Government and Housing Act 1989 for your Monitoring Officer to prepare a formal report to the council where it appears that the authority, or any part of it, has acted or is likely to act in such a manner as to constitute maladministration or service failure, and where the LGO has conducted an investigation in relation to the matter.

This requirement applies to all Ombudsman complaint decisions, not just those that result in a public report. It is therefore a significant statutory duty that is triggered in most authorities every year following findings of fault by my office. I have received several enquiries from authorities to ask how I expect this duty to be discharged. I thought it would therefore be useful for me to take this opportunity to comment on this responsibility.

I am conscious that authorities have adopted different approaches to respond proportionately to the issues raised in different Ombudsman investigations in a way that best reflects their own local circumstances. I am comfortable with, and supportive of, a flexible approach to how this duty is discharged. I do not seek to impose a proscriptive approach, as long as the Parliamentary intent is fulfilled in some meaningful way and the authority's performance in relation to Ombudsman investigations is properly communicated to elected members.

As a general guide I would suggest:

- Where my office has made findings of maladministration/fault in regard to routine mistakes and service failures, and the authority has agreed to remedy the complaint by implementing the recommendations made following an investigation, I feel that the duty is satisfactorily discharged if the Monitoring Officer makes a periodic report to the council summarising the findings on all upheld complaints over a specific period. In a small authority this may be adequately addressed through an annual report on complaints to members, for example.
- Where an investigation has wider implications for council policy or exposes a more significant finding of maladministration, perhaps because of the scale of the fault or injustice, or the number of people affected, I would expect the Monitoring Officer to consider whether the implications of that investigation should be individually reported to members.
- In the unlikely event that an authority is minded not to comply with my recommendations following a finding of maladministration, I would always expect the Monitoring Officer to report this to members under section five of the Act. This is an exceptional and unusual course of action for any authority to take and should be considered at the highest tier of the authority.

The duties set out above in relation to the Local Government and Housing Act 1989 are in addition to, not instead of, the pre-existing duties placed on all authorities in relation to Ombudsman reports under The Local Government Act 1974. Under those provisions, whenever my office issues a formal, public report to your authority you are obliged to lay that report before the council for consideration and respond within three months setting out the action that you have taken, or propose to take, in response to the report.

I know that most local authorities are familiar with these arrangements, but I happy to discuss this further with you or your Monitoring Officer if there is any doubt about how to discharge these duties in future.

Manual for Councils

We greatly value our relationships with council Complaints Officers, our single contact points at each authority. To support them in their roles, we have published a Manual for Councils, setting out in detail what we do and how we investigate the complaints we receive. When we surveyed Complaints Officers, we were pleased to hear that 73% reported they have found the manual useful.

The manual is a practical resource and reference point for all council staff, not just those working directly with us, and I encourage you to share it widely within your organisation. The manual can be found on our website www.lgo.org.uk/link-officers

Complaint handling training

Our training programme is one of the ways we use the outcomes of complaints to promote wider service improvements and learning. We delivered an ambitious programme of 75 courses during the year, training over 800 council staff and more 400 care provider staff. Post-course surveys showed a 92% increase in delegates' confidence in dealing with complaints. To find out more visit www.lgo.org.uk/training

Yours sincerely

Michael King
Local Government and Social Care Ombudsman for England
Chair, Commission for Local Administration in England

Local Authority Report: Watford Borough Council
For the Period Ending: 31/03/2017

For further information on how to interpret our statistics, please visit our website:
http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics

Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
0	6	2	0	1	0	6	4	0	19

Decisions made

				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate	Total
0	1	8	4	3	1	25%	17

Notes

Our uphold rate is calculated in relation to the total number of detailed investigations.

The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.

Complaints Remedied	
by LGO	Satisfactorily by Authority before LGO Involvement
1	0

	Reference	Authority	Category	Received
1	15012343	Watford Borough Council	Housing	08-Jun-16
2	15014254	Watford Borough Council	Benefits & Tax	11-Nov-16
3	16000290	Watford Borough Council	Benefits & Tax	08-Apr-16
4	16000536	Watford Borough Council	Planning & Development	14-Apr-16
5	16001043	Watford Borough Council	Housing	22-Apr-16
6	16001632	Watford Borough Council	Benefits & Tax	20-Jun-16
7	16004612	Watford Borough Council	Housing	01-Jul-16
8	16005418	Watford Borough Council	Planning & Development	15-Jul-16
9	16007214	Watford Borough Council	Planning & Development	18-Aug-16
10	16007614	Watford Borough Council	Benefits & Tax	08-Dec-16
11	16008684	Watford Borough Council	Planning & Development	15-Sep-16
12	16009690	Watford Borough Council	Benefits & Tax	04-Oct-16
13	16010197	Watford Borough Council	Environmental Services & Public Protection & Regulation	12-Oct-16
14	16011164	Watford Borough Council	Corporate & Other Services	01-Nov-16
15	16011421	Watford Borough Council	Benefits & Tax	11-Nov-16
16	16012245	Watford Borough Council	Housing	18-Nov-16
17	16013481	Watford Borough Council	Housing	14-Dec-16
18	16017004	Watford Borough Council	Corporate & Other Services	17-Feb-17
19	16018188	Watford Borough Council	Housing	09-Mar-17

	Reference	Authority	Category	Decision Date	Decision	Remedy
1	15012343	Watford Borough Council	Housing	25-Aug-16	Not Upheld	Null
2	15014254	Watford Borough Council	Benefits & Tax	05-Dec-16	Closed after initial enquiries	Null
3	16000290	Watford Borough Council	Benefits & Tax	05-May-16	Referred back for local resolution	Null
4	16000536	Watford Borough Council	Planning & Development	05-May-16	Closed after initial enquiries	Null
5	16001043	Watford Borough Council	Housing	22-Apr-16	Referred back for local resolution	Null
6	16004612	Watford Borough Council	Housing	01-Jul-16	Referred back for local resolution	Null
7	16005418	Watford Borough Council	Planning & Development	15-Jul-16	Referred back for local resolution	Null
8	16007214	Watford Borough Council	Planning & Development	09-Sep-16	Closed after initial enquiries	Null
9	16007614	Watford Borough Council	Benefits & Tax	20-Dec-16	Advice given	Null
10	16008684	Watford Borough Council	Planning & Development	30-Sep-16	Closed after initial enquiries	Null
11	16009690	Watford Borough Council	Benefits & Tax	21-Nov-16	Upheld	Write off debt
12	16010197	Watford Borough Council	Environmental Services & Public Protection & Regulation	12-Jan-17	Not Upheld	Null
13	16011164	Watford Borough Council	Corporate & Other Services	01-Nov-16	Referred back for local resolution	Null
14	16011421	Watford Borough Council	Benefits & Tax	06-Mar-17	Not Upheld	Null
15	16012245	Watford Borough Council	Housing	18-Nov-16	Referred back for local resolution	Null
16	16013481	Watford Borough Council	Housing	11-Jan-17	Referred back for local resolution	Null
17	16017004	Watford Borough Council	Corporate & Other Services	17-Feb-17	Referred back for local resolution	Null

*PART A

Report to: Watford Borough Council Audit Committee

Date of meeting: 27 September 2017

Report of: ICT Section Head

Title: ICT Update

1.0 SUMMARY

1.1 This report provides committee members with an update on the current position of ICT services.

2.0 RECOMMENDATIONS

2.1 Committee to note the contents of this report.

Contact Officer:
For further information on this report please contact:
Emma Tiernan, ICT Section Head
telephone extension: 7474   email: emma.tiernan@watford.gov.uk

3.0   **Background information**

Watford Borough and Three Rivers District Council exited the Capita IT Services contract on 30 June 2016. The contract with Amicus IT services commenced on 1 July 2016. The Amicus Service Desk contract is for 2 years, with an optional extension of 2 years. Network services have been procured following the introduction of the Service Desk services with Amicus ITS. Amicus ITS is already monitoring a number of devices on our network. The Amicus Network Services contract is for 2 years, with an optional extension of 2 years.

3.1   **ICT Service Model and Management**

3.1.1   The current staffing structure can be found in appendix A. This continues to remain a blend of permanent and contract staff. This will remain in place until the service restructure is agreed and implemented, which is scheduled to be in place by 1 April 2018. This team is delivering a combination of both Business As Usual services, defined broadly in section 3.1.2 and the core infrastructure transformation project. Additionally there is one project manager allocated to line of business application upgrades and smaller business side projects e.g. Cassiobury Hub Infrastructure.

3.1.2   The current service model for ICT is now mixed, with in-house services combined with third party providers providing the range of required services. This is broadly split as follows:

Amicus ITS	- Service Desk (incident, service request progression – 1st/2nd Line) - Server monitoring - Network monitoring - Fault resolution across a number of technologies, including server operating systems, and virtual technologies. This is managed - Third party liaison – related to faults reported by users - Patch Management (Microsoft Critical Patches)
W3R IT	- Infrastructure Management (servers, storage, firewalls, security, network devices) - Desktop services (2nd line and beyond) - Fault resolution - Asset management - Patch Management (Third party patches) - Business Applications management (departmental)

	• Enterprise applications e.g. Exchange, Active Directory • Project management • Contract and Performance Management • Third party management • Communications • Financial Management • Disaster Recovery • IT strategy • Policy and procedures
W3R IT and AmicusITS - Shared	• Change management • Problem Management • Capacity Management
Other third parties	• These third parties provide a range of support services, some examples of these are as follows: • Applications support and maintenance • Internet Services • Database and Administration services • Wireless technologies • Disaster Recovery

3.1.3 The Amicus service desk operates 24*7, 365 days a year. The contracted service levels are as follows:

Call Type	Response Time	Resolution Time	Response Time KPI	Resolution Time KPI
Priority 1 High priority incident, major outage etc.	Immediate	2hrs to fix	99%	95%
Priority 2 Medium priority incident – affecting multiple staff, multiple locations	15 mins	4hrs to fix	98%	95%
Priority 3 Low Priority –	15 minutes	8hrs to fix	98%	95%

single member of staff, non-business affecting				
Service Requests / Severity 4 Software loads, updates, resource requests, etc.	15 minutes	3 days	98%	95%
Hardware IMAC Request Requires approval from ICT team	15minutes	5 days	95%	95%

Please note that although this is the contracted service levels with Amicus ITS, this does not reflect onward service levels with other vendors that the Councils contract with e.g. departmental business applications.

In addition to the service levels above Amicus ITS have the following key performance indicators:

- Resolution/closure of 80% of all incidents logged
- 45% first time fix.

The closure rate of the AmicusITS team averages at 67% of total calls. This has remained a consistent figure since February 2017. Therefore currently Amicus are not meeting their contractual obligations of the resolution of 80% of all incidents logged. However at the time the contract was negotiated in the early part of 2016, this was agreed by both parties as an aspirational figure as no reliable baseline data was available at the time of transfer. However, Amicus' performance is better than the previous provider and this is supported by the customer satisfaction feedback. The call closure is monitored via regular meetings, as a minimum weekly, between the Service Delivery Manager (W3R) and the AmicusITS, Service Desk Manager. These meetings review calls types and agree where documentation and handover needs to occur.

Monthly service reviews are documented, reviewing performance through the transition period as well as reviewing what effort is required to increase the workload Amicus need to take on in order to meet their service level of resolution of 80% of all incidents logged. A continuous service improvement plan is in place with reviews of movement towards overall service improvement occurring within the monthly service reviews. Additionally there are bi-monthly senior

management team meetings in place to ensure that both parties strategies are aligned and to keep a consistent level of engagement from each party.

The contract review point is December 2017, where the Councils will have made a decision to extend the AmicusITS contract for the additional two years.

3.2   ICT Technical Transformation

3.2.1   There has been an on-going IT technical transformation programme. This was delayed significantly by the Capita performance issues. In the past year since exiting Capita, the following areas have been invested in and delivered in 2016:

- Desktop refresh. Moving from Windows XP devices to Windows 7.
- In line with the desktop refresh above, where required laptops and/or tablets devices have been rolled out. These have been deployed primarily to senior management and members, as well as where there has been a particular business requirement. For example all staff at Wiggenhall Depot required laptops and these have been issued.
- Wi-fi has been rolled out to the entire TRDC estate. It has been rolled out to CSC, Council Chambers and the Amenities Area on the Watford Estate. The remaining parts of the Town Hall, Annexe building and Museum deployment is running alongside the Facilities Accommodation programme.
- Implementation of a CISCO VPN (Virtual Private Network). This allows members of staff to work securely from any location where there is internet access. Appgate, will be decommissioned for staff by December 2017.

3.2.2   In relation to the specific ICT Core Infrastructure Transformation, which is required in order to transform how the Council works we have been focusing on the following over the past 6 months:

a. We have been designing and procuring across multiple work streams in order to upgrade and improve the following areas:
  - Core network e.g. how all the computers talk to each other and the outside world
  - Email services
  - Active directory e.g. our master user and security database
  - Removing XP desktops completely and replacing those with Windows 7 or Windows 10
  - Storage e.g. our storage solutions are end of life (2017), replacing those with modern, flexible, more cost effective solutions
  - Replacing backup infrastructure

b. The building of:

- New email servers
- New active directory servers
- Business engagement to help build the new active directory structures
- Building of new virtual servers
- Standardising infrastructure builds in multiple areas and documenting these
- Patching all Windows servers to ensure the latest critical updates have been applied
- Decommissioned over 60 out of support servers
- Removed all XP machines, with 2 remaining at TRDC
- Implemented additional security monitoring

Work continues on the Core Transformation Programme through to May/June 2018. For more information about the detail of the programme please appendix B.

3.2.3 In addition to the Core Infrastructure Transformation the in-house (W3R) team has also been working on and delivering a variety of line of business application upgrades and service side projects. Some of examples of these are:
- Shared Income Management system upgrade
- Implementation of new WBC legal case management system
- Rolling out surface pro devices to all TRDC members
- Upgrade TRDC GIS system
- WBC WIFI – Roll Out
- IT Infrastructure at Cassiobury Hub (WBC)
- IT Infrastructure at RiverTech (TRDC)
- Implement a new ticketing system, TRDC Watersmeet Theatre
- Implement a new Booking system, TRDC Watersmeet Theatre
- Migrating revenues and benefits systems to a part of the network with enhanced security
- Conversion of old Access Databases to Access 2013

3.2.4 Both Councils were awarded their PSN compliance on the 25 August 2017.

We submitted our Code of Connection for PSN on the 31st July 2017, as agreed with the Cabinet Office. Until that point we provided our Cabinet Office assessor with regular updates as to the progress with our Core Infrastructure Programme. An IT Health Check was commissioned in June 2017 and then focus placed around remediation of those HIGH and MEDIUM risk areas in order to submit for an assessment for our PSN compliance. Our IT Health check was performed against 75% of our estate and the minimum requirement is 10%.

By the submission deadline the W3R team had closed:

- 21 out of the 29 HIGH risk areas
- 9 out of 30 MEDIUM risk areas
- 10 out of 23 LOW risk areas

Work to reduce the HIGH risk parts of the estate continues, with the primary focus being around the third party patching mentioned previously which is underway.

4.0   IMPLICATIONS

4.1   Financial

4.1.1   There are no financial implications within this report.

4.2   Legal Issues (Monitoring Officer)

4.2.1   There are no legal implications within this report.

Appendices

Appendix A
Current ICT Service Structure

Appendix B
IT Transformation Programme

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                              │   ICT Section    │
                              │      Head        │
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ICT Section Head

Programme Manager

Project Support/admin

Service Delivery Manager

Infrastructure Manager

Project Manager * 2

Desktop Engineer *4

Infrastructure Engineer *1

Network Support *1

Infrastructure Engineer *2
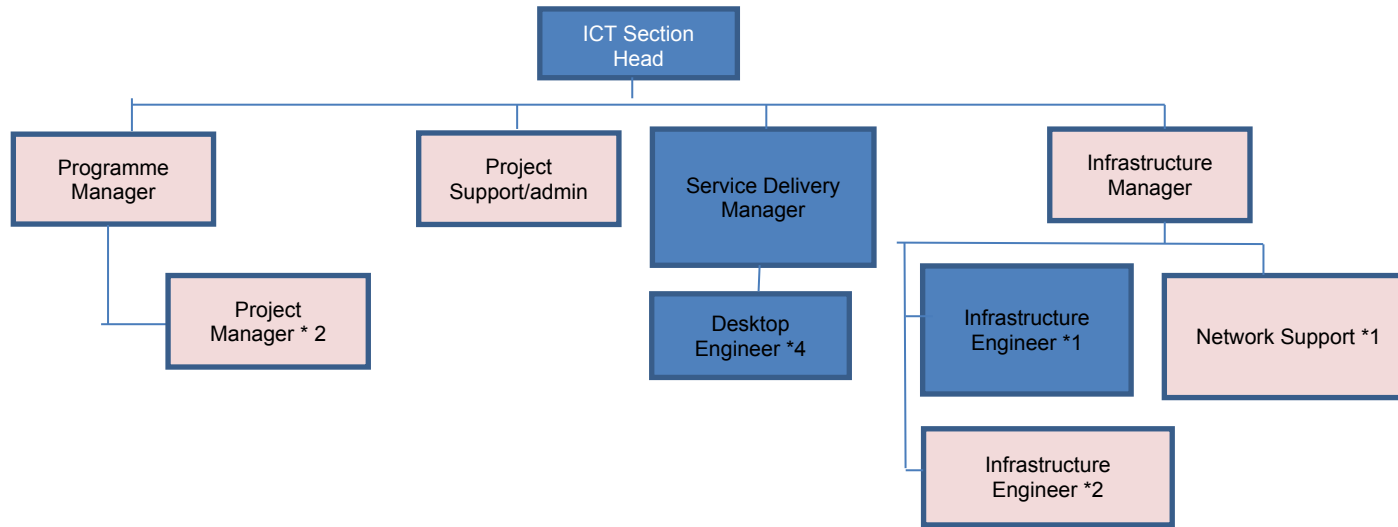
Blue: Established posts and those TUPE'd back from Capita (with the exception of the ICT Section Head)
Pink: Additional posts covered by contractors

IT Transformation Programme

What we aim to deliver

The IT Transformation Programme is an essential stream of work which supports and underpins the core IT infrastructure at Watford Borough Council and Three Rivers District Council. Much of the IT infrastructure needs to be upgraded at both sites as we are using out of date and therefore unsupported versions of systems. This means they cannot perform to the level required, cannot be repaired if a fault occurs and are potentially insecure. The IT Transformation programme will ensure we have up to date IT systems in place to enable everyone to work efficiently, using secure systems and processes. Not only that, it will enable us to adopt new ways of working in the future, such as mobile and flexible working.

The IT infrastructure improvements are being carried out in conjunction with the office moves programme and support the councils in the adoption of new technologies and services. This underpins our ability to achieve the Watford 2020 vision and Three River's Digitisation program.

What we need from you

While you might not be able to see the changes taking place, the programme has started and will continue into 2018, with much of the work taking place between now and the end of the 2017/18 financial year.

Occasionally, you might find that your ability to log on, or use the IT systems, is affected – either when you are in the office, or working from another location. We will however, endeavour to keep Business impact to a minimum and give plenty of advance notice when disruption is unavoidable.

We understand that downtime can be frustrating, but ask you to be patient and bear with us, as once the programme has been fully implemented you will notice a difference in performance, can trust that our systems are secure and sustainable and will be able to work more efficiently and flexibly.

We will communicate when work to the IT infrastructure is taking place that is likely to affect your ability to use any of the programmes – e.g. via the Intranet. Sometimes you may be asked to respond to a request and we ask that you do this in an efficient and timely way to support the infrastructure programme and enable it to be implemented as quickly as possible.

If you experience a problem accessing the IT system and have not received a message to say that works are taking place, please report the problem to the IT service desk in the usual way.

The programme

(Please note the timeframe is approximate).

1. **Desktop roll out**

Timeframe: current
New mobile devices such as Surface Pros and Laptops are being rolled out to those who need them e.g. senior officers and members, and people who will be hot-desking.

2. MDM (Mobile Device Management) / Laptop encryption

Timeframe: Jan – May 2018

We will be increasing security on mobile devices (phones and tablets) through encryption, so that potentially sensitive council information cannot be viewed by the wrong people. Mobile devices are a lot easier to misplace or to steal and increased security is essential. We will be contacting individuals to enable this to take place nearer the time of deployment.

3. Data Storage

Timeframe: Sept - Nov 2017

Our data storage is being upgraded to ensure we have the right capacity for our needs, and it works effectively with all the Councils' applications.

4. **Data Back-up**

Timeframe: Sept - Nov 2017

We are upgrading our solutions to ensure our data back-up is fully supported and secure. This will not only protect the Council's/constituents' data but also allow us fulfil all PSN and Business Continuity needs.

5. Window Servers

Timeframe: April – Dec 2017

Servers are the large back-end computers that provide access to the majority of services/applications used across the councils that most people access on a daily basis. Out of date servers are being decommissioned. Servers that have active running business applications on them are being upgraded in line with the service needs.

6. Active Directory (Organisational structure)

Timeframe: July 2017 – June 2018

The Active Directory system recognises who you are and where you work in the organisation. It provides you with access to the systems, processes and folders you need to carry out your role. In addition, it helps keep the network secure. It is basically the single source of truth that enables ICT to securely provide the access to data and systems you all need to carry out your daily functions. We are upgrading to a new version whilst updating it to reflect the new organisations' structures, and ensure we can accommodate future changes in the organisations.

During this migration there will be impact on users, and your cooperation and understanding is key to the success of this project.

7. Network Upgrade

Timeframe: Sept 2017 – April 2018

The Network is the 'information highway' that supports our 'network traffic' and enables us to function on a daily basis. It is the equipment that enables different parts of the network to talk to each other - the servers, the Internet and end user computers (desktops, laptops etc.).

The equipment is coming to the end of its life and is becoming increasingly insecure.

We need to upgrade to ensure we have the capacity for new services and applications to be added such as cloud-based services, video and voice applications.

8.   M/S Exchange (Email)

Timeframe: October – December 2017

M/S Exchange is the area on the server where all the emails sit. This will be upgraded to a version with better functionality, improved / shared calendars and address books. There will also be the ability to support new features such as instant messaging.

9.   Server Room Upgrades

Timeframe: Completion of both sites by November 2017

Server rooms at both Councils require new power and UPS (Uninterruptible Power Supply) units.

10. Virtual

Timeframe: Ongoing

We are expanding our use of virtual server technology, migrating existing physical servers to virtual wherever possible. We are also upgrading the software used to virtualise so that this is simpler to support.

Title:

Report to:　　　　　　　Audit Committee

Date of meeting:　　　　27 September 2017

Report of:　　　　　　　Bob Watson – Head of Finance (shared services)

Title:　　　　　　　　　**Internal Audit - SIAS Board Annual Report 2016/17**

1.0　　　**SUMMARY**

1.1　　　This report introduces the Shared Internal Audit Services (SIAS) annual report for 2016/17

2.0　　　**RECOMMENDATIONS**

2.1　　　That Shared Internal Audit Service Annual Report for 2016/17 is noted.

　　　For further information on this report please contact: -
　　　Bob Watson, Head of Finance (shared services)
　　　telephone extension: 7188
　　　email: bob.watson@threerivers.gov.uk

　　　Report approved by: Bob Watson, Head of Finance

3.0   **DETAILS**

3.1   The SIAS Annual Report for 2016/17 is attached at Appendix 1. The report highlights key areas of success in the year before describing the performance of the partnership during the year. 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 2016/17

BACKGROUND PAPERS

None

Shared Internal Audit Service

Annual Report

2016/17

Annual Report Contents

Introduction and Highlights

Terry Barnett
Head of Assurance for the Shared Internal Audit Service

Welcome to the annual report covering the activity of the Shared Internal Audit Service in the 2016/17 financial year.

Established in 2011, the Service is considered to be an exemplar of local authorities working in partnership. The commitment and dedication of the team and the co-operation of our partners continues to allow the service to combine the 'in-house' appreciation and understanding of local government, with the business-like focus of the big internal audit firms.

In 2016/17, the resilience of the Service was tested via a combination of staff absence and vacancies held over in lieu of a planned service restructure. Whilst this inevitably had an impact on the performance of the Service, our main performance indicator relating to the number of audit days delivered to clients was achieved

With the current financial climate in Local Government forcing clients to consider their investment in assurance work, there is a need for the Service to ensure that it continues to provide its services in the most cost effective manner. This has meant that the Service will undergo a restructure in 2017/18 however the Service will continue to deliver high quality audit services to its clients.

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.

Terry Barnett

Head of Assurance for the Shared Internal Audit Service

July 2017

Levels of Delivery

Whilst the Service faced some challenges during the year arising from multiple staff sickness absences and vacancies held over in lieu of a planned service restructure; it was able to meet its target of delivering 95% of days commissioned by clients. This is a testament to the hard work of the SIAS Team.

Despite the challenges referred to above, the Service was also able to deliver 86% of its audit review to draft report stage by the close of the year and through the prioritisation of outstanding work in the final quarter ensured that this did not impact on the integrity of the assurance opinions given to clients.
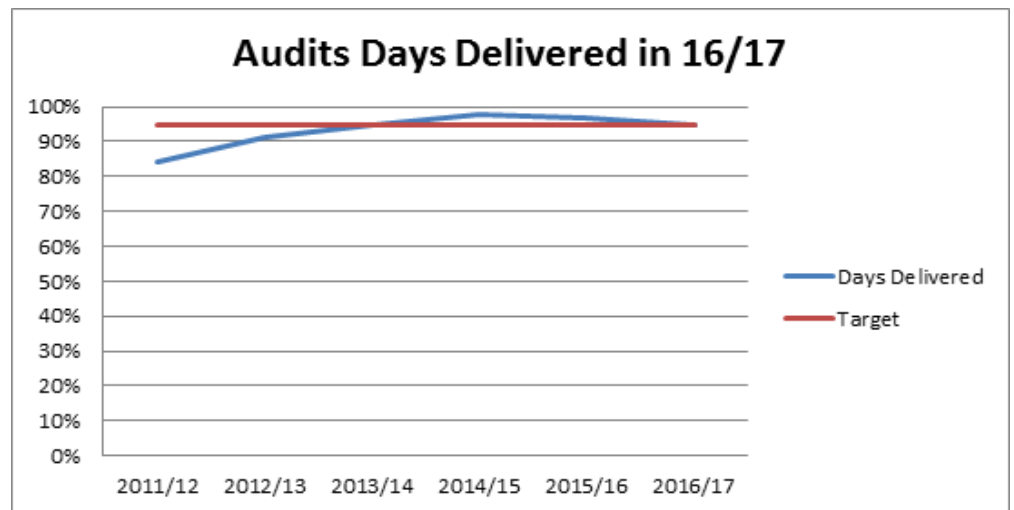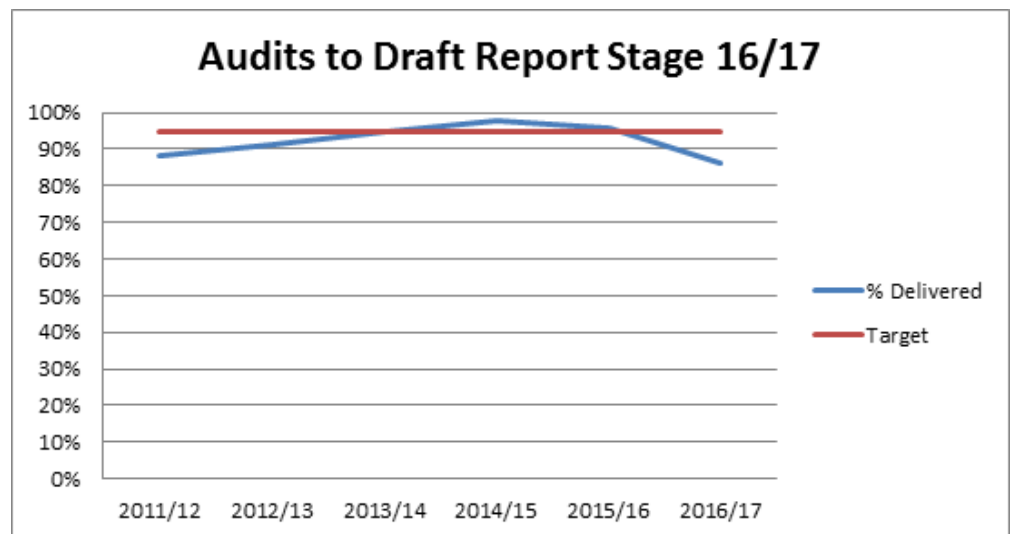
Figure 1: Percentage of audits days delivered

Good performance despite resilience challenges…

Figure 2: Percentage of audits to draft stage

Shared Learning - 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. A shared learning culture, both formal and informal, is developing momentum through our team, our sister services within Assurance and across our partners and opportunities abound to publicise and promote issues big and small.

Our quarterly shared learning papers are now a regular feature at management boards, governance groups and team meetings across our partners

Over the course of 2016/17, our quarterly shared learning papers continued to be a regular feature at management boards, governance groups and team meetings across our partners. General learning points arising from our work and the wider local government environment have been disseminated through our regular papers with contributions from across our Assurance Service. The highlight of the last year was a special edition covering the topical issue of income generation. This dovetailed nicely with planned audits at several of our partners and indeed a keynote presentation at the Herts CFO's Conference. Our latest shared learning paper reviewed the high priority recommendations arising from our work across all partners.
.

It is also always a very valuable exercise to turn the mirror on oneself periodically. Our external quality assessment (peer review) of the Devon Audit Partnership as required by professional standards was a perfect opportunity to learn something ourselves, develop some perspective on our structure, working practices and service offerings and showcase some of the things we do well. Our involvement with 'Audit Together', a strategic alliance of similar audit partnerships, our audit delivery partners (BDO) and an array of contacts through bodies such as the Home Counties Chief Internal Auditors Group have been invaluable in sharing experiences and ideas as we examine the road we have travelled and look to where we need to be in response to client need and the ever evolving field of internal audit. Our staff, partners and Audit Committee members continue to provide helpful challenge, which causes us to pause and think about matters big and small, whether about assurance levels, recommendation priorities, professional judgement and intellectual curiosity or about our skills, performance, systems, culture and restructure.

Developing our Processes

With the SIAS trading model centred on the delivery of billable days by a large team of in house staff, the need to monitor and manage performance is a key requirement of the Service.

Since its inception SIAS has used a proprietary product that has largely met the needs of the Service however as the management of individual performance targets becomes even more important in ensuring the Service delivers against its promises, it became clear that there was a need for a level granularity in staff performance figures that the existing system could not provide.

Working with development staff within the County Council, we have developed a time recording system that provides weekly updates on performance by individual and makes real time allowances for annual leave, sickness absence etc.

The new system is scheduled to go live in 2017/18 and will allow the Service to ensure that performance issues are highlighted and addressed at the earliest stage whilst also empowering and enabling audit staff in taking ownership of their workloads and individual targets.

Continuing to innovate and improve our internal and external business information.

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 in 2016/17 we have received 96% satisfactory or higher feedback rating from our customers; an improvement on the previous year.

Some of the comments that accompany the formal scoring document are shown below:

- *''Good professional service'*

- *'A professional piece of work that will be used to further improve our IT Network Security*

- *The content of the report and conclusions were high quality and provide a useful basis for improving the market's service'*

- *'Excellent service - done to relevant timescales with minimal impact on the service*

Excellent service - done to relevant timescales with minimal impact on the service

Performance - Outcomes

SIAS worked on 232 assurance and other projects during the year, giving the assurance opinions and recommendations detailed in the charts below.

For those pieces which resulted in a formal assurance opinion the distribution of opinions is set out in figure 3 below:

Figure 3: Distribution of Audit Opinions 2016/17

232 assurance and other projects identifying 557 recommendations
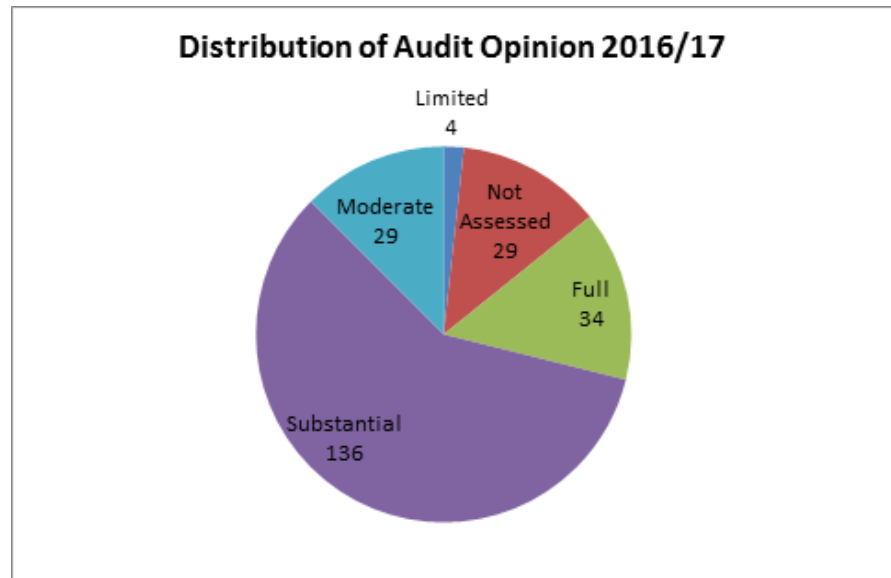
For those audits where recommendations were required, the priority ratings are set out in figure 4 below:

Figure 4: Prioritisation of Recommendations 2016/17
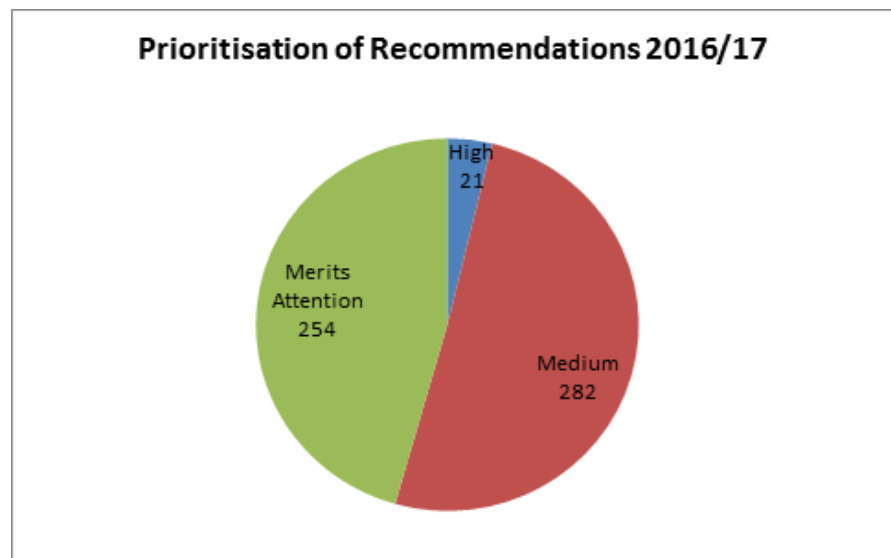
Performance Indicators

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 2016	Actual as at 31 March 2017	Commentary
Progress against plan: actual days delivered as a percentage of planned days.	95%	97%	95%	The service hit one of its two key performance indicators despite resilience challenges.
Progress against plan: audits issued in draft by 31 March	95%	96%	86%	
Client satisfaction	Satisfactory and above	95%	95%	Good performance in this area

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 2017.

The partners determined that the service should aim to build a small surplus 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

In 2017/18 the Shared Internal Audit Service will be undergoing a restructure to ensure that it is able to continue to provide its clients with a high quality cost effective service.

With clients having to consider the amount of investment in their internal audit services, the Service must continue to look at ways of delivering the levels of assurance required in the most efficient way, ensuring that draws on client officer time are minimised.

The changing face of service delivery within Local Government also presents the Service with new challenges and a need to provide higher levels of consultancy advice on the control aspect of the commercial ventures that clients are engaging in.

The increased use of data analytics tools is likely to become a key feature in the work of the Service going forward. The use of these tools will allow the Service to facilitate delivery of the widest coverage of process driven areas.

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.

Clare Fletcher, SBC

Assistant Director (Finance and Estates)

Sajida Bijle, HBC

Corporate Director

Owen Mapley, HCC

Director of Resources

Norma Atlay, NHDC

Director Finance, Policy & Governance

Ka Ng, WHBC

Executive Director – Resources, Environment and Cultural Services

Isabel Brittain, EHC

Head of Strategic Finance & Property

Jo Wagstaffe, WBC and TRDC

Shared Director of Finance

Terry Barnett, SIAS

Head of Assurance

	SIAS cost centre: revised budget against outturn 2016/17	
	Budget £	**Outturn**
Salaries & Salary Related	1,183,381	993,440
Partner / consultancy costs	51,786	189,318
Transport	11,000	7,826
Supplies	22,780	19,563
Office Accommodation cost	17,005	17,005
	1,285,952	1,227,152
Total expenditure		
Income	1,292,313	1,214,858
Net (surplus) / deficit	**(6,361)**	**12,294**

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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.

Watford Borough Council
Audit Committee Progress Report
27 September 2017

Recommendation

Members are recommended to:

- Note the Internal Audit Progress Report for the period to 8 September 2017
- Approve amendments to the Audit Plan as at 8 September 2017
- Agree removal of implemented recommendations (see Appendix C)
- Agree changes to the implementation dates for 11 recommendations (paragraph 2.5) for the reasons set out in Appendix C

Contents

1. Introduction and Background

<u>Purpose of Report</u>

1.1   This report details:

    a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's Annual Audit Plan for 2017/18 as at 8 September 2017.

    b) Proposed amendments to the approved 2017/18 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 8 September 2017.

<u>Background</u>

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 2017/18 Annual Audit Plan was approved by Audit Committee on 16 March 2017.

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 29 June 2017.

2. Audit Plan Update

<u>Delivery of Audit Plan and Key Audit Findings</u>

2.1   As at 8 September 2017, 31% of the 2017/18 Audit Plan days had been delivered for the combined WBC and Shared Services plans (calculation excludes 'To Be Allocated'). Appendix A provides a status update on each individual deliverable within the audit plan.

2.2   Two 2017/18 reports have been finalised since the date of the last committee:

Audit Title	Date of Issue	Assurance Level	Number and Priority of Recommendations
Follow up of legacy IT audit recommendations and extended DR scope	Aug '17	Moderate	Four medium

Cyber Security	Sep '17	Limited	Three high Three medium

The above finalised IT audits reviewed the status of the long outstanding legacy IT audit recommendations as reported to each meeting of Audit Committee. The audits concluded that the legacy recommendations should be closed and replaced by a new set of recommendations and these are detailed in Appendix 9 of this Progress Report.

<u>Status of Audit Recommendations</u>

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   Three new high priority recommendations from the Cyber Security Audit have been added to the schedule attached at Appendix C.

2.5   The table below summarises progress in implementation of all outstanding internal audit recommendations as at September 2017, 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	213	0	0	100%**
2011/12	114	114	0	0	100%**
2013/14	93	92	1	0	99%
2014/15	57	56	1	0	98%
2015/16	56	52	1	3	93%
2016/17	35	22	3	10	63%
2017/18	4	0	4	0	0%

*or no update provided.
**Line will be removed for next committee report.

2.6   Since June 2017 Audit Committee, extension to implementation dates have been requested by action owners for eleven recommendations as follows:

a) One from the 2015/16 Safeguarding audit,
b) Five from the 2016/17 Tree Surveying audit,
c) One from the 2016/17 Main Accounting audit,
d) One from the 2016/17 Council Tax audit, and
e) Three from the 2016/17 Starters & Leavers audit.

2.7   In respect of two recommendations (one from the 2015/16
       Development Management audit and one from the 2015/16 Building
       Control audit), no updates were provided by the 'action owner'. The
       target date for both recommendations was 30 June 2017.

Proposed Audit Plan Amendments

2.8   The following amendments to the 2017/18 Audit Plan have been
       agreed with officers of the Council and are detailed below for Audit
       Committee approval:

       Additions:
       • One day taken from the 'To Be Allocated' budget (shared plan) to
         cover requirement for Internal Audit sign-off of the Disabled Facilities
         Capital Grant for 2016/17.

       Changes:
       • One additional day taken from the 'To Be Allocated' budget (shared
         plan) added to the budget for the Preparation of the Annual
         Governance Statement for the Council to reflect the work required to
         complete the statement and the Local Code of Governance.

Performance Management

Reporting of Audit Plan Delivery Progress

2.9   To help the Committee assess the current situation in terms of
       progress against the projects in the 2017/18 Audit Plan, we have
       provided an analysis of agreed start dates at Appendix B. 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.

2.10   Annual performance indicators and associated targets were approved
       by the SIAS Board in March 2017. Actual performance for Watford
       Borough Council against the targets that can be monitored for 2017/18
       is shown in the table below.

Performance Indicator	Annual Target	Profiled Target to 8 September 2017	Actual to 8 September 2017
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excluding unused contingency).	95%	35%	31%
2. Planned Projects – percentage of actual completed projects to draft	95%	27% (6 out of 22 projects to	18% (4 out of 22 projects to

report stage against planned completed projects (excludes 2015/16 completion and 'on-going' pieces).		draft)	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%	100%

2.11 In addition, the performance targets listed below are annual in nature. Performance against these targets will be reported on in the 2017/18 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.

2017/18 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	Parameter testing complete – remainder due to start November
Council Tax (shared plan)					12	Yes	0	Due to start October
Creditors (shared plan)					10	Yes	0	Due to start December
Debtors (shared plan)					10	Yes	0	Due to start October
Main Accounting (shared plan)					12	Yes	0	Due to start December
NDR (shared plan)					12	Yes	1	Parameter testing complete – remainder due to start November
Payroll (shared plan)					12	Yes	0	Due to start November
Treasury Management (shared plan)					10	Yes	0	Due to start January
Budget Monitoring (shared plan)					8	Yes	0	Due to start February
Operational Audits								
Home Improvement Agency					8	Yes	0	Due to start January
Funding Streams – Lessons learnt					12	Yes	11	In quality review
Capital Projects & Project Management					12	Yes	0	Due to start February
Housing Improvement Plan					8	Yes	0	Due to start January
Commercialisation					12	Yes	0	Due to start October
Starters & Leavers – consultancy review of new process (shared plan)	N/A	0	0	0	6	Yes	6	Complete

APPENDIX A   PROGRESS AGAINST THE 2017/18 AUDIT PLAN AT 8 SEPTEMBER 2017

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
DFG Capital Grant Certification					1	Yes	0	Due to start September
Procurement								
Contract Management					10	Yes	1.5	In planning
Procurement Processes – Contract Signing					10	Yes	9.5	Draft report issued
Counter Fraud								
Local Authority Serious and Organised Crime Checklist (shared plan)					15	Yes	1.5	In planning
Risk Management and Governance								
No audits planned in 2017/18								
IT Audits								
Follow up of legacy IT audit recommendations (shared plan)	Moderate	0	4	0	8	Yes	8	Final report issued
Cyber Security (shared plan)	Limited	3	3	0	12	Yes	12	Final report issued
SIAS Joint Work								
Shared Learning Newsletters					2	N/A	1	In progress
Joint Reviews– topics to be determined					8	N/A	0	Due Q4
Ad Hoc Advice								
Ad Hoc Advice					3.5	N/A	1.5	In progress

APPENDIX A   PROGRESS AGAINST THE 2017/18 AUDIT PLAN AT 8 SEPTEMBER 2017

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
To Be Allocated								
Unused contingency (shared plan)					26			
Strategic Support								
Head of Internal Audit Opinion 2016/17					2	N/A	2	Complete
External Audit Liaison					1	N/A	0.5	Ongoing
Audit Committee					10	N/A	4.5	Ongoing
Monitoring & Client Liaison					12	N/A	5.5	Ongoing
2018/19 Audit Planning					8	N/A	0	Due to start November
SIAS Development					3	N/A	3	Complete
AGS					4	N/A	4	Complete
Follow-up of recommendations					10	N/A	4.5	Ongoing
Completion of 2016/17 audits								
Time required to complete work commenced in 2016/17 (7 days shared; 5 days WBC)					12	N/A	12	Complete
WBC TOTAL					**141.5**		**53.5**	
SHARED SERVICES TOTAL					**174**		**36.5**	
COMBINED TOTAL					**315.5**		**90**	

Key to recommendation priority levels:

H = High
M = Medium
MA = Merits attention
N/A = Not applicable

APPENDIX B 2017/18 AUDIT PLAN PROJECTED START DATES

Apr	May	June	July	August	September
Revenues & Benefits System Parameter Testing (shared plan)* **Complete**	Funding Streams **In quality review**	Procurement Processes – Contract Signing **Draft report issued**	Local Authority Serious and Organised Crime (shared plan) **In planning**		Contract Management **In planning**
	Follow up of legacy IT Audit Recommendations & Extended DR Scope (shared plan) **Final report issued**				DFG Capital Grant Certification
	Cyber Security **Final report issued**				
	Starters & Leavers **Complete**				

October	November	December	January	February	March
Council Tax (shared plan)	NDR (shared plan)	Creditors (shared plan)	Treasury Management (shared plan)	Budget Monitoring (shared plan)	
Debtors (shared plan)	Benefits (shared plan)	Main Accounting (shared plan)	Housing Improvement Plan	Capital Projects & Project Management	

APPENDIX B 2017/18 AUDIT PLAN PROJECTED START DATES

Commercialisation	Payroll (shared plan)	Joint Reviews	Home Improvement Agency		

*Notes:
- Revenues & Benefits System Parameter Testing work completed in May – remainder of Benefits, NDR and Council Tax work due Q3.

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	Important	Position – June 2016 History of comments removed - please see separate report by the Head of Finance. Position - July 2016 Provision of an Enterprise Mobility Management solution to address all of these points was included in the procurement of the new Service Desk solution. Subsequent to the on-boarding of the new Service Desk, (EMM) requirements will be documented and procured from the Service Desk provider and all current Windows or iphones supplied by the authority will come under this solution. The aim is to have this in place by December 2016. Position – September 2016 It is still anticipated that this will be in place by December 2016. Position – November 2016 No update received. Position – March 2017 The Internal ICT service has evaluated 3 MDM products; Sophos, MobileIron and Good. We have tendered with the market for the	ICT Client Section Head	March 2013	✓	31 December 2016 31 July 2017

IT Remote Working 2010/11							
Final report issued January 2012							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved × or ✓	Revised Deadline
	and issued and all confidential and sensitive data held on mobile device handsets such as iPhones is adequately encrypted according to the sensitivity of the data.		MobileIron solution. This will enable remote management of the mobile devices. Acceptable usage policy has been updated to reflect the requirement for the following security settings to be applied as a minimum on the mobile phone device: • Power on: Password Position – June 2017 Tenders returned and the purchase awarded. Currently planning a pilot phase to take place during June within ICT. A phased rollout to the business to take place through July. SIAS Comment - Recommendation and associated management action plan to be reviewed during IT audit scheduled to commence July 2017. **Position – September 2017** **Follow up of legacy IT audit recommendations concluded in August 2017. This recommendation is considered closed and a new set of recommendations made (see 2017/18 Follow Up of IT Audit Recommendations and DR Extended Scope audit).**				

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	Position – June 2016 History of comments removed - please see separate report by the Head of Finance. Position - July 2016 A new ICT Strategy is to be produced which will cover both Councils. This is expected to be completed by the end of October 2016. An additional resource will procured from the ICT Transformation budget. Position – September 2016 An Interim Head of Service Transformation has been appointed and it is anticipated that the strategies will be completed by the end of October 2016. Position – November 2016 No update received. Position – March 2017 Freedom Communications have been appointed to conduct this work. Briefing and engagement sessions have been held with all services across Watford and Three Rivers. The first draft of the strategy has been reviewed by the ICT Section Head. There are several further iterations required before this will be presented to Senior Officers at both organisations for sign off.	ICT Client Section Head	October 2012	✓	31 October 2016 31 May 2017 (Including Senior Mgmt sign off) 30 Sept 2017

IT Project Management 2011/12

Final report issued November 2011

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Position – June 2017 Freedom engagement document is in the final draft. Agreement has been made with senior management that additional work is required to provide a more technical strategic view. An interim 17/18 ICT detailed plan has been produced including a technical roadmap. SIAS Comment - Recommendation and associated management action plan to be reviewed during IT audit scheduled to commence July 2017. **Position – September 2017** **Follow up of legacy IT audit recommendations concluded in August 2017. This recommendation is considered closed and a new set of recommendations made (see 2017/18 Follow Up of IT Audit Recommendations and DR Extended Scope audit).**				

Audit Plan 2013/14

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: a) Consider all possible media for data loss and risk assess the various options.	High	Position – June 2016 History of comments removed - please see separate report by the Head of Finance. Position - July 2016 A Data Loss prevention policy is to be produced which will cover both Councils. This is expected to be completed by the end of October 2016. Position – September 2016 This is still expected to be completed by the end of October 2016. Position – November 2016 No update received. Position – March 2017 A risk assessment is due at the end of April 17. With a policy to be developed by the end of Q2. Position – June 2017 Scheduled for Q2. SIAS Comment - Recommendation and associated management action plan to be reviewed during IT audit scheduled to commence July 2017.	IT Client Section Head	30 June 2015	✓	31 October 2016 30 Sept 2017

Cyber Risk 2013/14

Final report issued June 2014

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Position – September 2017 **Follow up of this outstanding Cyber Risk audit recommendations concluded in September 2017. This recommendation is considered closed and a new set of recommendations made (see 2017/18 Cyber Security Audit Recommendations).**				

Audit Plan 2014/15

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 implementation. Position – May 2015 Not yet due Position – August 2015 Migration has still not taken place. Position – November 2015 Due to ongoing IT upgrades this has slipped further down list given major configuration within Academy and yet to decide on either tablet / iPad. Position – February 2016 Still to be implemented – ongoing.	Revenues Manager	31 July 2015	×	30 November 2015 31 March 2016 31 March 2017 31 July 2017 31 December 2017

NDR 2014/15

Final report issued January 2015

Position – June 2016
Still to be implemented – ongoing.

Position – September 2016
Discussions are still ongoing due to ICT changes and at the moment not a priority. However, potential new Revs & Bens ICT contract to be signed early Sept 2016, which at this stage will pick this up once again.

Position – November 2016
Still to be implemented as not high on the agenda at the moment with a new ICT helpdesk process being bedded in.

Position – February 2017
Vacant Revenues Inspector post to be interviewed mid-March, 2017, and will then look at potential of implementation.

Position – June 2017
Revenues & Benefits will shortly be undergoing an environment server upgrade (15 & 16 June) with our external IT support, therefore, implementation timetable to be agreed with IT support;

- Early July 2017 - Initial meeting with Capita Support Services (CSS) with IT involvement due to a full new install needed within the Revenues Academy database
- Agree with IT, and input from CSS, suitable device for the module, to be used by Revenues Inspectors, from July meeting
- August / September 2017 – Develop Building Works module within Academy

NDR 2014/15

Final report issued January 2015

			database with designated Revenues staff (Revenues Manager, Billing Team Leader and 2 x Revenues Inspectors • October / November 2017 – With IT support, implement device to sync data from Academy for inspections. **Position – September 2017** **ITSG held a meeting early August, 2017, to confirm support re implementation as alluded to previously, June 2017 position and agreed timetable.**				

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	High	Recommendation accepted. Position - August 2015 See section 2.5.2 of the main SIAS Update Report. Position – November 2015 As per August 2015 update. Position – February 2016 As per August 2015 update. Position – June 2016 History of comments removed - please see separate report by the Head of Finance.	Capita Account Director	31 August 2015	✓	N/A 31 October 2016 Shared DR Plan in place: May 2017 Joint DR contract in place: June 2017

Disaster Recovery 2014/15

Final report issued June 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved × or ✓	Revised Deadline
	not pass comment on its adequacy, it can form the basis for W3R. • Ensure procedure documents are 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.		Position - July 2016 All asset lists, including desktops, servers and network equipment have been updated and are managed by the Service Desk Provider. Procedure documents are currently being reviewed and updated. This has to be completed prior to re-procuring the DR contracts, in October 2016. Position – September 2016 This has to be completed prior to re-procuring the DR contracts in October 2016. Position – November 2016 No update received. Position – March 2017 No longer Capita responsibility. This has been passed to the internal ICT team. Note: Kit lists were updated in 2015. Emma Tiernan currently drafting the DR plan in conjunction with Amicus – Third Party. Emma Tiernan I am also drafting a specification for a short term joint DR contract to include kit and recovery site. I anticipate our DR need will change over the next 1 give the core transformation and therefore I am looking to tender for a flexible contract. Once the DR plan is drafted this will go to ITSG & risk groups at both Councils for review and sign off. There will then be annual review per other IT policies.				DR Test to take place: December 2017

Disaster Recovery 2014/15

Final report issued June 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Position – June 2017 Internal Audit review scheduled: July/August DR plan in place. Small delay in the full contract, however an interim arrangement is in place to September 2017. **Note I should have changed the delivery date of the overall DR test ref 04 to the end of the year. We would be unable to accommodate a full DR test with the current infrastructure changes in flight. **Position – September 2017** **Follow up of legacy IT audit recommendations concluded in August 2017. This recommendation is considered closed and a new set of recommendations made (see 2017/18 Follow Up of IT Audit Recommendations and DR Extended Scope audit).**				
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	High	Recommendation accepted. Position - August 2015 See section 2.5.2 of the main SIAS Update Report. Position – November 2015 As per August 2015 update. Position – February 2016 As per August 2015 update. Position – June 2016	Capita Account Director / ICT Client Section Head	31 August 2015	✓	N/A 31 December 2016 Shared DR Plan in place: May 2017 Joint DR

Disaster Recovery 2014/15							
Final report issued June 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	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. • 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.		History of comments removed - please see separate report by the Head of Finance. Position - July 2016 The DR testing will take place once the DR procurement has taken place. A requirement to do DR testing will be built into the procurement specification. Position – September 2016 This is still anticipated to be completed by end December 2016. Position – November 2016 No update received. Position – March 2017 As per 01. Joint DR contract currently being procured. A DR test will take place within 6 months of the contract being signed. Position – June 2017 Internal Audit review scheduled: July/August Still on track. Procurement delay as above. **Suggest a close on 04 for DR and Backups – 11/12. **Position – September 2017 Follow up of legacy IT audit recommendations concluded in August 2017. This recommendation is considered closed and a new set of recommendations made (see 2017/18 Follow Up of IT Audit Recommendations and DR Extended Scope audit).**				contract in place: June 2017 DR Test to take place: December 2017

Audit Plan 2015/16

Data Protection 2015/16							
Final report issued October 2015							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
02	The Authority should also consider putting in place an overarching Data Sharing Protocol / Policy, which would provide a framework for the authority, helping them adopt good practices with regard to Data Sharing.	Medium	Head of Democracy and Governance to develop a protocol. Position – November 2015 Not yet due Position – February 2016 Not started due to work commitments. Position – June 2016 Not yet due. Position – September 2016 Still to be developed. Position – November 2016 Draft being looked at. Position – February 2017 Still to be progressed. Position – June 2017 Due to the GDPR to be introduced from May 2018 we will need to review our whole DP processes. A working group is being set up to consider the implications **Position – September 2017**	Head of Democracy and Governance	31 January 2016	✗	30 June 2016 1 January 2017 1 June 2017 31 May 2018

Data Protection 2015/16

Final report issued October 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Working group established. Data audit being undertaken as part of the service transformation project.				

Development Management 2015/16

Final report issued November 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	We recommend that all officers within the Planning Service complete a Declaration of Interest form on an annual basis. In addition, procedure notes should be produced documenting how the declaration of Interest will be enforced. We also recommend that the Head of Regeneration and Development request the Scheme of Delegation be amended so that where necessary, applications from the Council and from Councillors are referred to the Development Management Committee for decision.	Merits Attention	Agreed. We agree that all principal planners and their team leaders and section head should complete a declaration of Interest form. Normally these forms are held centrally. Agreed. Position – February 2016 Waiting for example of form from SIAS. Spoken with Head of Democracy and Governance. Annual reporting not necessarily sufficient as conflict of interest could occur at any time within the year. Current practice is via email to manager. Position – June 2016 Not implemented due to staff turnover. Revised deadline end of July 2016.	~~Head of Regeneration & Development~~ Head of Development Management	30 April 2016 (for the new Financial Year)	✗	31 July 2016 28 February 2017 30 June 2017

Development Management 2015/16

Final report issued November 2015

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

			Position – September 2016
			No update received.
			
			Position – November 2016
			No formal handover of the outstanding audit recommendations took place during the recent re-structure and as a result, the actions remain incomplete. These will now be taken forward by the Head of Development Management.
			
			Position – February 2017
			No update received.
			
			Position – June 2017
			  1) Declarations
			Remain in agreement.
			To ensure up to date declarations are in place this is being co-ordinated with the annual PDR process and all declarations will be completed and stored in an appropriate location before the end of June.
			
			The procedure for declaring interest will remain that officers will notify their manager of an interest should an application be received. The register of declarations will be checked should a potential interest which has not been notified be brought to the attention of the Department.
			
			  2) Amendment to constitution
			The audit is unclear on how this recommendation arose or the risk it is proposed to mitigate.
			
			All planning applications are accompanied by appropriate reports which set out the planning				

Development Management 2015/16

Final report issued November 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			reasoning behind the decision. The reports are publicly available meaning there is appropriate transparency on the decision making process regardless of whether the application is determined by officers under delegated powers or by the Development Management Committee. The Head of Democracy and Governance is not aware of any issues arising regarding this since 2002 when the current scheme was adopted. Further, there are potential risks inherent with making the constitution more complex. It is unclear as to why planning applications should be treated differently to other applications processed by the Council. On further examination it is not agreed that this change should be taken forward and no further action is proposed. **Position – September 2017** **No update received in respect of the outstanding issue relating to declarations of interest (as per point 1 in the June 2017 update above).**				

Safeguarding 2015/16

Final report issued November 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	We recommend that the next review be approved by Leadership Team and Members.	Medium	Agreed, will take next review to Leadership Team and Cabinet. Position – February 2016 Leadership Team report re- scheduled for March 2016. Position – June 2016 Due to recent structure changes, a report to CABINET to be moved till the Autumn to allow time to have a review of Safeguarding roles and responsibilities. The current structure remains and CSE has been included in the policy and procedures. Position – September 2016 LT report scheduled for October. Position – November 2016 Due to changes in service provision e.g. recent cessation of direct provision of Play Services, it has been agreed to conduct a full and comprehensive review of safeguarding roles, procedures, policy and resources between April – July 2017. In the interim the Section Head for Culture and Play will provide the lead, conduct a self-assessment and make any relevant recommendations to LT for the review team to team to consider. Position – February 2017 In progress	Culture and Play Section Head	31 January 2016 (Leadership Team)	✗	31 March 2016 31 October 2016 31 July 2017 31 October 2017 **31 January 2018**

Safeguarding 2015/16

Final report issued November 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	We recommend that the policy and procedures be reviewed and amended to specifically reflect CSE.		**Position – June 2017** The lead for the review has been allocated to the Head of Environmental Services and Licensing. This allows the Head of Culture and Events to manage the existing day to day matters of safeguarding whilst the review takes place. The Head of Culture and Events has developed a brief for the review which is being developed. The Review is set to be completed in October 2017 with implementation now scheduled for April 2018. **Position – September 2017** **Review scope being approved ready for implementation. Completion date should be revised as whilst the review will be complete the report to leadership team will require an implementation plan so this will be ready in January to enable implementation by April as previously reported.** Position – February 2016 Cabinet report re- scheduled for June or July 2016. Position – June 2016 Due to recent structure changes, a report to CABINET to be moved till the Autumn to allow time to have a review of Safeguarding roles and responsibilities. The current structure remains and CSE has been included in the policy and procedures.		31 March 2016 (Cabinet)	✓	31 July 2016 31 October 2016 31 July 2017 31 October 2017

Safeguarding 2015/16

Final report issued November 2015

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Position – September 2016 After LT report in October a decision to be taken by LT if a Cabinet report is required. It may be a PFH report. Position – November 2016 Due to changes in service provision e.g. cessation of direct provision of Play Services, it has been agreed to conduct a full and comprehensive review of safeguarding roles, procedures, policy and resources between April – July 2017. In the interim the Section Head for Culture and Play will provide the lead, conduct a self-assessment and make any relevant recommendations to LT for the review team to team to consider. Position – February 2017 In progress. Position – June 2017 The lead for the review has been allocated to the Head of Environmental services and Licensing. This allows the Head of Culture and Events to manage the existing day to day matters of safeguarding whilst the review takes place. The Head of Culture and Events has developed a brief for the review which is being developed. The Review is set to be completed in October 2017 with implementation now scheduled for April 2018. **Position – September 2017** **Policy updated.**				

Building Control 2015/16

Final report issued February 2016

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✖ or ✔	Revised Deadline
01	We recommend that all officers within the Building Control Service complete a Declaration of Interest form on an annual basis.	Merits Attention	The team will be asked to supply details of any private work they undertake and any other conflicts of interest. This will be logged on personal files. We have asked SIAS to provide an example of an annual declaration template as used elsewhere and will then introduce an annual review process. Position – June 2016 Not implemented due to staff turnover. Revised deadline end July 2016. Position – September 2016 No update received. Position – November 2016 No formal handover of the outstanding audit recommendations took place during the recent re-structure and as a result, the actions remain incomplete. These will now be taken forward by the Head of Development Management. Position – February 2017 No update received. Position – June 2017 　1)　Declarations Remain in agreement. To ensure up to date declarations are in place this is being co-ordinated with the annual PDR process and all declarations will be completed and stored in an appropriate location before	~~Head of Regeneration & Development~~ Head of Development Management	30 April 2016	✖	31 July 2016 28 February 2017 30 June 2017

Building Control 2015/16							
Final report issued February 2016							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			the end of June. The procedure for declaring interest will remain that officers will notify their manager of an interest should an application be received. The register of declarations will be checked should a potential interest which has not been notified be brought to the attention of the Department. **Position – September 2017** **No update received in respect of the outstanding issue relating to declarations of interest (as per point 1 in the June 2017 update above).**				

Audit Plan 2016/17

Freedom of Information 2016/17							
Final report issued August 2016							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
04	We also recommend that the Lead Officer's half year report could be improved by detailing the FOI and EIR request split and including details of reviews / appeals which indicate additional staff time used.	Merits Attention	Once Client Liaison Officers have been trained and are differentiating the requests Position – September 2016 No further update on above as final audit report only issued on 11 August 2016. Position – November 2016 Will be progressed for next half yearly report. Position – February 2017 As November comment. Half yearly report not yet due. Position – June 2017 Due to changes in personnel in Customer Services and issues with the Lagan CRM this has not been progressed **Position – September 2017** **Will endeavour to introduce for next half yearly report.**	Head of Democracy & Governance	30 April 2017	✗	31 October 2017

Section 106 2016/17

Final report issued September 2016

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✔	Revised Deadline
02	We recommend that the Service should produce a new SPD for Section 106 and Affordable Housing at the earliest opportunity. Once published, the SPD should be reviewed on a regular basis to ensure it remains current.	Medium	Most contributions are received through the Community Infrastructure Levy (CIL) and the CIL Charging Schedule has now superseded both the existing SPD and the Planning Obligations Guidelines for calculating the contributions for these cases. However, we do see the merit in updating the SPD for the contributions that are still received through Section 106 as well as the Affordable Housing contributions. Position – November 2016 Work has already commenced on the affordable housing SPD and a separate framework agreement for planning obligations. Both of these documents are on track to be published by the 30 June 2017. Position – February 2017 The Affordable Housing SPD continues on track. This will be tackling the issue of commuted payments. A first draft will be available mid-March for discussion. Initial stakeholder workshops are to be organised with developers etc, prior to first draft consultation going out to the wider public. Therefore, the timescale for this first draft will be due end of May. The Developer Contributions SPD work has been suspended following the publication of the national CIL	Planning Policy Section Head	30 June 2017	✘	31 October 2017

Section 106 2016/17

Final report issued September 2016

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Review work which is advocating a new modified Local Infrastructure Tariff and partial return to s106. It is understood that the Government will be making further announcements in November. Consequently the Developers contributionsSPD is awaiting the outcome from Government as there are likely to be significant changes in legislation. Position – June 2017 The renamed Commuted Sums SPD is currently out on consultation until 3 July 2017. Subject to the outcomes of the consultation Cabinet approval for the document will be sought in October 2017. **Position – September 2017** **The Draft Commuted Sums Supplementary Planning Document is being finalised. A report is scheduled to go to Cabinet in October 2017. This will detail the representations made during the consultation and the Council's responses, and the Supplementary Planning Document for which approval is being sought.**				

Museum Exhibits 2016/17

Final report issued November 2016

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	We recommend that the stock of museum artefacts be checked on a regular basis, in accordance with guidance available for museums similar to Watford.	Merits Attention	A procedure for regular stock taking through an industry-approved computer cataloguing system is in place, but due to IT issues the museum's computer cataloguing system, MODES, cannot be employed to best practice. Sarah Priestley has been in contact with IT regarding these issues. Position – February 2017 IT is in the process of procuring Wifi and laptops to enable the effective use of MODES. Position – June 2017 There have been audits in the museum to ascertain the best locations for wifi. We are still waiting for a new laptop with MODES installed, but are continually updating our databases on Microsoft Access. **Position – September 2017** **A new laptop with the industry approved MODES Database has been given to the Museum and we are currently working through the backlog. Attached to the email is the Documentation policy which includes a backlog plan produced to ensure all the records are put on the system and kept up to date.**	Heritage & Arts Manager, Museum Curator	31 March 2017	✓	31 July 2017

Tree Surveying 2016/17

Final report issued April 2017

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

Tree Surveying 2016/17

Final report issued April 2017

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	We recommend that during the review process to finalise the Woodland and Tree Strategy, the Council ensures that the strategy addresses the following: a) Measurement of the aims and objectives contained within the strategy; b) Frequency of inspections to be completed, both routine and high risk trees; and Detail of the maintenance programmes to be adopted.	Merits Attention	The strategy is meant to be an overview of trees and woodlands and intended to take a more strategic overview of tree and woodland management in the Borough. However, what this has raised is that the specification in the Parks and Open Spaces contract documentation, detailing what is required of Veolia does not cover enough detail in relation to planned maintenance and there is a clear emphasis on reactive management rather than proactive management. A review of the specification needs to be undertaken and ensure that the Strategy is aligned with this. Position – June 2017 As above. **Position – September 2017** **As above but delayed due to Cassiobury Park operational issues.**	Section Head Parks, Open Spaces and Projects	30 September 2017 and to be presented to Strategic Partnership Board.	✗	**31 December 2017**
02	We recommend that the Council develops a planned approach to tree inspections that is forward looking, proactive and achievable. An inspection programme should be developed that allows prioritisation of inspections for high risk trees but also supports the Council in inspecting all trees within a three year rolling period. As tree inspections are contracted to Veolia, the Council may wish to consider requesting reports on the	Medium	As above, this needs to be re-visited and assessed by the WBC client team as was not in the original specification. A report will be presented to Strategic Partnership Board as this will impact on the current contract and will result in a contract variation. Position – June 2017 As above. **Position – September 2017** **As above but delayed due to Cassiobury Park operational issues.**	Section Head Parks, Open Spaces and Projects	30 September 2017 and to be presented to Strategic Partnership Board.	✗	**31 December 2017**

Tree Surveying 2016/17							
Final report issued April 2017							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	number of trees inspected each month / quarter to verify that the contractor is on target to complete all inspections due.						
03	We recommend that risk assessments are completed that assess the impact and likelihood of emerging risks. We recommend that the risk assessments include, but are not limited to: a) Tree disease; b) Vandalism; and c) Strom damage. The risks should be considered when developing the inspection programme, recommended at 2 above.	Merits Attention	Whilst individual risks can be quantified regarding condition by the application of a proprietary system such as QTRA (Quantified Tree Risk Assessment), this system would require a surveyor to be trained but can be activated on Ezytreev at no additional cost and could be incorporated into inspections. To quantify the risks in a, b and c are more difficult to assess and we would need more clarity on this. Position – June 2017 No courses available until September / October 2017 but we will register an interest. **Position – September 2017** **As above but delayed due to Cassiobury Park operational issues.**	Arboricultural Officer	30 June 2017	✗	30 Sept 2017 and to be presented to Strategic Partnership Board. **31 December 2017**
04	We recommend that a maintenance programme is developed and implemented. The maintenance programme should consider the works that have been identified from inspections completed, the priority level given and the risk indicator of the tree. The maintenance programme should	Medium	A proactive maintenance programme does need to be developed and costed – additional funding may be required to carry out an updated survey. The figure of 5,150 trees requiring work includes all work both safety and what could be described as desirable and not essential therefore gives a higher weighted figure. Position – June 2017 As above.	Section Head Parks, Open Spaces and Projects	30 September 2017 and to be presented to Strategic Partnership Board.	✗	**31 December 2017**

Tree Surveying 2016/17

Final report issued April 2017

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✔	Revised Deadline
	be fully costed to provide the Council with a tool for setting the budget for tree related works.		**Position – September 2017** **As above but delayed due to Cassiobury Park operational issues.**				
05	We recommend that, in order to ensure continuity of service, that policies and procedures relating to tree inspections, maintenance and works are developed.	Medium	As above, this needs to be re-visited and assessed by the WBC client team as was not in the original specification. A report will be presented to Strategic Partnership Board as this will impact on the current contract and will result in a contract variation. Position – June 2017 As above. **Position – September 2017** **As above but delayed due to Cassiobury Park operational issues.**	Section Head Parks, Open Spaces and Projects	30 September 2017 and to be presented to Strategic Partnership Board.	✘	**31 December 2017**

Main Accounting 2016/17

Final report issued May 2017

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✔	Revised Deadline
02	We recommend that evidence of the request for new account codes is retained.	Merits Attention	Agreed We will look to set up a spreadsheet on the shared drive for new code requests, after Final	Section Head – Accountancy *Financial Accounting &*	31 October 2017	✘	

Main Accounting 2016/17							
Final report issued May 2017							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			Accounts. Position – June 2017 As above. **Position – September 2017** **A New Codes Requested spread sheet is being designed to ensure it is capable of capturing all the necessary data. For example, Cost Centre will be different from Account Code and different from Job Code, as regards the fields required.**	*Technical*			
04	It is recommended that regular (e.g. monthly or quarterly) reconciliations of the debtors and creditors modules in eFin to the general ledger are conducted. The reconciliations should be performed with an appropriate separation of duties between preparation and approval / checking, as well as appropriately documented.	Medium	The 2016/17 year-end reconciliations have been completed and did not identify any issues / concerns. However, the frequency of in-year reconciliations will be implemented as part of a wider review of control account / feeder system reconciliations with the general ledger. This review will cover the timings for each reconciliation, the nature of each reconciliation and designate responsibility for completion and sign-off. Position – June 2017 To be reviewed after Final Accounts. **Position – September 2017** <u>**HoF comment**</u> **Reconciliations have been brought up to date. A process has been developed to allocate a timetable and responsibility for all reconciliations. Some have transferred to Revs and Bens where they sit better and**	Section Head – Accountancy *Financial Accounting & Technical*	30 June 2017	✗	**15 November 2017**

	Main Accounting 2016/17						
	Final report issued May 2017						
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			this has involved an amount of training being delivered by the accountancy team. It is planned to have a timetable and process documented by the end of September – this will need testing and embedding so the recommendation will be completed by the next Audit Committee.				
05	We recommend that the journal header is: a) Annotated with the change, b) The reason for the change, and That authorisation for the change is documented on the header.	Merits Attention	As part of the rollout of the Finance system upgrade over the next few months, we will review workflow options relating to the preparation and posting of journals to mitigate risks associated with the same person both raising and approving a journal. We will also review the need for the journal header and consult with internal audit at that time regarding the suitably of any proposed system related control. This will also link to the Councils' approach to greater digitisation. Position – June 2017 "Workflow" creating internal check depends on implementation of workflow functionality. Timescale for project is July to December 2017, although IT PM slippage has already occurred. The Journal Header has been reviewed already. **Position – September 2017** **HoF comment.** **This recommendation is overtaken by events. This is based on a manual paper-based system and this is not the future plans for the ledger system. The Journal Header only duplicates information already**	Section Head – Accountancy *Financial Accounting & Technical* / Finance Manager / Head of Finance	30 September 2017	✓	

Main Accounting 2016/17

Final report issued May 2017

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			held electronically on E-fin. It is perhaps a legacy document left over from the days of batch processing. Given the drive by the Council to save storage space, any reduction in paper transactions should be encouraged.

The implementation of Collaborative Planning(CP) and Business Objects (BO) has started, it will replace Budget Monitor. We have tested turning off self-authorisation but it doesn't work. Workflow is another way to achieve this. It is not preferable though since it will generate many e-mails. This is a very small part of a large project. FPM may achieve this also.

I would also challenge the risk from this. A journal is just (normally) the accountants moving the actual income or expenditure from one cost centre or account code to another (more correct) code or codes. This does not represent a financial loss risk to the Council and there is a minimal risk of mis-allocating expenditure/income – but as stated above, it is normally to correct that which has been mis-allocated. The request to move is normally documented via an email or through a budget monitoring meeting.

It is therefore asked that this recommendation be closed. | | | | |

Main Accounting 2016/17

Final report issued May 2017

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

Council Tax 2016/17

Final report issued May 2017

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
02	We recommend that reconciliations between the Academy system (for Council Tax, Benefits and NDR) and the general ledger are completed on at least a quarterly basis. Completed reconciliations should be reviewed by a senior Finance officer and this check evidenced.	Medium	The 2016/17 year-end reconciliations have been completed and did not identify any issues / concerns. However, the frequency of in-year reconciliations will be implemented as part of a wider review of control account / feeder system reconciliations with the general ledger. This review will cover the timings for each reconciliation, the nature of each reconciliation and designate responsibility for completion and sign-off. Position – June 2017 To be reviewed after Final Accounts. **Position – September 2017** <u>**HoF comment**</u> **Reconciliations have been brought up to date. A process has been developed to allocate a timetable and responsibility for**	Section Head – Accountancy *Financial Accounting & Technical*	30 June 2017	✗	**15 November 2017**

Council Tax 2016/17

Final report issued May 2017

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
			all reconciliations. Some have transferred to Revs and Bens where they sit better and this has involved an amount of training being delivered by the accountancy team. It is planned to have a timetable and process documented by the end of September – this will need testing and embedding so the recommendation will be completed by the next Audit Committee.				

Starters & Leavers 2016/17

Final report issued May 2017

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
02	We recommend that: a) The starter checklists are completed in full. b) HR reminds Managers to fill out and return the Managers induction checklist and chase instances where the checklist is not completed.	Medium	Agreed. Position – June 2017 In progress. **Position – September 2017** **The HR Co-ordinators are now working more closely with Managers to help them manage the probation procedure to ensure that the induction checklists are completed.**	HR Managers (job share post)	31 July 2017	✓	
03	We recommend that the Organisational Development team	Medium	Agreed	HR Managers (job share post)	31 July 2017	✗	**31 December**

Starters & Leavers 2016/17

Final report issued May 2017

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	should ensure that starters complete all mandatory courses and reminders are sent to line managers where necessary.		Position – June 2017 In progress. **Position – September 2017** **At present, the OD team receive an automated email via RL alerting them of new starters. A welcome email is sent, including log in details for the elearning they need to undertake. At present we are relying on the member of staff/manager to complete these as due to technical issues with Vine (the software provider for the elearning), we are currently unable to run a reliable report on who has/has not completed the elearning so it would not be possible for us to chase them. The Council's e-learning platform is being upgraded from October 2017, this will include updating our modules, improved user friendliness and access to reporting tools, so that HR and managers can review staff completion levels. Once these technical issues have been ironed out, we will be able to run a report of all new starters per quarter and confirm they completed their e-learning modules.** **A timeline is being reviewed with the supplier for our upgrade but will be in place by end December 2017 at the latest.**				**2017**
04	We recommend that HR update starters and leavers information on the Intranet for both Council's so that services have access to the current	Medium	Agreed. Position – June 2017 In progress.	HR Managers (job share post)	31 July 2017	✗	**31 October 2017**

Starters & Leavers 2016/17							
Final report issued May 2017							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	arrangements. July The process should also clearly define roles and responsibilities, so that individual services are aware of their responsibilities when appointing a starter or processing a leaver. Timescales for completing each process should also be included.		**Position – September 2017 The HR Co-ordinators have accepted responsibility for keeping the directories for both Councils up to date. However, due to technical difficulties in actually making these changes, we have not been able to do so. The technical difficulties are being investigated and hopefully should be resolved quickly.** **A process map is in the process of being drawn up.**				
05	We recommend that IT in conjunction with HR agree and implement a robust process for granting / deleting IT systems access for starters and leavers, including where possible the use of e-forms via the Intranet. This should cover roles and responsibilities and the retention of supporting evidence for actions taken. Details of starters and leavers could be circulated on a regular basis (say monthly) to Heads of Service and Leadership Team / Management Board in order to raise visibility across services.	Medium	Agreed. Position – June 2017 In progress. **Position – September 2017 Starter/Leaver information is given to IT via the starter/leaver form. We have not yet been able to create an embedded form (due to technical issues) but we are working on a resolution for this. A monthly list of starters/leavers is provided for LT/MB.**	HR Managers (job share post)	31 July 2017	✗	**31 March 2018**
07	WBC We recommend that WBC Facilities Management process leavers promptly to ensure only authorised staff have access to the Council	Medium	Agreed. Position – June 2017 In progress.	HR Managers (job share post)	31 July 2017	✓	

Starters & Leavers 2016/17							
Final report issued May 2017							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✘ or ✔	Revised Deadline
	buildings. TRDC We recommend that HR send automated email notifications to the TRDC Technical Team for both starters and leavers.		**Position – September 2017** **Both WBC Facilities and TRDC Technical Team are receiving automated notifications through the RL system of any leaver and are acting upon this information promptly.**				

Audit Plan 2017/18

Follow Up of IT Audit Recommendations and Extended DR Scope 2017/18						
Final report issued August 2017						
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
01	In partnership with the Councils' continuity teams, the business continuity plans and IT disaster recovery plans should be reviewed and, where necessary, updated so that expectations of all stakeholders are met.	Medium	Agreed - This will be raised with the continuity teams within both Councils. **Position (September 2017)** **As above – final report only issued recently.**	ICT Section Head	31 December 2017	✗	
02	Management should arrange for a full test of its IT disaster recovery plan to be carried out. In the interim period, Management should arrange for a table-top exercise to be performed and for elements of the IT disaster recovery plan to be tested.	Medium	Agreed - A test will be arranged and elements of the Plan will be tested when the opportunity arises. **Position (September 2017)** **As above – final report only issued recently.**	ICT Section Head	31 December 2017	✗	
03	Feedback from relevant stakeholders should be incorporated within the interim IT Strategy, which should then be published.	Medium	Agreed - The IT Strategy is due to be published in September 2017. **Position (September 2017)** **As above – final report only issued recently.**	ICT Section Head	30 September 2017	✗	
04	The status of the rollout of the MDM solution to mobile devices should be reported on to senior management.	Medium	Agreed - The MDM roll out will be monitored. **Position (September 2017)** **As above – final report only issued**	ICT Section Head	30 June 2018	✗	

Follow Up of IT Audit Recommendations and Extended DR Scope 2017/18

Final report issued August 2017

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved × or ✓	Revised Deadline
	Issues encountered should be assessed and appropriate action taken to prevent the rollout from being delayed.		**recently.**				

Cyber Security 2017/18

Final report issued September 2017

Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved × or ✓	Revised Deadline
01	Management should review and revoke elevated access rights from user accounts where they are found to be inappropriate or no longer required. Elevated permission should not be granted to a user's standard network account and should only be accessed where there is a demonstrable reason. There should be a record of the accounts that have been granted elevated permissions, which is reviewed for adequacy on a routine basis.	High	Agreed – The Service is in the process of reviewing these accounts and, where possible reviewing this access **Position (September 2017)** **As above – final report only recently issued.**	ICT Section Head	31 December 2017	×	
02	All devices that are running unsupported operating systems should be upgraded to run operating	High	Agreed – This will be discussed with the relevant IT system owners in order to agree the best way forward to migrate off of legacy	ICT Section Head	30 June 2018	×	

Cyber Security 2017/18							
Final report issued September 2017							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	systems that are supported by the developer. Where it is not possible to upgrade the operating system of a device, it must be isolated from the Councils' IT network and appropriate security controls implemented.		operating systems. TRDC XP machines – down to: 2 WBC XP machines – down to: 0 Decommissioning is part of the core infrastructure programme. Since Jan 2017 67 servers have been decommissioned. **Position (September 2017)** **As above – final report only recently issued.**				
03	Management should put in place a process to verify that the actions taken to resolve security vulnerabilities have been effective.	High	Agreed – A mid-year IT Health Check will be conducted to verify that vulnerabilities have been resolved. 21 out of the 29 HIGH vulnerabilities were closed by the PSN submission date of 31 July 2017. **Position (September 2017)** **As above – final report only recently issued.**	ICT Section Head	31 January 2018	✗	
04	Management, supported by the IT service, should assess the risk of a cyber-attack on its operations. Where necessary, appropriate action should be taken to mitigate against the impact of a cyber-attack.	Medium	Agreed – This will be raised with stakeholders at the IT Steering Group. **Position (September 2017)** **As above – final report only recently issued.**	ICT Section Head	30 November 2017	✗	
05	The ICT Section Head will agree with Councils' HR Shared Service as to	Medium	Agreed – This will be discussed.	ICT Section Head	30 November 2017	✗	

	Cyber Security 2017/18							
	Final report issued September 2017							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved ✗ or ✓	Revised Deadline
	who is responsible for the delivery of information security training. A training needs assessment should be performed for all members of staff at both Councils with regards to information and cyber security. Compliance should be monitored and action taken when members of staff are found to have not completed the information security training.		**Position (September 2017)** **As above – final report only recently issued.**				
06	There should be a record of the configuration of the Councils' firewalls, which includes but is not limited to: • The purpose of all of the rules and the associated services • The expected configuration and activity for each rule • The member of staff that requested the rule • The member of staff that approved the rule. Firewall rules should be reviewed on a routine basis. The IT network diagram should be updated so that it accurately reflects the design of the IT network.	Medium	Agreed – The IT network diagram has now been updated and the review of the firewall rules is ongoing. **Position (September 2017)** **As above – final report only recently issued.**	ICT Section Head	30 June 2018	✗	

Report to: Audit Committee

Date of meeting: 27 September 2017

Report of: Bob Watson – Head of Finance (shared services)

Title: <u>**Annual Governance Statement (AGS) – Action Plan Update**</u>

1.0   **SUMMARY**

1.1   This report gives details of the progress in implementing the actions required resulting from the Annual Governance Statement.

2.0   **RECOMMENDATIONS**

2.1   That the Committee notes the progress made against the action plan.

For further information on this report please contact: -
Bob Watson, Head of Finance (shared services)
telephone extension: 7188
email: bob.watson@threerivers.gov.uk

Report approved by: Bob Watson, Head of Finance

3.0   **DETAILS**

3.1   The 2016/17 Annual Governance Statement was published with the Statement of Accounts and contains a high level action plan to ensure continuous improvement of the system of internal control. An update of action taken is attached at Appendix 1.

3.2   There are two outstanding significant governance issues relating to ICT which will be reviewed by the internal audit service as part of future audits to ensure compliance.

3.3   The recommendation enables the Committee to note the progress made against the action plan.

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**

        None Specific.

4.4   **Potential Risks**

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

        APPENDICES

        Appendix 1 - Annual Governance Statement – High Level Action Plan

APPENDIX 1

No.	Issue	Action	Resolved	Update
1	The Disaster Recovery Plan is not current. The Council should take priority to ensure the kit list is updated and fit for purpose	The Council will ensure that the kit lists are updated and fit for purpose in conjunction with Capita who are responsible for Third party contracts for DR. Disaster Recovery and business continuity plans will be reviewed annually to ensure suitability, adequacy and effectiveness	No	All asset lists, including desktops, servers and network equipment have been updated and are managed by the Service Desk Provider. Procedures documents are currently being reviewed and updated. **Hd of ICT services is currently drafting the DR plan in conjunction with Amicus – Third Party. Also drafting a specification for a short term joint DR contract to include kit and recovery site. It is anticipated our DR need will change over the next year given the core transformation and therefore the Council is looking to tender for a flexible contract. Once the DR plan is drafted this will go to ITSG & risk groups at both Councils for review and sign off. There will then be annual review per other IT policies.**
2	The lack of an effective testing strategy for Disaster Recovery may mean that gaps and defects in the plan may not be identified	Once the kit lists are updated, DR tests will take place on critical systems and their key dependencies	No	The testing will take place once the DR procurement has taken place, a requirement to undertake this is being built into the specification. **DR Test to take place: December 2017**

Report to: Audit Committee

Date of meeting: 27 September 2017

Report of: Head of Finance

Title: External Auditors Report To Those Charged With Governance – ISA260 - (September 2017) and Approval Of The Statement of Accounts 2016/17

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 2016/17.

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 processes involved in the production of the annual Statement of Accounts for 2016/17.

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 2016/17 be approved.

Contact Officer:
For further information on this report please contact: -
Bob Watson, Head of Finance
telephone extension: 7198
email: bob.watson@threerivers.gov.uk

Report approved by: Joanne Wagstaffe Director of Finance

3.0 DETAILS

3.1 The Audit Committee at its meeting on the 29 June received the draft Statement of Accounts for 2016/17. The Accounts have since been audited by EY (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. EY 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 by the Chair of the committee and the Director of Finance.

3.4 The Council's Statement of Accounts for 2016/17 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 Under the Council's constitution the Audit Committee has the responsibility to consider and approve the Statement of Accounts.

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 2016. The Committee are referred to the narrative statement in the Statement of Accounts.

4.2 The Financial Statements have been prepared under International Financial Reporting Standards (IFRS), a statutory accounting framework which is used by public sector bodies within the United Kingdom. The Chartered Institute of Public Finance and Accountancy (CIPFA) produce a Code of Practice on Local Authority Accounting (the 'Code') 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 29 June 2017. 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 need to continue to find savings through efficiencies and increased income; some of these may impact on service level provision. Tight fiscal controls 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) – EY (UK) LLP – September 2017.
2. Letter of Representation
3. Statement of Accounts 2016/17

BACKGROUND PAPERS

The Accounts and Audit (England) Regulations 2011

Report to: Audit Committee

Date of   27 September 2017
meeting:

Report of: Head of Finance

Title: Appointment of Auditors - Update

1.0   **SUMMARY**

1.1   This report gives an update on the appointment of the Council's external auditor from FY 2018/19.

2.0   **RECOMMENDATIONS**

2.1   That the Committee notes the provisional appointment of EY and will be asked to formally approve this appointment at a future committee.

Contact Officer:
For further information on this report please contact: -
Bob Watson, Head of Finance
telephone extension: 7198
email: bob.watson@threerivers.gov.uk

Report approved by: Joanne Wagstaffe, Director of Finance

3.0   **DETAILS**

3.1   At its meeting in December last year, this committee approved and recommended to Council the use of the Public Sector Audit Appointments Ltd (PSAA) to appoint the Council's external auditors from 2018/19. This was ratified and agreed at Council in December 2016.

3.2   This was confirmed to PSAA and they have since proposed that the external auditors for this Council will be Ernst and Young LLP (EY). The PSAA Board will consider all proposed auditor appointments at its meeting on 14 December 2017, and will write to the Council as soon as possible after the meeting to confirm the auditor appointment. A report will be brought to this committee asking them to approve the appointment following formal notification.

3.3   The Director of Finance has no objections to EY being appointed as the Council's external auditors from 2018/19.

4.0   **IMPLICATIONS**

4.1   **Financial**

4.1.1   None specific – audit fees will be incorporated into future budgets.

4.2   **Legal Issues** (Monitoring Officer)

4.2.1   None Specific.

4.3   **Equalities**

4.3.1   None Specific.

4.4   **Potential Risks**

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

BACKGROUND PAPERS

Audit Committee Agenda Item 8 on 7 December 2016.

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Report to: Audit Committee

Date of meeting: 27 September 2017

Report of: Head of Finance (shared services)

Title: Committee 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: -
Bob Watson, Head of Finance (Shared Services)
Telephone extension: 7188
email: bob.watson@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. The programme of reports scheduled to be presented to this Committee in financial year 2017/18 and 2018/19 are shown below;

Date	Reports
Financial Year 2017/18	
December 2017	- Freedom of Information requests (half yearly update) - External Auditors Annual Audit Letter 2016/17 - Treasury Management Mid-Year Report 2017/18 - Risk Management Strategy - Draft Treasury Management Strategy 2018/19 - Standing items
March 2018	- External Audit Certification Work Report 2016/17 - Accounting Policies 2018/19 - SIAS Internal Audit Plans 2018/19 - External Auditor Audit Plan 2017/18 - RIPA 2018 - Corporate Risk Register - Standing items
Financial Year 2018/19	
July 2018	- Freedom of Information requests (half yearly update) - External Auditors Report and Approval of the 2017/18 Statement of Accounts - SIAS Internal Audit Annual Report 2017/18 - Fraud Annual Report 2017/18 - Annual Governance Statement 2017/18 - Treasury Management Annual Report 2016/17 - Standing items
September 2018	- Ombudsman's annual letter - SIAS Board Annual Report 2016/17 - Standing items
December 2018	- Freedom of Information requests (half yearly update) - External Auditors Annual Audit Letter 2016/17 - Treasury Management Mid-Year Report 2017/18 - Risk Management Strategy - Draft Treasury Management Strategy 2018/19 - Standing items
March 2019	- External Audit Certification Work Report 2016/17 - Accounting Policies 2018/19 - SIAS Internal Audit Plans 2018/19 - External Auditor Audit Plan 2017/18 - Standing items

Standing items are: -

- SIAS Internal Audit Progress Report
- External Audit Progress Report – Recommendations
- Annual Governance Statement – Action Plan update
- 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.

3.3   The annual statement accounts for the financial year 2017/18 are to be produced and signed by the council's Chief Financial Officer by 31 May. The audited accounts need to be agreed and signed by Committee by 31 July each year.

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.