

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date **17 July 2017**

Report of: **Head of Finance and Audit**

Subject: **QUARTERLY AUDIT REPORT**

SUMMARY

This report provides the assurances arising from the latest internal audit work and gives an update on progress being made with the delivery of the audit plans

RECOMMENDATION

It is recommended that the Committee notes the progress and findings arising from Internal Audit work.

INTRODUCTION

1. This report highlights the progress made to date on the delivery of the Internal Audit Plans and the assurances that can be obtained from the work now completed.

FINALISING PREVIOUS AUDIT PLANS

2. The current status of the 6 audits remaining from the previous Audit Plans is detailed in [Appendix One](#) . Further work has been carried out on 1 of these which is close to being finalised.

DELIVERY OF 2016/17 AUDIT PLAN

3. Significant progress has now been made to deliver the rest of the plan as detailed in [Appendix Two](#) and a further nine audits have now reached the final report stage. An interim report and action plan has been produced for the Building Services work and further testing and analyses will be carried out as part of the 2017/18 plan.

DELIVERY OF 2017/18 AUDIT PLAN

4. Work has started on the delivery of the current years audit plan, with testing is underway for 4 audits and planning underway for a further 5, as noted in Appendix Three.

FINDINGS FROM COMPLETED AUDITS

5. The eight latest final reports that have been issued are listed below with the opinions given and number of recommendations made:

Audit	Assurance Opinion	Recommendations Made		
		New Essential	New Important	Outstanding Previous Essential or Important
Payroll & Employee Expenses 2016/17	Strong	-	1	2
Sheltered Housing 2016/17	Reasonable	-	3	-
Countryside 2016/17	Reasonable	-	3	-
Technology Forge 2016/17	Reasonable	-	3	-
Building Control 2016/17	Reasonable	-	4	1
Air Quality and Pollution 2016/17	Reasonable	-	6	-
Outdoor Recreation 2016/17	Limited	1	8	-
Data Protection	Not applicable	-	8	-
Building Services Invoicing and Stock Control (part 1)	Not applicable	Joint plan with 15 actions developed - some of which are fact finding rather than system improvements		

6. Detail of the recommendations made and the actions to be taken is provided in [Appendix Four](#).

RISK ASSESSMENT

7. There are no significant risk considerations in relation to this report

Appendices:

Appendix One - Update on Outstanding Audits from Previous Plans

Appendix Two - Audits in the 2016/17 Audit Plan

Appendix Three - Audits in the 2017/18 Audit Plan

Appendix Four - Findings from the Latest Completed Audits

Appendix Five - Reference Tables

Background Papers: None

Reference Papers:

Report by the Director of Finance and Resources to the Audit and Governance Committee on 10 March 2014 on the Contractor Annual Audit Plan 2014/15

Report by the Director of Finance and Resources to the Audit and Governance Committee on 16 March 2015 on the Internal Audit Strategy and Annual Audit Plan 2015/16

Report by the Head of Finance and Audit to the Audit and Governance Committee on 14 March 2016 on the Internal Audit Plan 2016/17

Report by the Head of Finance and Audit to the Audit and Governance Committee on 17 March 2017 on the Internal Audit Plan 2017/18

Enquiries:

For further information on this report please contact Elaine Hammell. (Ext 4344)

Update on Outstanding Audits from Previous Plans

The following table shows those audits that were outstanding in the last quarterly report and shows the current position with finalising the work.

Audit Title	Type of Audit**	Days in Plan	Stage reached of 10*	Assurance Opinion*	New Recommendations*			Previous Recs. (E and I only)		
					Essential	Important	Advisory	Implemented	Cancelled	Not Implemented
2014/15										
Income Collection & Banking	Fundamental	15	Stage 8							
Information Governance Opinion	Computer	6	Stage 8							
Contract Completion	Corporate, Specialist, Governance	10	Stage 8							
2015/16										
Recruitment and Selection	Corporate, Specialist, Governance (V)	15	Stage 9							
Land Charges	Service and Systems – HR	12	Stage 8							
Contract Deeds Management	Thematic Review	15	Not started							

* A key to the information in this column is given in Appendix 4.

** V denotes this audit was covering a service which had been subject to a Vanguard intervention

APPENDIX TWO

Audits in the 2016/17 Plan

No.	Audit Title	Type of Audit	Days in Plan	Stage reached of 10*	Assurance Opinion*	New Recommendations*			Previous Recs. (E and I only)		
						Essential	Important	Advisory	Implemented	Cancelled	Not Implemented
OPINION AUDITS											
1	Banking	Fundamental System	10	Stage 10	Reasonable	-	2	2	-	-	-
2	Treasury Management		10	Stage 10	Strong	-	2	3	-	-	-
3	Housing Rents		15	Stage 9							
4	Accounts Payable		10	Stage 10	Strong	-	1	-	1	-	-
5	Payroll & Employee Expenses - New		10	Stage 10	Strong	-	1	1	1	-	2
6	Sheltered Housing - New	Service and Systems – High Risk	15	Stage 10	Reasonable	-	3	1	-	-	-
7	Trade Waste and Recycling		15	Stage 10	Strong	-	-	1	-	-	-
8	Building Control - New		15	Stage 10	Reasonable	-	4	1	-	-	1
9	Daedalus Project		12	Stage 8							
10	Outdoor Sport & Recreation New		15	Stage 10	Limited	1	8	1	-	-	-
11	Neighbourhood Working, Public Relations & Consultation	Service and Systems - Other	10	Stage 10	Strong	-	-	3	-	-	-
12	Air Quality & Pollution (V) - New		15	Stage 10	Reasonable	-	6	1	-	-	-
13	Countryside Management - New		8	Stage 10	Reasonable	-	3	-	-	-	-
14	Technology Forge - New	Computer	15	Stage 10	Reasonable	-	3	1	-	-	-
15	Cloud Based Computing		15	Stage 8							
	Contingency		10								
	In-house team support		50								
	Total Planned Time		250								
WIDER WORK											
16	Leaseholder Charges	Joint working		Stage 5							

No.	Audit Title	Type of Audit	Days in Plan	Stage reached of 10*	Assurance Opinion*	New Recommendations*			Previous Recs. (E and I only)		
						Essential	Important	Advisory	Implemented	Cancelled	Not Implemented
		project									
17	Building Health and Safety Risks	Follow Up / Joint working project		Stage 5							
18	Data Protection - New	Joint working project		Stage 10	N/A	-	8	-	-	-	-
19	Risk Management Approach	New Process		Stage 10	N/A	-	-	-	-	-	-
20	Effectiveness of Ethics related activities (part 2 – physical security)	Thematic Review		Stage 9							
21	Building Service Invoicing and Stock Control (part 1) - New	Post investigation systems work		Stage 10	N/A	Joint action plan in place containing 15 actions for the service - some of which are fact finding rather than system improvements			-	-	-

Findings from the Latest Completed Audits

APPENDIX FOUR

Audit Title	Payroll and Employee Expenses	Overview of Subject: Fareham BC employs approximately 465 people with annual payroll costs including all allowances and expenses totalling £8.7m. The Council uses the CHRIS 21 payroll system and expense claims are handled through a separate online system. As at the end of November 2016, 11,353 items had been claimed through the system since April 2016.
Year of Audit	2016/17	
Type of Work	Opinion audit	
Assurance Opinion Given	Strong	
Direction of Travel	↔ 2015/16	

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)		
			Essential (🔴)	Important (🟡)	Advisory (🟢)	Implemented	Cancelled	Not Implemented
Establishment Management			-	-	-	-	-	-
Standing Data			-	-	-	-	-	-
Basic Salary Calculations (Inc statutory & voluntary deductions)			-	-	-	-	-	-
Expenses			-	-	1	-	-	-
Payroll Run Control			-	-	-	-	-	-
Ledger Postings and Interfaces			-	-	-	-	-	-
Pay Advances			-	-	-	-	-	-
Salary Sacrifice schemes			-	-	-	-	-	-
Allowances			-	1	-	1	-	1
Tax codes			-	-	-	-	-	-
Follow Up – Chris 21 Password Controls			-	-	-	-	-	1

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Important	First aid allowance - Testing found when reconciling the list of those with a first aid allowance to the list maintained by the Facilities Manager that 3 staff in receipt of the allowance do not have an up to date certificates and 2 had certificates due to expire. A number of actions have been agreed to improve control over who and when employees receive this allowance.
Previous Important	Essential User Checks – No annual review of this allowance had occurred since the last audit and a few more cases were found during testing where

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
	the post may no longer be meeting the criteria for the allowance. An annual review is now due to be introduced for each September.
Previous Important	Passwords – A problem was still found with the way that passwords are issued to new users such that they do not force the user to change it when they first access the system. The service is to change their process to avoid this problem in the future.

Audit Title	Sheltered Housing	<p>Overview of Subject: The Authority owns 26 Sheltered Housing Schemes. The service provides accommodation for people who are aged 60 or over, who require supported need. Five of these Schemes have an on-site Sheltered Housing Officer (SHO) and communal facilities. The remaining Schemes have mobile SHOs.</p> <p>Income from Hampshire County Council for supporting people stopped in April 2015 so the Council now charge the tenant for services provided on top of their rents. The charges made to people contain a management element for the Sheltered Housing service (which is eligible for Housing Benefits) and a support element (not eligible for HB). In 2016/17 the Council levied charges totalling £385k for the sheltered housing service and a further £84k for the support element.</p>
Year of Audit	2016/17	
Type of Work	Opinion audit	
Assurance Opinion Given	Reasonable	
Direction of Travel	↔2006/07	

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)		
			Essential (🔴)	Important (🟡)	Advisory (🟢)	Implemented	Cancelled	Not Implemented
New Tenants Placements			-	1	-	-	-	-
Service Charges including supporting people			-	-	-	-	-	-
Other Fees and Charges Income			-	1	-	-	-	-
Supervision and Management of Scheme and Mobile SHO's and in-house Cleaners			-	-	-	-	-	-
Arrangements for Building Security including CCTV			-	-	1	-	-	-
Management of Guest Room Lettings			-	1	-	-	-	-
TV Licence Fees			-	-	-	-	-	-
Recording of Gifts (Corporately)			-	-	-	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Important	Verifying the Identity of New Tenants - Testing of a sample of ten new sheltered housing tenants found three instances where there was no evidence held on file to support that the applicant's ID had been verified. Action: The ID of each new tenant will now be checked and evidence retained on file to support this.
Important	Guest Room Lettings – The SHO Handbook requires the completion of booking forms and the recording of Guest Room lettings in the Daybook. Testing of a sample of seven guest room lettings found three exceptions to this process. Action: Managers to review process to ensure the recording of lettings is completed in accordance with the stated procedure.
Important	Discretionary Fees and Charges - There are a number of sources of income collected outside of the service charges. However, only guest room letting charges are including in the Council's Fees and Charges Book and therefore get approved by members. It was also noted that there was some inconsistency in the rates

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
	being charged for hot water. Action: The Finance Business Partner for the service will liaise with the Manager to standardise the hot water rates and add the additional discretionary charges to the Fees and Charges book.

Audit Title	Countryside Management	Overview of Subject: The Countryside Service aims to conserve the natural environment of the Borough including the countryside, coast and open spaces. The Council manages 134 hectares of land for nature conservation which is divided into varied sites which are spread across the Borough. The sites cover a range of habitats including woodlands, grass land and wetlands. A new site called Titchfield Country Park is also being planned for 2017. The Service consists of one Countryside Officer and two Countryside Rangers. The Countryside Officer leads on developing the management plans for each of the sites, including H&S risk assessments. There are a number of volunteer groups which assist in the management of the sites.
Year of Audit	2016/17	
Type of Work	Opinion audit	
Assurance Opinion Given	Reasonable	
Direction of Travel	No Previous Audit	

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)		
			Essential (🚨)	Important (▲)	Advisory (ℹ)	Implemented	Cancelled	Not Implemented
Site Management Plans			-	-	-	-	-	-
Roles and Responsibilities			-	-	-	-	-	-
Team Work Scheduling			-	-	-	-	-	-
Special Events			-	2	-	-	-	-
Vehicle Use			-	-	-	-	-	-
Unsociable Hours Claims			-	1	-	-	-	-
Budget Expenditure			-	-	-	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Important	Expired DBS Checks - Rangers attending public events are required to be DBS checked and they oversee volunteers at the event. Testing of DBS checks noted that it is Council policy to carry out checks every three years, but for two of the three Rangers tested, the checks were overdue by two to three months. This issue was rectified during the audit.
Important	Policy on Dealing with Members of the Public who haven't booked – The policy/guidance to staff was not clear on how they should deal with customers who turn up at fee paying events and wish to participate. Action: Rangers are to be briefed that they should refuse to allow anyone without a ticket attending an event.

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Important	Retention of Toil Authorisations – Testing on a sample of ten Time off in Lieu records highlighted five where no records could be found to confirm that the TOIL had been authorised by line management. In addition, there was a misconception by some staff that monitoring was being carried out by the Business Support Team who were being copied into authorising emails, but did not do anything with them. Action: The service will clarify with the Business Support Team on its role in monitoring TOIL requests and the need to retain evidence of approval.
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Audit Title	Technology Forge Application	<p>Overview of Subject: The Technology Forge application was introduced in 2004 to retain and manage the Council's electronic estate records (both land and property) for the Council. The application contains historic estate records that were imported on the application's introduction, as well as continuing to record all current and previous tenants, lease and licence records since that point in time.</p> <p>The application is used to record jobs (such as repairs and maintenance) as well as perform financial functions (including raising orders and paying invoices). The application also allows electronic documents to be attached to the individual asset records.</p>
Year of Audit	2016/17	
Type of Work	Computer audit	
Assurance Opinion Given	Reasonable	
Direction of Travel	2009/10 Minor reduction in assurance	

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)		
			Essential (🔴)	Important (🟡)	Advisory (🟢)	Implemented	Cancelled	Not Implemented
Application Management and Governance			-	1	-	-	-	-
System Security			-	1	-	-	-	-
Interface Controls and Processes			-	1	-	-	-	-
Data Input			-	-	1	-	-	-
Data Output			-	-	-	-	-	-
Change Control			-	-	-	-	-	-
System Support (including third party access)			-	-	-	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Important	<p>Strengthening Password Format and Lock out - The application's password policy was found to be only partially compliant with best practice and Council policy in that complex (i.e. alphanumeric) passwords are not mandatory on the application. In addition, it was identified that user accounts are not locked after a certain amount of incorrect password attempts.</p> <p>Action: The supplier will be contacted to request that the Technology Forge application should be amended to a) include a lockout after 10 unsuccessful attempts at entering a password; and b) the password format requires 3 of the 4 categories of character.</p>
Important	<p>Information Asset Register – The Technology Forge Application was not included on the information asset register which would help the Council to manage the information risks associated with the application. Action: The Technology Forge application will now be added to the Council's Information Asset Register.</p>
Important	<p>Identifying and Documenting Interfaces - An interface map for the Technology Forge application was not in place that defines the interface between the application and other systems. Action: A map and documentation of system interfaces with Technology Forge will be created.</p>

Audit Title	Building Control Partnership	<p>Overview of Subject: The Building Control partnership was established between Fareham Borough Council and Gosport Borough Council to deliver both fee earning work (Building Regulations applications) and the non-fee earning work (such as dangerous structures inspection and resolution, access advice and control of demolition works). In month 8 of 2015/16 the partnership was expanded to include Portsmouth City Council.</p> <p>This audit was carried out by the Gosport BC audit team to give assurance on the procedures used by the partnership across the 3 councils.</p>
Year of Audit	2016/17	
Type of Work	Opinion audit	
Assurance Opinion Given	Reasonable (FBC equivalent)	
Direction of Travel	↓ 2010/11	

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)		
			Essential (🔴)	Important (🟡)	Advisory (🟢)	Implemented	Cancelled	Not Implemented
Application management and workflow			-	-	-	-	-	-
Fees setting and exemptions			-	1	-	-	-	1
Income Collection			-	-	-	-	-	-
Accounting across the partnership			-	2	-	-	-	-
Partnership Governance			-	-	-	-	-	-
Surplus calculation, distribution and spend			-	-	1	-	-	-
Refunds			-	1	-	-	-	-
Non chargeable work			-	-	-	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Previous Important	Negotiated Fees – Records are not being kept of how negotiated fees have been calculated. It has been agreed that the quote supporting documents will now be attached to the case file.
Important	Discounts – The authority and criteria for calculating and agreeing discounts for regular customers' needs to be agreed and documented for the whole partnership.
Important	Accounting for Disabled Adaptations – Some of the costs for Fareham work on Disabled Adaptations (which incur no charge) had not been posted to the accounts. New members of staff have now been instructed on the process and the costs now posted.
Important	Income Coding – Some inconsistencies found with identifying income attributed to each partner. Admin staff to be briefed on the codes and to try and

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
	build a validation process into the input of applications.
Important	Refund cheques – Refund cheques were being returned to Building Control Officers who had requested them rather than being sent out separately by the administration team. A separation of duties is now being introduced.

Audit Title	Air Quality and Pollution	<p>Overview of Subject: The Environmental Partnership between Fareham and Gosport Borough Councils (BCs) delivers shared Environmental Health services to both Councils. This includes pollution services which cover air quality monitoring, contaminated land, environmental pollution & nuisance, neighbour nuisance, private water supply and water quality monitoring in line with regulatory and legislative requirements.</p> <p>The Councils have 42 diffusion tubes installed between Fareham and Gosport to monitor pollution levels. There are also three monitoring stations at Fareham and Gosport, which provide readings for other pollutants. There are 2 recognised Air Quality Management Areas (AQMA) with their own specific action plans. There are currently 14 companies in Fareham who have been granted Part B (environmental pollution) permits and there is one private supplier of water which is monitored by the partnership.</p>
Year of Audit	2016/17	
Type of Work	Opinion audit	
Assurance Opinion Given	Reasonable	
Direction of Travel	No previous opinion	

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)		
			Essential (●*)	Important (▲)	Advisory (P)	Implemented	Cancelled	Not Implemented
Air Quality			-	1	-	-	-	-
Contaminated Land			-	1	-	-	-	-
Environmental Pollution and Nuisance			-	2	-	-	-	-
Neighbour Nuisance			-	-	-	-	-	-
Out of Hours Service			-	1	-	-	-	-
Private Water Supplies / Minor Drainage Works			-	1	-	-	-	-
Water Quality			-	-	-	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Important	<p>Risk Assessment and Periodic Sampling of Private Water Supply - Regular Risk Assessment and periodical sampling of private water supplies is required to ensure that water is safe for the persons using it. There is one establishment that is being monitored and in 2015 installation of UV treatment was implemented. Although sampling was carried out immediately after the UV treatment was installed, during 2016, the Council had not completed any water samplings. This was because the Laboratory previously used to complete the testing has been relocated. Although there were occasions where sampling was undertaken during 2016, these were only completed to detect existence of specific type of bacteria and did not include testing of metals and other bacteria. Action: The risk assessment for the private water supply will be updated and further action will be taken to source a supplier who can test the water samples required.</p>
Important	<p>Prompt reporting to DEFRA - The DEFRA Technical Guidance 2016 requires the submission of an Annual Status Report by April each year with the first having been due on 30 June 2016. We ascertained that the Council's report hadn't been presented to DEFRA until January 2017. However, DEFRA hadn't responded to the report until May 2017. Action: Service to discuss with DEFRA how frequently we need to submit the Annual Status Report (ASR) and will aim to issue it within the agreed timescale.</p>

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Important	Public Register of Regulatory Action Taken - Part IIA of the EPA 1990 establishes that acting as regulators Councils should keep a public register of regulatory action taken but currently none is in place. Action: A Public Register of Regulatory Action Taken will be introduced, when resources are available.
Important	Inspection Programme of Permitted Activities - The inspection programme for the 2016/17 period did not reflect the properties that should be reviewed as per the inspection frequency based on risk scoring. Action: The Inspection Programme of permitted activities will be reviewed to confirm it reflects the required inspections each year.
Important	Review of Activities of New Companies – There is currently no proactive identification of any new installations that are potentially polluting and require a permit. Action: the service will evaluate whether we can resource carrying out an annual review of new companies located within each borough to identify any new ones that may require a Part B permit.
Important	Monitoring of Performance Measures for Neighbourhood Nuisance - Monitoring measures relating to pollution complaints have been defined but not yet implemented. Action: Monthly Performance Measures for Neighbourhood Nuisance will be produced.

Audit Title	Outdoor Recreation	Overview of Subject: There are 17 Parks/Recreation grounds in Fareham with sports pitch provision. The Grounds Maintenance Team maintains the surfaces and pitches in line with bookings. There is also is a planned programme of improvements as part of the Council's Capital programme. Charges for recreational services are set out in the Council's Fees and Charges book. Some charges can vary e.g. discounted for block bookings and increased charges for non-resident clubs of the Borough. VAT exemption is available for the provision of a series of lets to Schools, Clubs, Associations or Organisations representing affiliated clubs or constituent associations (such as local league) subject to the guidelines set out in the Fees and Charges book.
Year of Audit	2016/17	
Type of Work	Opinion audit	
Assurance Opinion Given	Limited	
Direction of Travel	↓ 2007/08	

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)		
			Essential (🔴)	Important (🟡)	Advisory (🟢)	Implemented	Cancelled	Not Implemented
Management of Pitch Bookings			1	3	-	-	-	-
Income Collection			As above	2	-	-	-	-
Debt Recovery			-	1	-	-	-	-
Capital Projects			-	-	-	-	-	-
Leisure Strategy			-	-	-	-	-	-
Miscellaneous Charges			-	-	1	-	-	-
Cleaning – Contract Management			-	-	-	-	-	-
Grounds Maintenance			-	-	-	-	-	-
Repairs and Maintenance of Buildings			-	-	-	-	-	-
Equipment Purchases			-	1	-	-	-	-
Charges for Damages Arising from Hiring			-	1	-	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Essential	Improving the Spreadsheets used to control bookings. Weaknesses were found with the system used to manage income collection for sports pitch bookings such that errors were found on a number of invoices tested and we cannot give assurance that all income due has been collected or if we have not over collected. Action: The service had already been challenging the systems they were using and a new system for booking / invoicing in which a sheet is maintained for each club is being trialed.
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Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Important	Checking the Clarity and Accuracy of Invoices. Testing revealed discrepancies with some invoices. Action: More time will be spent checking the accuracy of invoices and assistance will be sought if required.
Important	VAT Exemption and Advanced Invoicing. The current invoicing spreadsheet gives the total of games played for each club, it does not identify where gaps have occurred which may mean that the VAT exemption cannot be given. Action: The Council is looking to move to two 'Fixed' and 'Flexible' booking options, the former will attract VAT exemptions (providing the VAT criteria have been met) and the latter will not attract VAT exemption. Meetings with the clubs will take place to explain the options to them.
Important	Records of Verbal Information relating to Bookings and Cancellations. There was limited information available to support all pitch bookings and cancellations received via the phone Action: Evidence to support bookings and cancellations received by phone will now be retained. In addition evidence will be kept to support the issuing of refunds / credit notes.
Important	Debtors' checks: When a pitch booking is received no checks are made to establish whether the customer owes money from previous pitch bookings. Action: When the season is about to start the Business Support Officer will send a list of clubs expected to make bookings to the finance team to check if the clubs have any outstanding debts.
Important	Documented Procedures for Booking Process. Few documented procedures outlining how the booking process works are available for other officers to refer to when the key Officer is absent. Action: The procedure notes that are in place to manage outdoor recreation bookings will be revisited and revised / brought up to date in line with expected practice.
Important	Password for Booking Sheet. The booking spreadsheet is not password protected to prevent any unauthorised alterations. Action: A Password or specific access group will now be set up to protect the bookings sheet from unauthorised changes.
Important	Records of Council Owned Equipment: The value of the equipment held is not recorded on the equipment spreadsheet and there was no record of periodic checks that equipment is still at the documented location. Action: The approach to the inventory records for outdoor recreation equipment will be reviewed in line with the requirements of Financial Regulation 13.
Important	Acceptance of Responsibility for Equipment in Booking Conditions: Booking conditions do not make it clear that any hiring club is responsible for the cost of repairs or replacement of any equipment while the premises or equipment is within their care.

Audit Title	Data Protection in Services	Overview of Subject: This report is one in a series looking at the procedures and controls in place at the Council to ensure compliance with the Data Protection Act 1998.
Year of Audit	2016/17	An internal review of the Corporate Data Protection arrangements was completed in 2013/14 and 2014/15 and a number of recommendations were made. One of these was to use a collaborative approach using Democratic Services and Audit Services to work with one or more manager a year to cover aspects of information management at the service level. These are generally reviewed by way of collaborative discussion amongst the working group. This is then supplemented by some audit testing.
Type of Work	Wider work	
Assurance Opinion Given	N/A	
Direction of Travel	N/A	
This report is the first review of this series and covers the Community Safety service.		

The actions below are attributable to the Community Safety Team. However, the audit also collated a number of recommendations that need to be addressed corporately

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)		
			Essential (⚡)	Important (▲)	Advisory (ℙ)	Implemented	Cancelled	Not Implemented
Team Awareness			-	-	-	-	-	-
Data Collection			-	-	-	-	-	-
Data Accuracy			-	-	-	-	-	-
Data Sharing			-	2	-	-	-	-
Data Security			-	5	-	-	-	-
Data Retention and Disposal			-	1	-	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Important	Need to Restrict Internal Circulation of Case Data – Some internal emails contained minutes for meetings that also contained sensitive data. It was agreed that items like this would no longer be attached to emails.
Important	Dealing with Requests for Data from the Police – The corporate process for dealing with data information requests for the police has stalled and once re-established will be observed by the service.
Important	Data on PC Screens – The team have now installed privacy screens to their PCs to prevent any nearby traffic being able to see any sensitive information being worked on on their computers.
Important	Access Rights On Filing System – One team in the Council was found to have access to the confidential filing area used by the service. These accesses have now been removed.

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Important	Duplication of data outside the management system – Data and files that are maintained on the management system used by the service were being duplicated within the filing system. It has been agreed that the filing will be reviewed and deletions made where possible.
Important	Manual Note Books – It was agreed that only clear note pads would be taken to meetings etc., to prevent any sensitive data/notes being inappropriately viewed at meetings.
Important	Calendar Entries – It was agreed that the team would work with ICT to lock down their calendars to team members only to allow meeting location and details to be recorded in the calendar system but not be visible to others.
Important	Data Retention and Disposal – It was agreed that the data maintained on the filing system would be reviewed and where no longer required, deleted, to ensure there is no breach of the DP legislation in terms of inappropriate retention.

APPENDIX FIVE

Reference Tables

1. Scale of Assurance Opinions

Strong	There is a strong system of control designed and operating effectively. Any weaknesses found were low impact and do not significantly affect key controls or the achievement of the objectives of the system.
Reasonable	There is basically a sound system of internal control but weaknesses were found in system design or compliance, which result in some risk to the achievement of the system objectives.
Limited	There are some weaknesses in the system of control designed or the level of compliance which result in significant risk to the achievement of the system objectives.
Minimal	Fundamental weaknesses have been identified such that many key controls are absent or not operating effectively which may put at risk the achievement of the corporate control objectives.

2. Scale of Recommendation Priorities

Essential	A fundamental weakness in the control system which presents immediate risk to the service or system of a significant nature. Requires urgent attention by management. Reported to the A&G Committee and implementation of proposed actions are monitored.
Important	A significant control weaknesses where the risk is not imminent or only of a moderate nature. This needs addressing but is not urgent. Reported to the A&G Committee and implementation of proposed actions are monitored.
Advisory	A weakness or opportunity for improvement where the risk poses no great threat and is relatively minor. Consideration should be given to addressing the weakness if there is the appetite and/or capacity to implement the improvements. Actions are not tracked.

3. Stages of An Audit Assignment

Stage 1	The Audit teams have started drawing up the scope of coverage for the assignment.
Stage 2	A scoping meeting has been held with the Sponsor in the client service.
Stage 3	The Terms of Reference for the Assignment have been finalised.
Stage 4	The Auditor has started to deliver the agreed scope of work.
Stage 5	The work completed by the Auditor is being reviewed by their manager.
Stage 6	An exit meeting has been held with the Sponsor giving the preliminary feedback from the work.
Stage 7	Any additional testing identified has been completed.
Stage 8	The draft report has been received by the in-house audit team.
Stage 9	The draft report has been issued to the Service Sponsor and is awaiting their response.
Stage 10	The final report has been issued.