AUDIT COMMITTEE

12 MARCH 2012

INTERNAL AUDIT PROGRESS REPORT TO 29 FEBRUARY 2012

REPORT OF INTERNAL AUDIT MANAGER

Contact Officer: John Cummins Tel: 01962 848 454 jcummins@winchester.gov.uk

RECENT REFERENCES:

PS442 – Internal Audit Strategy and Audit Plan 2011/12 to 2013/14 – 7 March 2011

AUD001 – Review of the Effectiveness of Internal Audit (including End of Year Report to 31 March 201) – 29 June 2011

AUD010 – Internal Audit Progress Report to 31 August 2011 – 26 September 2011

AUD017 – Audit Progress Report to 31 November 2011 – 5 December 2011

AUD018 – Anti-Bribery Report – 5 December 2011

AUD019 – Internal Audit Charter – 5 December 2011

EXECUTIVE SUMMARY:

This report sets out the Internal Audit coverage, findings and performance to 29 February 2012.

Sixty four percent (16 audits, includes two follow up audits) of the 25 programmed audits in the audit plan have been completed to final or draft report stage. In addition to this three audits from the 2010/11 plan that were to be finalised as part of the 2011/12 plan has now been completed.

In addition to the above, three pieces of work have been requested by the S151 Officer (contingency budget) and one special investigation completed.

The Audit Plan for 2011/12 is shown in tabular form at Appendix A of this report and provides details on the progress of this year's audit plan.

The Executive Summaries for audits completed since the last Audit Committee meeting, including audit opinion, conclusions and high and medium level management actions are shown in Appendix B. These include the audits of:

- Car Parks
- Council Tax and NNDR
- Housing Rents
- Flexible Smarter Working
- ICT Security Policy
- Performance and Risk Management

Appendix C provides an update on the Anti-Bribery action plan presented to the Audit Committee 5 December 2011.

RECOMMENDATIONS:

1. That the matters raised by Internal Audit and action taken by Management are noted.

AUDIT COMMITTEE

12 MARCH 2012

INTERNAL AUDIT PROGRESS REPORT TO 29 FEBRUARY 2012

REPORT OF INTERNAL AUDIT MANAGER

DETAIL:

1   Audit Plan Progress

1.1   Appendix A indicates the progress against the 2011/12 audit plan to 29 February 2012.

1.2   Sixty four percent (16 audits, includes two follow up audits) of the 25 programmed audits in the audit plan have been completed to final or draft report stage. In addition to this three audits from the 2010/11 plan that were to be finalised as part of the 2011/12 plan have now been completed.

1.3   In addition to the above, three reviews have been requested by the S151 Officer (contingency budget) and one special investigation (contingency budget).

2   Outstanding Internal Audit Recommendations

2.1   All Directors and Heads of Team are aware of their outstanding Audit Actions and these are now monitored on Covalent. An update for the Audit Committee on implementation of high risk management actions to 31 October 2011 was reported to the Audit Committee 5 December 2011 and a full update will be provided in the Internal Audit Annual Report at the end of 2011/12.

3   Partnership Progress

3.1   The Audit Manager to date has spent 33.3% of his time on Winchester City Council audit matters and 33.3% at Havant Borough Council and 33.3% at Test Valley Borough Council. The annual target is 33.3% at each site.

3.2   Winchester City Council currently owes 5.5 audit days to Havant Borough Council. Commitments are scheduled in to ensure no days are owed to HBC at the end of March 2012.

4   Other Matters

4.1   Internal Audit has an overall productive time (chargeable days) target of 90%. Performance was slightly above target at 90.9%.

OTHER CONSIDERATIONS:

5   SUSTAINABILITY COMMUNITY STRATEGY AND CHANGE PLANS
         (RELEVANCE TO):

5.1   Internal Audit contributes through the annual audit plan to the corporate
         governance arrangements of Winchester City Council, which in turn
         supports the achievement of the objectives of the Sustainable
         Community Strategy and Change Plans.

6   RESOURCE IMPLICATIONS:

6.1   A shortfall in resources of 114.5 audit days mainly due to a vacancy
         that arose within the Internal Audit Team was reported to the Audit
         Committee on 26 September 2011.

6.2   The Audit Committee on 26 September 2011 approved procurement of
         additional audit resources from within existing budgets for the audits of
         Creditors, Debtors and ICT Security and to postpone the audits of
         Contracts and the Housing Term Contract. Approval was also given to
         reduce the scope for the audits of Commissioning, Car Parks, the
         Guildhall and Markets. In addition the audit titled Appointment of
         External Auditors has been removed as no longer required. A risk
         based approach has been used to ensure the revised Audit Plan is
         sufficient to provide a robust audit opinion at the year end on the
         Council's internal control framework whilst managing to deliver a small
         financial saving on this year's Internal Audit Staffing costs.

6.3   The Audit of "Commissioning" is to be postponed to 2012/13 due to an
         additional piece of work being undertaken by Internal Audit on the
         Housing Finance Reform which is considered to be currently of a
         higher priority.

7   RISK MANAGEMENT ISSUES

7.1   The Internal Audit plan for 2011/12 is linked to the Corporate Risk
         Registers to ensure, where possible and appropriate, Internal Audit
         review those areas considered to be of the most significant risk. The
         annual plan was approved by Principal Scrutiny Committee and
         continues to be reviewed to ensure they are in line with the risk
         registers and as a consequence have an audit programme closely
         linked to the Sustainable Community Strategy and Change Plans. This
         role now rests with the Audit Committee.

BACKGROUND DOCUMENTS:

Working papers and Audit Reports held within the Governance Group (some
exempt).

APPENDICES:

Appendix A: Provides details on the progress of this year's audit plan to 29 February 2012.

Appendix B: Executive Summaries for completed audits.

Appendix C: An update on the Anti-Bribery action plan presented to the Audit Committee 5 December 2011.

APPENDIX A

Progress of 2011/12 Audit Plan to 29 February 2012

Audit Assignment	Planned Days	Actual Days	Stage / Comment
CONTINGENCIES			
S151 Requests	10	2.5	1. Fraud Survey completed for the Audit Commission. 2. Housing Reform Act 3. Grants to Voluntary Organisations
Special Investigation	40	39.5	1. Property Services – reported to the Audit Committee 5 Dec 2011.
CORE AUDIT (COMPULSORY)			
Accounting system	33	24.5	In progress
Asset Management	18	31	Draft Report Stage
Benefits	28	27	Draft Report Stage
Car Parks	~~22.5~~ 12.5	13.75	Scope of audit reduced due to re-alignment of resources. Completed please see Executive Summary in Appendix B, Item B.1.
Cash collection	23	20	Draft Report Stage
Council tax	12.5	14.5	Completed please see Executive Summary in Appendix B, Item B.2.
Creditors	18	15.5	Draft Report Stage (includes 12 days provided by PwC)
Debtors	7.5	7	Draft Report Stage (includes 5 days provided by PwC)
Housing Rents	13	8.5	Completed please see Executive Summary in Appendix B, Item B.3.
NNDR	12.5	14.5	Completed please see Executive Summary in Appendix B, Item B.2.

Audit Assignment	Planned Days	Actual Days	Stage / Comment
Payroll	22.5	5.5	In progress
Follow ups	22.5	6	One review of outstanding high risk actions reported to the Audit Committee (AUD001 – 29 June 2011). Second review of outstanding high risk audit actions to 31 October 2011 reported to the Audit Committee (AUD017 - 5 Dec 2012).
CORPORATE/CROSS SERVICE AUDITS			
~~Appointment of External Auditors~~	~~10~~		Not now considered relevant. Removed from the Audit Plan.
Commissioning	~~18~~ 13	0	Commissioning to be undertaken in 2012/13.
~~Contracts~~	~~28~~	0	Removed from Plan due to re-alignment of resources
Corporate Governance	18	21	Completed in Qtr 1
Flexible Working	18	26.5	Completed please see Executive Summary in Appendix B, Item B.4.
Fraud Prevention	23	15	Draft Report Stage
ICT Security Policy	13	12.25	Completed please see Executive Summary in Appendix B, Item B.5 (Includes 10 days provided by PwC)
ICT Shared Service	13		Scheduled for Qtr 4
Performance and Risk Management	23	23	Completed please see Executive Summary in Appendix B, Item B.6
ONGOING ACTIVITIES			
Advice and Assurance to Customers as required.	20	13	Ongoing

Audit Assignment	Planned Days	Actual Days	Stage / Comment
Anti Fraud and Corruption Policy and Awareness Training	5	3	Anti-Bribery Policy produced and approved by the Audit Committee 5 Dec 2011. Appendix C provides an update on the Anti-Bribery action plan presented to the Audit Committee 5 Dec 2011.
Audit Planning and Reporting	25	16	Ongoing
Customer Excellence Project	10	15	Completed. Internal Audit Team now Customer Service Excellence accredited under the successful Financial Services application for accreditation.
External Audit Liaison	6	2	Ongoing
NFI Fraud Prevention	10	4.5	Ongoing
Role on Governance Group	3	2	Ongoing
Role in Major Projects	8	18	1. SELIMA Upgrade 2. ASPIRE
SERVICE AUDIT			
Environmental Services Contract	17		Scheduled for Qtr 4
Guildhall	~~12~~ 7	1	Scheduled for Qtr 4 - Scope of audit reduced due to re-alignment of resources
~~Housing Term Contract (responsive maintenance and void repairs)~~	~~17~~	1	Removed from Plan due to re-alignment of resources. To be undertaken in 2012/13.
Markets	~~12~~ 7		Qtr 4 - Scope of audit reduced due to re-alignment of resources

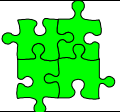| Audit Assignment	Planned Days	Actual Days	Stage / Comment
COMPLETION OF 2010/11 AUDITS TO FINAL REPORT STAGE	15	27	1. Accountancy completed – previously reported to the Audit Committee 26 September 2011 (AUD010) 2. Housing Rents completed – previously reported to the Audit Committee 26 September 2011 (AUD010) 3. Payroll completed – previously reported to the Audit Committee 26 September 2011 (AUD010)
Total	~~607~~ **527**	**430**	

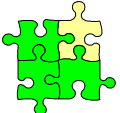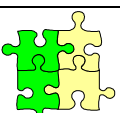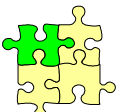<div align="right">**APPENDIX B**</div>

Assurance Opinions and Action Risk Levels

In order to assist management and members in using our reports:

a)   We categorise our **opinions** according to our assessment of the controls in place and the level of compliance with these controls. For each audit, we arrive at a conclusion that assesses the audit assurance in one of four categories. These arise from:

Our evaluation opinion: we assess the system of controls, which are in place to achieve the system of objectives.

Our testing opinion: we check whether the controls said to be in place are being consistently applied.

	Full	**System Effectiveness opinion -** There is a sound system of control designed to achieve the system objectives, and **Testing opinion –** The controls are being consistently applied.
	Substantial	**System Effectiveness opinion–** While there is a basically sound system there are weaknesses which put some of the control objectives at risk, and/or **Testing opinion –** There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
	Limited	**System Effectiveness opinion –** Weaknesses in the system of controls are such as to put the system objectives at risk, and/or **Testing opinion –** The level of non-compliance puts the system objectives at risk.
	No Assurance	**System Effectiveness opinion –** Control is generally weak leaving the system open to significant error or abuse, and/or **Testing opinion –** Significant non-compliance with basic controls leaves the system open to error or abuse.

b)   We categorise our Actions according to their level of risk.

High (1)   Major issues for the attention of senior management.

Medium (2)   Other recommendations for local management action.

Low (3)   Minor matters.

Car Parks Audit 2011-12

Audit Opinion
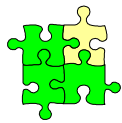
Substantial

System Effectiveness opinion– While there is a basically sound system there are weaknesses which put some of the control objectives at risk, and/or
Testing opinion – There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.

Conclusions

1. The actual car parking income received to the end of December 2011 in line with expected, as per the revised budget which was approved by Cabinet on 14 September 2011 (£3,338K actual income compared to a revised budget of £3,318k). Car parking charges are subject to annual reviews and recommended changes were approved by Cabinet in November 2011. The impact of the changes will not significantly affect the income for 2011-12, due to them only being applied in the last quarter of the financial year and the additional one off costs to cover new signage, software re-calibration and advertising. The forecast is that as a direct result of the changes an additional £150,000 may be generated in 2012-13.

2. The budget setting and monitoring process for car parking income is more effective than in previous years. This is as a result of an improved coding structure within the Council's Financial Management System which allows income to be attributed to specific car parks and therefore enables monitoring of actual to budgeted income at a more detailed level.   The financial information can identify whether performance of individual car parks is as expected, as per the budgeted income.

3. There have been significant improvements in the process for checking all income collected from car parking machines is banked. There are effective processes operating for identifying any potential issues through checks of actual to expected income by collection and monitoring the completeness of audit ticket / pull box numbers. The only issue arising relates to the lack of a deputy for key officers in the process (Assistant Parking Services Manager and Income Officer). If their duties are not

to be performed when they are absent, either through leave or sickness, there is the risk that missing or unbanked income may not be identified and investigated promptly.

4. There is no reconciliation of the actual income received, as per the records held by the Car Parks Service to the Financials system. There is an outstanding recommendation to develop a reconciliation process and whilst there is evidence to show progress is being made further work is still required to provide assurance that all money collected from the car park machines is being banked and posted accurately to the general ledger.

5. The system documentation for Car Parks income has been reviewed and updated where required. The key controls, identified by the Council's External Auditors, have been tested and confirmed that all, with exception to one which relates to reconciling income to the general ledger, were found to be operating effectively.

Previous Recommendation Follow Up

There are nine agreed actions raised in previous audits that still require attention, these are listed in Section 2. Progress has been made in implementing agreed actions through the introduction of key controls e.g. checking completeness of pull box / audit ticket numbers. In many cases the final stage to fully implement the actions is to document the processes and provide adequate back up and support to the Assistant Parking Services Manager. It should be noted that management have reported that resourcing issues within Parking Services have prevented them in fully implementing these actions to final stage.

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
		Medium		
1	The value of cash floats held in car parking machines at Middle Brook Street and The Brooks car parks are not checked and the value certified annually (as defined in the Procedure for Managing Petty Cash / Imprest Accounts). NB: Total value of cash float held for each machine is (£1260 for Middle Brook Street and £750 for The Brooks)	Cash not accounted for in the balance sheet	The cash floats will be physically checked, the value certified and then communicated to Financial Accounts (in line with the Procedure for Managing Petty Cash / Imprest Accounts).	Parking Operations and Quality Manager Target Date: 30 April 2012
2	Income banked by Contract Security Services is not being checked as received to the bank statement in a timely manner. This has led to instances when there has been delay in posting of income to the general ledger.	Budget monitoring is rendered ineffective / unbanked income not identified	An officer will be nominated as a deputy for the Income Officer and trained on the process for checking cash collected from the Council's car parking machines is banked by the appointed contractor (confirming amounts are as expected). This will also include ensuring posting of income to the general ledger is completed in a timely manner.	Principal Financial Accountant Target Date: 31 March 2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
3	There are several gaps in the 'date of closure' field entries on the system used for recording faults logged with the individual parking machine suppliers. This could indicate the either faults are not been resolved or the system is not being updated or monitored effectively.	Faulty machines are not repaired / contractual arrangements not fulfilled (each leading to loss of income)	A procedure will be developed and implemented to ensure all calls logged are reviewed periodically for timeliness of faults being resolved. NB: An exercise will also be undertaken to establish the various sources of calls logged to ensure effective communication of the process to all involved.	Assistant Parking Services Manager Target Date: 31 March 2012
4	The schedule of collections from cash machines has not been created in a way which provides the best value for money or minimises the risk of losses through limiting amount of cash held in machines. NB: The current re-tendering exercise to the Cash Collection Service should been seen as an opportunity create a schedule which provides efficiency savings.	Value for money not achieved	The schedule of collections included in the re-tendering exercise has a number of changes to provide better value for money. The number of collections per machine will be reviewed again once new contract for cash collection (due to commence in April 2012) is in place. NB: The contract will include a specific clause allowing for additional changes to the schedule to be made.	Parking Services Manager Target Date: 31 March 2013

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
		Actions outstanding from previous audits		
	AuditInt/AIN/003 Whilst each employing department are recharged with the cost of permits provided to their staff, this is in overall cost terms and is not self-evident for budget holders to identify how many permits are being used at any given point in time. The Park & Ride card charges are updated each month, whilst season cards are charged annually.	**Medium Risk**	Budget holders should be provided with a list of people charged to their cost codes e.g. quarterly – budget holders should confirm these details are correct. Status as at 17 January 2012 - Since the end of use of Pay-on-foot cards, which made it more complicated to produce accurate data of permits in circulation, reports have now been developed which should provide budget holders with more comprehensive information. The final stage of this action is to ensure the reports are circulated and reviewed by budget holders.	Original Due Date: 31 March 2008 Responsible Officer: Assistant Parking Services Manager Anticipated completion date: 31 July 2012

| No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
	AuditInt/AIN/005 Pay by phone is still in its pilot stage, however, there are no effective controls that enable the income and charges levied by VERRUS (the operating company) to be verified. Current levels of business are relatively small in relation to the whole. There is the potential for this to grow and controls need to be in place to ensure that the levels of business experienced can be verified between the invoice for VERRUS' services and the amounts being credited through the bank account	**Medium Risk** Cash income fails to be properly accounted for leading to loss by error, theft or fraud	Progress is being made with VERRUS to obtain more detailed information to help reconcile the reported levels of income with credits received via the banking system. The potential for using the ledger system to capture the expected income and that actually received will be investigated. Status as at 17 January 2012 - There are timing inconsistencies with Streamline that do not allow for reconciliations to be effectively completed. The Council has appointed a new provider for the pay by phone service (1 April 2012) which may provide an opportunity to set up more effective systems.	Original Due Date: 31 March 2009 Responsible Officer: Assistant Parking Services Manager Anticipated completion date: 31 August 2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
	AuditInt/AIN/021 No reconciliation is carried out between the car parks income recorded on the general ledger to the income records held by Car Parks Office.	**High Risk** Income incorrectly attributed in the ledger	A meeting will be organised with Financial Services to develop and obtain the reports necessary to enable regular reconciliation to be carried out Status as at 17 January 2012 – The Assistant Parking Services Manager is currently working with the Assistant Account (Systems) to develop a process for effectively reconciling car parks income (as per Car Parks records) to the general ledger.	Original Due Date: 31 October 2011 Responsible Officer: Assistant Parking Services Manager NB: Reported as implemented on 24 February 2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
	AuditInt/AIN/022 No overall log of the details of insurance claims is maintained. The Operations Manager keeps details of all correspondence relating to insurance claims and potential claims. Reliance is placed on his experience of what each of these "cases" are and whether there are "learning" points for general application to reduce the risk of future claims	**Medium Risk** Inefficient use of resources	More comprehensive records and a system to record each claim will be developed enabling trends and learning points to be identified. Status as at 17 January 2012 – The Parking Operations and Quality Manager is developing systems for ensuring comprehensive records of each claim retained.	Original Due Date: 31 October 2011 Responsible Officer: Parking Services Manager Anticipated completion date: 30 September 2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
	AuditInt/AIN/023 No management overview is in place to ensure that discrepancies and machine faults are being investigated and resolved.	**Medium Risk** Discrepancies may remain unresolved	The Assistant Parking Manager collates information regarding machine discrepancies and faults which form part of the monthly meetings with the Parking Manager. Improvements in processes will continue to be developed over time. Status as at 17 January 2012 – It is recognised that improved and more effective processes are operating for monitoring and reporting on discrepancies and faults as they occur. However further development of more formalised reporting e.g. through monthly trend analysis still is required to ensure the Parking Services Manager is aware of all issues arising.	Original Due Date: 27 April 2011 Responsible Officer: Parking Services Manager NB: Reported as implemented on 24 February 2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
	AuditInt/AIN/017 Deputising arrangements are not in place to ensure that full sequences of audit ticket numbers are being captured and discrepancies investigated promptly	**High Risk** Continuity checks on audit ticket sequences are not maintained	Procedures need to be developed to cover the data capture process, the reporting and investigating of discrepancies. Deputies need to be in place and trained in the processes Status as at 17 January 2012 – There have been significant improvements in the monitoring of audit ticket numbers to ensure gaps in sequences are identified. However it is recognised that due to resource issues, both staffing and IT is has not been possible to document the procedures or identify a suitably trained deputy to cover the duties conducted by the Assistant Parking Services Manager.	Original Due Date: 31 March 2011 Responsible Officer: Assistant Parking Services Manager Anticipated completion date: 31 March 2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
	AuditInt/AIN/020 No detailed checks have been made on the income figures for the other car park machines. Initial indications are that whilst there are discrepancies, these do not appear to be the result of systematic thefts.	**Medium Risk** Losses from parking machines are undetected	The list of discrepancies as listed in Appendix 2 should be investigated and the causes for these established. Status as at 17 January 2012 – Due to resource issues it has not been possible to review and investigate the causes for the list of discrepancies identified.	Original Due Date: 29 July 2011 Responsible Officer: Assistant Parking Services Manager Anticipated completion date: 30 September 2012

Council Tax and NNDR 2011-12

Audit Opinion
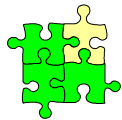
Substantial

System Effectiveness opinion– While there is a basically sound system there are weaknesses which put some of the control objectives at risk, and/or
Testing opinion – There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.

Conclusions

1. The annual and ad-hoc billing arrangements for both Council Tax and NNDR were found to be operating effectively. There are evidenced quality control checks on the value and quantity of bills providing assurance that they are both accurately calculated and despatched in a timely manner.

2. There is an effective working relationship with the Valuation Office which enables amendments (including additions and deletions) to property bandings / valuations to be made in a reasonable timeframe ensuring bills can be correctly calculated. In instances where this is delayed, these are identified and queried and customers are aware of the progression of their valuations.

3. Weekly quality control checks applied by the Team Leaders provide an adequate level of control over the validity of the award of discounts and exemptions. Sample testing by Internal Audit confirmed that discounts and exemptions have been awarded appropriately.

4. Accounts can be suppressed to restrict the recovery on Council Tax and NNDR accounts. An appropriate level of control is applied to these accounts by the Team Leaders' through periodic reviews of the number and time that suppressions are being awarded. Sample testing by Internal Audit confirmed that suppressions were being applied appropriately and that recovery action resumed once the reason for the suppression had been addressed.

5. Controls over the payment of refunds are robust and the sample testing completed confirmed they are operating effectively as all tested had been authorised appropriately. Since the introduction of the new financial management system, the value of refunds paid through iWorld had not been reconciled to the General Ledger; this was understood to be due to the inability to obtain accurate reports from the General Ledger. This situation has been rectified since the conclusion of the audit.

6. System controls ensure that separation of duties exists between the officer creating a write off and the Team Leader approving the write off on the iWorld system. Sample testing confirmed that the debts written off had evidence of investigation being carried out before recommending the write off and that the write offs have been authorised by officers with the appropriate level of authority.

7. Debt recovery follows prescribed processes ensuring that tax payers are treated fairly and encouraged to make payments before recourse to legal action. Sample testing by Internal Audit confirmed that recovery actions complied with the prescribed system. Performance figures indicate that collection rates are slightly ahead of target.

8. Access controls to iWorld and the associated workflow system ANITE are regularly reviewed by Management at a high level, confirming users are still current and have been assigned to the appropriate job role. The functionality of each job role was fully tested when iWorld was upgraded to v6 in 2009 but has not been reviewed since 2010. It is recommended that to provide assurance that the change control process operates effectively and job roles are set correctly these are reviewed on an annual basis.

9. The Business Improvement District levies continue to be managed effectively.

10. The key controls, identified by the Council's External Auditors, have been tested and confirmed to be operating effectively.

11. As part of the audit, analytical reviews of discounts, exemptions, refunds and write offs are carried out to help target Internal Audit resources at potentially high risk areas. No particular high risk areas were identified as a result of these analyses and samples tested were taken at random from the population of transactions in 2011/12.

Previous Recommendation Follow Up

There are no outstanding actions from previous audits that still require attention.

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
		Medium		
1	The access permissions within each 'job role' set up on iWorld have not been subject to a review during the last financial year, confirming they are set correctly and that the 'change control' process has operated effectively.	Unauthorised changes to systems access	A review will be undertaken comparing the 'Map of Action Groups' spreadsheet to output reports from iWorld which provide details of the functionality of each job role, checking that any changes are as approved through the change control process.	Systems Manager

Target Date: 20 March 2012 |

APPENDIX B – Item B.3

Housing Rents Audit 2011-12

Audit Opinion
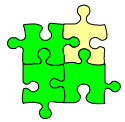
Substantial

System Effectiveness opinion– While there is a basically sound system there are weaknesses which put some of the control objectives at risk, and/or
Testing opinion – There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
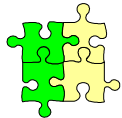
Conclusions

1. This audit has found that all of the key controls as listed in the table below were in place as documented.

2. There have been no significant changes to the system since the last audit and any changes to the key controls have been agreed with management.

3. Results from the audit are detailed in the table below which includes outstanding actions from previous audits where applicable.

4. All key controls were found to be operating effectively however it is not possible to provide the 'full' assurance opinion for these types of 'walkthrough' audits due to the volume of testing being significantly reduced (1 transaction per key control).

Key Control	Control Description	Compliance test result	Agreed Action Plan	Responsible Officer and Deadline
1	User access - access to Orchard is restricted to specific housing staff and access levels are appropriate to role.	Satisfactory	No action required	n/a

Key Control	Control Description	Compliance test result	Agreed Action Plan	Responsible Officer and Deadline
2	Tenancy agreement signed by tenant and Housing Officer and scanned into Retriever.	Satisfactory	No action required	n/a
3	Automated upload - VPL interface within Orchard. Updated tenancy information from the VCPL is automatically updated into Orchard weekly (Fridays). Unique housing account number created.	Satisfactory	No action required	n/a
4	The area summary report shows a cumulative reconciliation of the amount of debits allocated to rent accounts against the amounts received through payment	Satisfactory	No action required	n/a
5	Direct Debit receipts. Automatic file created of rent liabilities, which is automatically loaded into Orchard on payment day. The general ledger is then updated.	Satisfactory	No action required	n/a

Key Control	Control Description	Compliance test result	Agreed Action Plan	Responsible Officer and Deadline
6	Reconciliations completed - 1. Weekly variance analysis to previous week's figures for system generated debits. 2. Monthly iWorld & Financials to Orchard reconciliation 3. Daily reconciliation of amounts received to amounts banked to the bank statement	Satisfactory	No action required	n/a
Add'nl Control	**Control Description**	**Compliance test result**	**Agreed Action Plan**	**Responsible Officer and Deadline**
7	Refunds are authorised	Satisfactory	No action required	n/a
8	The write off of bad debts must be authorised in accordance with the Scheme of Delegation	Satisfactory	No action required	n/a
9	Each input method produces a file which is downloaded into Orchard. Cash is done on a daily basis for example. The individual housing rents accounts are then updated based on this import	Satisfactory	No action required	n/a

APPENDIX B – Item B.4

Flexible Smarter Working 2011-12

Audit Opinion

Limited

System Effectiveness opinion – Weaknesses in the system of controls are such as to put the system objectives at risk, and/or
Testing opinion – The level of non-compliance puts the system objectives at risk.

Conclusions

1. The policies which support flexible working initiatives clearly define roles, responsibilities and specific rules and procedures to be followed. It was noted however that key policies, specifically the Home Working Policy and Procedure, had not been subject to an evidenced review or update and therefore may not take account of changes in legislation (Health and Safety / Employment Law).   There are also concerns that policies may not be consistently and equitably applied as Managers may find it difficult to access the latest guidance due to poor linkage between relevant documents on the Council's intranet. There is the potential for key aspects to be missed by management, specifically in high risk areas such as Health and Safety.

2. The Home Working Policy and Procedure and other associated guidance given to staff do provide assurance that the elements of home working have been considered by management. The audit focussed on reviewing whether these elements are being managed effectively and provided the following results:-

   • The Health and Safety Advisor has formalised systems for ensuring safe working practices operate in the home through annual checks on the working environment however inconsistencies between records may lead to checks not taking place;
   • Homeworkers performance is monitored through the Council's Performance Appraisal process and through normal performance processes appropriate to the position, however there appears to be an inconsistent approach in monitoring of performance on a day-to-day basis reviewing whether the actual outputs achieve improved productivity;

- Provision of IT allows for effective communications with staff working at home with regular contact providing assurance that health and wellbeing is being monitored effectively;
- Payment of homeworker allowances were found to be applied accurately, however there were concerns that 'request for flexible working applications forms' could not be traced for a number of staff in receipt of allowances;
- The ICT Security and Conduct Policy defines staff responsibilities in respect to Data Security, this policy is currently being reviewed and once complete will be communicated to all staff;
- Staff have been provided with equipment to allow them to fulfil the requirements of their job while homeworking and the inventory records maintained by IM&T accurately show the equipment issued;

In conclusion Internal Audit's view is that in the main the Home Working Policy and Procedures is being applied effectively, however more focus should be given to ensuring the objectives of homeworking are achieved, particularly those objectives which formed part of the development of flexible working at the Council. These include improved customer service, increased productivity and greater ability to recruit and retain high quality staff.

3. The Flexible Working Protocol developed by Facilities Management has guidance on the Clear Desk Policy; use of Touchdown Tables, Cellular Offices and Meeting Rooms; DSE Assessments and Data Security and has been communicated to staff through City Voice. The focus of this audit has been to review how effectively the guidance is being applied across the organisation. The results of the review included:-.

- Observational testing which confirmed that desks are not all being cleared at the end of the day and are being left untidy making them unusable resources for sharing. This also raises concerns that documentation holding personal data may not be secure and potential breaches in data protection legislation.
- Testing of Condeco which confirmed there to be an effective booking system however this needs to be updated to reflect the major office moves which took place in April 2011.
- Reviewing the Flexible Working Protocol confirmed there is a requirement for staff to carry out a self assessment each year and this is facilitated through completing the DSEasy questionnaire on the training portal. It is evident that whilst DSE Co-ordinators are tasked with monitoring completion of these assessments there are varying degrees of compliance with this requirement.

The inconsistent application of the protocol does not allow a new mindset in the use of facilities to be achieved and without Heads of Team taking a pro-active approach for enforcing compliance with all aspects of the Flexible Working Protocol it is difficult to instil the working practices effectively, comprehensively and consistently across the organisation.

4. The key objectives of introducing flexible working were seen to be improving the Council ability to retain high calibre staff, improving customer service through more efficient working practices and also through efficiency savings. Efficiency savings could be classified as financial savings through a reduced accommodation overhead costs and improved value for money through increasing productive time. It is evident that savings have been made through more efficient use of office and storage facilities and that productive time has improved in specific areas of the Council e.g. Building Control. It is not however possible to accurately quantify the actual value of savings made due to a lack of comprehensive financial information for costs before and after flexible working practices were introduced. It is also important to note the whilst the savings originally identified through the generation of rental income have not been fully realised savings have been made through the application of national non-domestic rate exemptions.

Previous Recommendation Follow Up

No previous actions outstanding

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
		High		
1	Portable Appliance Testing (PAT) of electrical equipment supplied to homeworkers is not being conducted.	Personal injury or damage to property	A programme of work has now been established of PAT testing which includes: • Producing a comprehensive list of all home workers, including Councillors and the equipment issued to them • Provision of PAT tested power supply leads • PAT testing all new laptops prior to issue • Home visits where equipment cannot be brought into the Council offices NB: Following the completion of the programme it is planned to repeat the exercise every 3 years.	Business Support Officer Target Date: 30 June 2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
2	None of the home workers who were asked were aware of their responsibility to report all work related accidents, as defined in the Council Health and Safety Policy.	Accidents are not reported	As part of the annual check on current status for officers who work from home more than 1 day per week a reminder will be issued to ensure home workers are aware of their responsibility to report accidents.	Health & Safety Advisor

Target Date: 31 March 2012 |
| 3 | DSE assessments have not been completed on a regular basis or when officers have changed their working location. It was noted that the Health and Safety Advisor is currently working with DSE Assessors to complete an exercise to ensure all staff complete the DSEasy assessments. | Poor working practices leading to accident or injury | A high proportion of the teams within the organisation have now completed their DSE assessment using DSEasy; however there are still some which are outstanding. The co-ordinators for these teams will be issued with a second reminder informing them they must be completed by 31 March 2012. | Health & Safety Advisor

Target Date: 31 March 2012 |

| No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
		Medium		
4	Version control on key procedural documents is not being consistently applied, specifically:- • Data Protection Policy • Guidelines for Destroying Confidential Documents and Materials	Out of date procedures are followed leading to breaches of data protection	(1) The documents currently held under 'Freedom of Information, Data Protection and Regulation of Investigatory Powers Act' on the Intranet, will be reviewed and updated to provide details of ownership and version control. Once completed the links within the Intranet / Internet will be tested to ensure all are working effectively. (2) The Guidelines for Destroying Confidential Documents and Materials will be updated to provide details of ownership and version control.	Planning and Information Solicitor / E-Communications and Marketing Officer Target Date: 30 June 2012 Facilities Manager Target Date: 31 March 2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
5	The Intranet is not being used effectively for communicating to staff all the relevant policies and procedures linked to flexible / smarter working, for example:- • different versions of the Home Working Policy and Procedures exist • documents linked to flexible smarter working are held in several different service pages making it difficult for management and staff to review comprehensively	Policies not complied with (working practices not consistently applied)	The Intranet will be reviewed and updated, where required, to ensure the latest versions of policies and procedures are held and are easily accessible to management and staff.	HR Assistant (Training) Target Date: 31 March 2012
6	There are differences between the list of officers being in receipt of home worker allowances, records held by the Health and Safety Advisor and the acceptance documentation approving home working arrangements, specifically:- • 5 out of 13 homeworkers were not recorded on the Health and Safety Advisor's List • For 5 homeworkers no 'Request for Flexible Working Application Form' could be traced.	Home workers working in an environment that does not meet Health and Safety requirements. Unauthorised home working payments being made.	The differences identified may be due to the officers having been designated homeworkers prior to the 'Request for Flexible Working Applications Form' being introduced as part of the process. These will however be investigated and confirmation of officers being approved homeworkers checked to ensure allowances paid are appropriate.	HR Advisor Target Date: 31 March 2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
7	The room booking facilities on Condeco are out of date and incomplete, specifically the 'Bookable Managers Rooms', which have not been updated since the major office moves which took place in April 2011.	Ineffective use of resources, breaches in confidentiality	The option to book 'Bookable Manager Rooms' for meetings will be reviewed and if the decision taken to continue with making this facility available then it will be updated accordingly.	Facilities Manager

Target Date: 31 March 2012 |
| 8 | The Clear Desk Policy which forms part of the Flexible Working Protocol issued by Facilities Management is not being applied consistently; desks are being left untidy making them unusable for sharing. | Inefficient use of resources.

Breaches of data protection. | The Head of Organisational Development will ensure the requirements of the Clear Desk Policy are effectively communicated to enforce the approved working practices and enabling desks in all areas of the organisation to be shared. | Head of Organisational Development

Target Date: 31 March 2012 |

APPENDDIX B – Item B.5

ICT Security Policy 2011-12

Audit Opinion
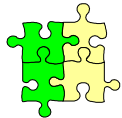
Limited

System Effectiveness opinion – Weaknesses in the system of controls are such as to put the system objectives at risk, and/or

Testing opinion – The level of non-compliance puts the system objectives at risk.

Conclusions

1. The arrangements in place to ensure the operation of, and compliance with, the ICT Security Policy, at times, operate effectively to protect the Council, however there are some key issues to address to prevent loss of Council equipment or data. In particular, testing showed that original signed policies could not be located for some members of staff. This may imply that access is given to users who do not agree to the Policy, with the potential of damaging or losing Council equipment or data.

2. The ICT Security Policy, agreed in 2008, is generally adequate in the range of areas it covers. It comprehensively details the responsibilities of users, managers and IM&T, the appropriate usage of Council electronic equipment and the security in place to prevent unauthorised access. The current policy is, however, out of date and therefore a new policy is being developed.

3. All new staff with access to IM&T equipment should sign to signify their agreement to the Policy. Furthermore, users agree that they have read the policy each time they log on to the network, through an automated pop-up. In practice, on some computers the pop-up does not load, while many signed policies have not been able to be located. Interviews with staff members indicated that awareness of the policy is low, with few knowing the key points which are relevant for their jobs. This suggests that the policy has not been effectively communicated to staff.

4. Compliance with the ICT Security Policy is variable among staff. Most users observe the security requirements to ensure that data and equipment is secure and are aware of the key requirements of the policy. Sample testing, however, showed that some aspects were not being complied with. IM&T are rarely informed of new users or leavers within the time frames stated in

the Policy, with some former employees having access to the systems a number of weeks after leaving the Council. A walkthrough of the Council buildings also noted that not all staff lock their workstations when away from their desks which contravenes the policy.

5. The usage of social media by the Council has been increasing, resulting in controls being implemented to protect the Council. Limited access is provided to the Council's Twitter and Facebook pages, with training provided to users prior to being given access rights. Controls are less robust around staff accessing their personal accounts. The updated Policy gives more information on how social media should be used within the Council, however the current guidance is sparse. Furthermore, the Council are paying for a system that is designed to block access to social media sites during core hours, however testing has demonstrated that the system does not always work.

6. Processes are in place to phase out direct push to mobile devices in preference of the more secure Blackberry system. Prior to this occurring, the ICT policy provides guidance as to how to keep confidential information secure. This, however, may not be sufficient due to the low level of knowledge staff have of the ICT policy.

Previous Recommendation Follow Up

No previous actions outstanding

No	**Control Weakness**	**Potential Risk / Rational**	**Agreed Action Plan**	Responsible Officer and Deadline
		High		
1	All staff are required to sign an ICT Security Policy when they join the Council, however these are not retained sufficiently and therefore many cannot be located. Furthermore, there is no clear indication as to which department or person has the responsibility to collate and monitor signed policies.	Access is given to users who do not agree to the Policy, with the potential of damaging or losing Council equipment or data.	A two page document shall be created, showing the key points of the ICT Security Policy. This shall require signing by new starters, with the hiring manager sending a copy to IM&T prior to access to the network being granted. Current staff will also be required to sign the two page document and return to IM&T. Any forms that are not returned within 30 days of issue will be reported to HR for follow up.	Head of IMT/Senior Infrastructure Officer 31st March 2012
		Medium		
2	Not all staff are aware of the ICT Security Policy, despite having signed it. Those who are aware of it do not always have a sufficient grasp of the key points, such as the requirement to email confidential information in an encrypted format, which apply to them.	Users unknowingly carry out unauthorised actions such as emailing unencrypted confidential information.	This shall be resolved through the introduction of the two page document as described in Action 1.	Head of IMT/Senior Infrastructure Officer 31st March 2012

| No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
3	Staff are required to agree to the Terms and Conditions of the ICT Security Policy through a pop-up when they log on, however it has been demonstrated that on some computers the pop-up does not appear.	Users may have access to the system without being reminded of the need to agree with the Policy.	IM&T shall investigate to identify which computers this is affecting and resolve.	Senior Infrastructure Officer 29th February 2012
4	The ICT Security Policy provides timeframes in which IM&T should be notified by managers of starters and leavers. These timeframes are rarely met, with some instances of long delays between staff starting or leaving and IM&T being informed.	Staff remain with access to Council systems despite having left Council employment.	This shall be referred to CMT, to ensure that line managers are aware of their responsibility to inform IM&T of changes within the timeframe specified within the ICT Security Policy.	Head of IMT 31st March 2012
5	The Council has a large amount of confidential electronic data which is controlled by limiting access rights to certain user groups. Some confidential folders allow access to individuals as well as user groups, without a clear record being retained of which files each individual has access to.	Users do not have their access to confidential folders removed when they move internally to another department.	No new users will be given individual access to folders, with access only being given through user groups. An exercise shall be carried out to review permissions, in particular for staff moving within the Council. Any inappropriate access shall be removed.	Senior Infrastructure Officer 31st July 2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
6	The Council's website blocking programme is inconsistent, on occasions allowing access to social networking sites during core hours.	Either users have access to sites they should not or money is spent on a system which is redundant.	IM&T are currently investigating a replacement product due to the issues of inconsistency within the current solution.	Senior Infrastructure Officer 31st March 2012
7	Internet and phone usage is not monitored routinely by IM&T. Staff members and managers may assume that monitoring does occur due to the wording within the ICT Security Policy.	A lack of monitoring occurs as there is no clear responsible department or person to carry out monitoring.	The top 10% internet users and sites visited shall be reported to the Head of IMT and HR. A decision will then be made as to whether there is potential inappropriate usage which will be reported to the line manager.	Senior Infrastructure Officer 29th February 2012
8	While training has been provided for those using the Council Facebook and Twitter accounts, no training is given to those with social media access otherwise. Furthermore, a risk assessment has not been undertaken in relation to Council equipment being used to post inappropriate information on social networking sites.	Inappropriate information is posted either relating to the Council or using Council equipment.	A view of what social media should be used and who should have access shall be obtained from CMT. Furthermore, an acceptable usage policy shall be introduced for those who are granted access.	Head of IMT/ Senior Infrastructure Officer 31st March 2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
9	The Council are currently using direct push technology to allow staff and members to access emails from smart phones. This is due to be replaced in July 2012 with encrypted Blackberry devices	Until the direct push system is terminated, confidential information may be accessed on unencrypted smart phones.	This has been accepted as a risk which will be resolved when the direct push technology is terminated.	Head of IMT 31st July 2012

Performance and Risk Management 2011-12

Audit Opinion
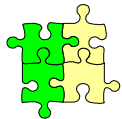
Limited

System Effectiveness opinion – Weaknesses in the system of controls are such as to put the system objectives at risk, and/or
Testing opinion – The level of non-compliance puts the system objectives at risk.

Conclusions

1. The Council's priorities are defined in the adopted Change Plans, including milestones to enable the delivery of outcomes to be monitored at an overall level. The overall framework, however, for performance management has not yet been fully developed and more needs to be done to achieve this through the creation of a formalised policy which provides clarity on roles and responsibilities, monitoring and reporting commitments.

2. An effective Risk Management Framework has been adopted by Winchester City Council. The Risk Management Policy 2011 and Risk Management Statement of Practice 2011 (approved by members in February 2011) provide clarity on the process, roles and responsibilities and reporting requirements. To further improve the process greater utilisation of the tools available within Covalent to integrate actions, risks and performance could be built into both the Risk Management Framework and Performance Management Framework helping management monitor delivery of the Change Plans more effectively.

3. Internal Audit can only place limited assurance on the accuracy and integrity of performance data in Covalent. The primary reason for this being the continuing issue over access permissions and Covalent not being used effectively for enforcing independent checking of data input.

4. Data was confirmed to be accurate from sample tests carried out on the integrity of data for National Indicators still required under the Single Data List.

5. With respect to discontinued National Indicators (no longer required within the Single Data List), reasonable assurance can be provided by Internal Audit that management are aware of the requirement to either continue or cease collecting and reporting results. It should be noted that all performance indicators will also be reviewed as part of an ongoing programme using an 'Outcomes Based Accountability Approach', which will be aligned to the adopted Change Plans.

6. The original scope of the audit had intended to review a sample of indicators where there where significant changes had occurred in the results since the previous year, with a view to confirming they had been accurately calculated. It has not been possible to complete this aspect of the audit due to reporting constraints within Covalent and the time available to conduct the audit.

Previous Recommendation Follow Up

There are three agreed actions raised in previous audits that still require attention

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
		Medium		
1	No deadlines have been established for Heads of Teams to confirm they have reviewed their performance indicators	Performance Indicators are not used to best effect.	A deadline has now been set to review performance indicators.	Corporate Business Manager 31/03/12
2	Very few specific measures have been established that would contribute to the more effective monitoring of delivery of the Change Plans.	Performance against Change Plans is not known and risks to these plans are not recognised.	The Corporate Business Manager will lead on reviewing existing indicators and highlighting to Assistant Directors where indicators do not contribute to the measurement of progress.	Corporate Business Manager 31/03/12
3	There is no check in place to ensure that all aspects of the Change Plans are being considered with regard to the Performance Indicators that are to be reported to O&SC.	Progress towards Change Plan actions is not measured.	The Corporate Business Manager will lead on reviewing existing indicators and highlighting to Assistant Directors where no indicators are in place to measure progress.	Corporate Business Manager 31/03/12
4	No checks are made to ensure that all SMT members are aware of the update to the Performance Management Framework and confirm their understanding of their role with regard performance management.	Performance Management is not consistently applied.	The re-launch of the Performance Management Framework will be followed up with a canvass of all SMT members to obtain positive acknowledgement of their understanding of their role.	Corporate Business Manager 31/03/12

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
5	There is no mechanism to obtain confirmation from key officers (e.g. all SMT members) that they have read and understood the content of the Risk Management Policy.	Corporately approved Risk Management practices are not implemented.	The re-launch of the Performance Management Framework will also be used to highlight the relationship with Risk Management and the follow up canvass will include the understanding of the risk management practices.	Corporate Business Manager 31/03/12
6	The Performance Management Team's role with respect to Risk Management defined in their Terms of Reference is inconsistent with that of the Risk Management Policy 2011 and the Risk Management Statement of Practice.	Confusion over roles.	The Corporate Business Manager will table an agenda item for PMT to review, revise and agree the Terms of Reference for the PMT.	Corporate Business Manager 17/01/12
7	Data quality checks are not being conducted on a consistent basis prior to activating performance data.	Inaccurate data being reported and used in the decision making process.	The existing Data Quality Policy will be refreshed and re-circulated to Covalent users as a reminder to carry out checks on data.	Corporate Business Manager 31/03/12
8	The inbuilt permission levels in Covalent, which are set to enforce a separation of duties between data inputter and data activators, is not being consistently applied.	Inaccurate data being used in the decision making process.	Permissions will be reviewed and updated where practical. A list will be compiled of sections where separation of duties is not able to be enforced.	Corporate Business Manager 31/12/11

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
		Actions outstanding from previous audits		
	AuditInt/PCI/008 Limited checks are applied to data provided by third parties which could lead to WCC reporting incorrect performance data.	**Medium Risk** WCC publish/use inaccurate data. Figures published by, or provided by, third parties are inaccurate	The Data Quality Policy will be updated to include a section to cover the checks to be applied where data is provided by a third party. This may take the form of obtaining some form of assurance "certificate" from the 3rd party which can help formulate the level of checking that should be applied at WCC. Status as at 1 March 2012 - A review of each of the internal systems that the Council uses to provide performance data that is entered onto Covalent will be carried out before the end of April 2012 to ascertain the accuracy and robustness of the data that is extracted from these systems. As part of this process an officer will be nominated as a point of contact for each of the systems.	Corporate Business Manager Original Target Date: 31/03/11 Anticipated completion date: 30/06/2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
	AuditInt/PCI/009 The Data Quality Policy is not being fully implemented with regard to: - Nominating an officer for each system - Nominated officers carrying out risk assessments in relation to their systems membership of the Covalent User Group being fully representative of all services within the Council.	**Medium Risk** Poor data quality practices are allowed to continue	A review will be undertaken of Covalent and the feeder systems and checks made to ensure that there are nominated officers for each system, that the risk assessments are carried out and that there is representation on the Covalent Users Group. Status as at 1 March 2012 - A review of each of the internal systems that the Council uses to provide performance data that is entered onto Covalent will be carried out before the end of April 2012 to ascertain the accuracy and robustness of the data that is extracted from these systems. As part of this process an officer will be nominated as a point of contact for each of the systems.	Corporate Business Manager Original Target Date: 31/03/11 Anticipated completion date: 30/06/2012

No	Control Weakness	Potential Risk / Rational	Agreed Action Plan	Responsible Officer and Deadline
	AuditInt/PCI/012 No decision has been made whether data trails can be stored on Covalent or an alternative mechanism that affords a suitable level of security over that data whilst providing the necessary trail.	**Medium Risk** WCC fail to comply with Government Connect requirements	A check will be made to ensure that WCC comply with Government Connect requirements. The Covalent User Group will formalise and publicise their decision regarding the storage of data and what actions need to be taken. Status as at 1 March 2012 - All the documents that are currently held on Covalent will be removed and saved into a designated area on Retriever. Permission for users to save documents into Covalent has been removed and documents are no longer being saved into Covalent.	Corporate Business Manager Original Target Date: 30/09/10 Anticipated completion date: 30/04/2012

Appendix C

Update on the Anti-Bribery Action Plan (presented to the Audit Committee on 5 December 2011

Action Point	Action Required	Date and Responsible Officer	Current Status
1	Minor updates to be made to the Anti-Fraud and Corruption Policy, Fraud Response Plan and the Whistle-blowing Policy.	31 December 2011 - Internal Audit Manager	Outstanding
2	Review of Code of Conduct for Officers and Members and identify if any updates required. If required likely to be minor changes.	31 December 2011 - Internal Audit Manager	Outstanding
3	Review Contract Procedure Rules and Procurement practices for any changes required.	31 January 2012 - Internal Audit Manager and the Head of Legal Services	Outstanding
4	Undertake risk assessment to identify areas of most risk of Bribery.	31 January 2012 - Internal Audit Manager in consultation with the Corporate Management Team	First draft produced and to be presented at SMT on 6 March 2012
5	Training to be provided to the Senior Management Team on the Bribery Act and refresher training on anti-Fraud and Corruption.	31 December 2011 - Internal Audit Manager	Scheduled for SMT on 6 March 2012

Action Point	Action Required	Date and Responsible Officer	Current Status
6	Staff awareness through publication of information and Anti-Fraud and Corruption, including Bribery Act.	31 December 2011 - Internal Audit Manager	Scheduled for Core Brief in April 2012
7	Internal Audit update on Action Plan to the Audit Committee.	Audit Committee - 12 March 2012	Scheduled for Audit Committee 12 March 2012
8	Internal Audit Plan for 2012/13 to include provision to review Anti-Fraud and Corruption, including Bribery Act.	Audit Committee - 12 March 2012	Completed