



Stevenage Borough Council
Audit Committee

12 June 2018

Shared Internal Audit Service –
Progress Report

Recommendation

Members are recommended to note the
Internal Audit Progress Report for the period to
25 May 2018

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1 Introduction and Background

Purpose of Report

- 1.1 To provide Members with:
- a) The progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's 2018/19 Internal Audit Plan as at 25 May 2018.
 - b) The findings for the period 1 April 2018 to 25 May 2018.
 - c) The proposed amendments required to the approved Annual Internal Audit Plan.
 - d) The implementation status of previously agreed Audit Recommendations.
 - e) An update on performance management information as at 25 May 2018.
 - f) Details of revised assurance definitions/priority levels.

Background

- 1.2 Internal Audit's Annual Plan for 2018/19 was approved by the Audit Committee at its meeting on 26 March 2018. The Audit Committee receive periodic updates against the Annual Internal Audit Plan.
- 1.3 The work of Internal Audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit function is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed Annual Internal Audit Plan.

2 Audit Plan Update

Delivery of Audit Plan and Key Audit Findings

- 2.1 As at 25 May 2018, 15% of the 2018/19 Audit Plan days had been delivered (calculation excludes contingency days that have not yet been allocated).
- 2.2 No final reports have been issued for audits from the 2018/19 Audit Plan. The following 2017/18 final reports and assignments have been issued or completed in the period since the last Audit Committee:

Audit Title	Date of Issue	Assurance Level	Number of Recommendations
Housing Allocations Follow-up	March 2018	NA	NA
Housing Rents	March 2018	Substantial	Three Merits Attention

Cash and Banking	April 2018	Substantial	None
Payroll Self-Service	April 2018	Full	None
GDPR Preparedness	April 2018	Moderate	One High Two Medium One Merits Attention
Cemetery Fuel Follow-up	April 2018	NA	NA
Contract Management	April 2018	Substantial	One Merits Attention
Main Accounting System	May 2018	Substantial	One Medium Two Merits Attention
Debtors	May 2018	Substantial	One Medium Five Merits Attention
Repairs & Voids Callout and Standby Payments	May 2018	Substantial	Three Merits Attention
Corporate Governance	May 2018	Substantial	One Medium Two Merits Attention
Managing Use of Council Vehicles	May 2018	Moderate	Four Medium
Fire Safety	May 2018	Moderate	Seven Medium Three Merits Attention
IT Shared Service Agreement	May 2018	NA	Two Medium One Merits Attention

The following 2017/18 draft reports have also been issued and await a management response:

Audit Title	Date of Issue	Assurance Level	Number of Recommendations
Shared Legal Service	March 2018	Moderate	Three Medium One Merits Attention

Cyber Security	March 2018	Limited	Three High Two Medium Three Merits Attention
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Proposed Audit Plan Amendments

- 2.3 There has been no change to the Audit Plan since it was approved on 26 March 2018.

Reporting of 2018/19 Audit Plan Delivery Progress

- 2.4 At the meeting of this Committee on 18 November 2013, it was agreed that the method for reporting on Audit Plan delivery progress be based on the judgement of the SIAS management team and representing the best estimate as to a reasonable expectation of progress on the Audit Plan. This approach is reflected in the figures at 2.9 (below).
- 2.5 To help the Committee in assessing the current situation in terms of progress against the projects in the Audit Plan we have continued to provide an overall progress update in the table below. In addition, we have agreed formal audit start dates with management and have allocated resources accordingly; details can be found in Appendix C. This is designed to help facilitate a smoother level of Audit Plan delivery through the year.

Draft Report Issued (1)	
Confidence level in completion of this work – Full	
Mobile Device Management and Bring Your Own Device	

In Quality Review (2)	
Confidence level in completion of this work – Full	
Empty Properties / Voids (2017/18 project)	CCTV

In Fieldwork / Drafting Report (2)	
Confidence level in completion of this work – Full	
Complaints Handling (2017/18 project)	TSS Improvement Plan – Governance

Terms of Reference Issued / In Planning - Scope and Start date agreed with Management - preliminary work has begun (3)	
Confidence level in completion of this work – Full – resources have been allocated to these activities by SIAS and management has agreed the way forward; dates are planned in diaries	
Land Charges	Data Quality
Emergency Planning	

Allocated / No work commenced (26)	
Confidence level in completion of this work – Substantial – resources have been allocated to these activities by SIAS and management has agreed the way forward; dates are planned in diaries	
Main Accounting System	Debtors
Creditors	Treasury Management

Payroll	Council Tax
NDR	Housing Benefits
Cash and Banking	Housing Rents
GDPR – Post Implementation Review	Development Management
Street Cleansing	Debt Recovery
Homelessness Reduction Act	Herts Home Improvement Agency
DFG Capital Grant Certification	Housing Development – Kenilworth Scheme
Refurbishment Contract	Corporate Governance
Risk Management	Incident Management / Major Incident Review Follow-up (TSS Improvement Plan – Resilience)
Cyber Security (TSS Improvement Plan – Security)	Joint Reviews - tbd
Repairs and Voids Service Follow-up	Digital – Connected to our Customers

Deferred (1)	
Anti-Social Behaviour	

Summary – 25 May 2018		
Status	No of Audits at this Stage	% of Total Audits (35)
Draft / Final Report	1	3%
Quality Review	2	6%
In Fieldwork / Drafting Report	2	6%
In Planning / ToR Issued	3	9%
Allocated – Yet to start	26	73%
Deferred	1	3%

High Priority Recommendations

- 2.6 Members will be aware that a Final Audit Report is issued when it has been agreed (“signed off”) by management; this includes an agreement to implement the recommendations that have been made.
- 2.7 The schedule attached at Appendix B details any outstanding high priority audit recommendations.

Performance Management

- 2.8 The 2018/19 annual performance indicators were approved at the SIAS Board meeting in March 2018. Targets were also agreed by the SIAS Board for the majority of the performance indicators.
- 2.9 The actual performance for Stevenage Borough Council against the targets that can be monitored in year is set out in the table below.

Performance Indicator	Annual Target	Profiled Target	Actual to 25 May 2018
1. Planned Days – percentage of actual billable days against planned chargeable days completed	95%	13% (45 / 345 days)	15% (51 / 345 days)

2. Planned Projects – percentage of actual completed projects to draft report stage against planned completed projects	95%	3% (1 / 35 projects)	3% (1 / 35 projects)
3. Client Satisfaction – percentage of client satisfaction questionnaires returned at 'satisfactory' level	100%	100%	N/A (none received for 2018/19)
4. Number of High Priority Audit Recommendations agreed	95%	N/A	N/A (none for 2018/19)

Revised Assurance Definitions / Priority Levels

- 2.10 The existing assurance definitions have been replaced with four new assurance levels and definitions to accompany them (see Appendix D). With respect to the finding priority levels, we have added an additional priority level (Critical) to reflect findings that have an impact at a corporate or strategic level, rather than just at a service or directorate level. These changes will be reflected in all 2018/19 audits, although all 2017/18 carry forward work completed to draft / final report by 31 May 2018 will carry the old assurance levels and definitions.
- 2.11 The changes have been made following extensive research of other public and private sector assurance definitions / finding priorities and general internal audit good practice. It was also a response to client feedback.

APPENDIX A - PROGRESS AGAINST THE 2018/19 AUDIT PLAN AT 25 May 2018

2018/19 SIAS Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Key Financial Systems – 75 days								
Main Accounting System (General Ledger)					6	Yes	0	Allocated
Debtors					10	Yes	0	Allocated
Creditors					12	Yes	0	Allocated
Treasury Management					6	Yes	0	Allocated
Payroll					12	Yes	0	Allocated
Council Tax					6	Yes	0	Allocated
NDR					6	Yes	0	Allocated
Housing Benefits					6	Yes	0	Allocated
Cash and Banking					5	Yes	0	Allocated
Housing Rents					6	Yes	0	Allocated
Operational Audits – 122 days								
Data Quality					15	Yes	1	In Planning
GDPR – Post Implementation Review					10	Yes	0	Allocated
Land Charges					7	Yes	1	In Planning
Emergency Planning					10	Yes	0.5	In Planning
Street Cleansing					15	Yes	0	Allocated
CCTV					10	Yes	9	In Quality Review
Development Management					10	Yes	0	Allocated
Homelessness Reduction Act					10	Yes	0	Allocated
Debt Recovery					12	Yes	0	Allocated
Anti-Social Behaviour					10	Yes	1.5	Deferred
Herts Home Improvement Agency					2	Yes	0	Allocated
DFG Capital Grant Certification					1	Yes	0	Allocated

APPENDIX A - PROGRESS AGAINST THE 2018/19 AUDIT PLAN AT 25 May 2018

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Digital – Connected to our Customers					10	Yes	0	Allocated
Procurement, Contract Management and Project Management – 24 days								
Refurbishment Contract					12	Yes	0	Allocated
Housing Development – Kenilworth Scheme					12	Yes	0	Allocated
Risk Management and Governance – 10 days								
Risk Management					5	Yes	0	Allocated
Corporate Governance					5	Yes	0	Allocated
IT Audits – 30 days								
Cyber Security – (TSS Improvement Plan – Security)					6	Yes	0	Allocated
Incident Management / Major Incident Review Follow-up (TSS Improvement Plan – Resilience)					6	Yes	0	Allocated
Mobile Device Management and BYOD					6	Yes	4.5	Draft Report Issued
TSS Improvement Plan - Governance					12	Yes	3	In Fieldwork
Shared Learning and Joint Reviews – 6 days								
Shared Learning					2	No	1	Allocated
Joint Reviews - tbd					4	No	0	Not yet allocated
Ad Hoc Advice – 5 days								
Ad Hoc Advice					5	No	0.5	Through Year
Follow-up Audits – 10 days								
Repairs and Voids Service					10	Yes	0	Allocated
Completion of 17/18 Projects – 20 days								
Complaints Handling					10	Yes	6.5	Drafting Report
Other					10	Yes	8	Final Reports Issued

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AUDITABLE AREA	LEVEL OF ASSURANCE	RECS			AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		H	M	MA				
Contingency – 5 days								
Contingency					5	No	0	Not yet allocated
Strategic Support – 43 days								
Annual Report and Head of Internal Audit Opinion 2017/18					3		3	Complete
Audit Committee					10		2.5	Through Year
Client Liaison					8		2	Through Year
Liaison with External Audit					2		0.5	Through Year
Monitoring					10		1.5	Through Year
SIAS Development					5		5	Through Year
2019/20 Audit Planning					5		0	Through Year
SBC TOTAL								

APPENDIX B – IMPLEMENTATION STATUS OF HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment as at 25 May 2018
1.	GDPR Preparedness	<p>Shared Services</p> <p>Working with East Herts Council, the Council should define the responsibilities of both parties as both Data Controllers and Data Processors with regards to the shared services that exist.</p> <p>The Council's data protection procedures should be updated so that:</p> <p>The subject access procedure includes the actions to be taken when the request involves personal identifiable information owned by East Herts Council</p> <p>The data breach procedures include the actions for informing officers at East Herts Council.</p> <p>The responsibilities of the Council's Data Protection Officer should be defined in accordance with the agreements between the two Councils.</p>	<p>The Council acknowledges the findings and recommendations with regards to the Council's shared services with East Herts.</p> <p>As part of the Council's existing review of its shared services with other partner Councils under its existing GDPR compliance action plan, it will ensure relevant action is taken defining the responsibilities of both parties, and the required processes regarding responding to data subject requests and data breach procedures.</p>	Information Officer	30 April 2018	<p>This is a new addition.</p> <p>In respect of data protection responsibilities for both parties as Data Controllers and Processors, proposed plans have been discussed for respective parties' data protection obligations to be defined in an Appendix to the current Partnership Agreements in place between the two Councils.</p>	Partially implemented.

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2.	Repairs and Voids Service	<p>Recruitment issues</p> <p>a) While the recruitment process continues for these key roles, the progress of these actions should be reported to a relevant forum such as SLT.</p> <p>b) Once recruited, the established KPIs for each role should be monitored through the new performance appraisal process.</p> <p><u>For context – Finding included as background</u></p> <p>There are several roles within the Repairs and Voids Service which are currently not filled with substantive staff:</p> <p>a) Service Manager (filled by Interim Service Manager)</p> <p>b) Repairs Manager</p> <p>c) Contract/Supplier Manager</p> <p>d) Information Manager</p> <p>These roles are currently filled via a mix of agency staff and existing</p>	<p>Agreed. The appropriate forum will be agreed with the Strategic Director and Deputy Chief Executive.</p> <p>Agreed.</p> <p>Please also see below details. Following a comprehensive recruitment process we have appointed a permanent Repairs and Voids Service Manager who will join the Council on October 30th 2017. Regrettably the person who was offered the 2nd position - Repairs and Voids Manager</p>	Strategic Director and Deputy Chief Executive	30 September 2017	<p>23/01/2018 - No new management updates as report issued in January 2018.</p> <p>07/03/2018 - An update will be provided by representatives of Repairs and Voids service at the Audit Committee meeting.</p> <p>23/05/2018 - A new permanent management structure has been implemented within the Repairs & Voids Function. The Repairs & Voids Manager (reporting to the Service Delivery manager) commenced employment in May 2018. A Commercial/Contract Manager commenced employment in April 2018 and a Business Intelligence Analyst in December 2018. An update will be provided by representatives of Repairs and Voids service at the Audit Committee meeting.</p>	Partially implemented.

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		<p>substantive employees taking on additional roles until successful candidates are recruited. There have been a number of unsuccessful recruitment cycles for each role.</p> <p>We noted that KPIs which reflect the objectives of the Service as outlined in the Improvement Plan have been established for each role to ensure that the progress made by implementation of each project is embedded once these posts have been filled.</p> <p>Examination of relevant risk registers and InPhase indicates that the risk around the vacant posts has been added as a corporate risk.</p>	<p>position withdrew so we are going back out to advert for this post.</p> <p>We are also out to advert to recruit the permanent Information Analyst. We have been unsuccessful to date in recruiting the permanent Contract/Supplier Manager but are back out to advert Recruitment issues further link into operational roles - the requirement for NVQ 2/3 has affected the service's ability to fill roles quickly.</p> <p>With this recognised we have adopted a skills test for agency workers which have resulted in recruitment of time served operatives with a high skill level.</p> <p>While the approach gets the right people in it does not create a succession plan as</p>				

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			<p>the requirement of NVQ 2/3 negates the ability to apply for a full time role - agency costs are circa 15% higher than full times roles.</p> <p>Furthermore any operative recruited on an NVQ 2 has to commit to obtaining a NVQ 3 (within work time) within a period of a year - bearing in mind the current course last 2 years.</p> <p>Releasing a volume of operatives on day release impacts on service delivery and increases the need for sub-contract support.</p> <p>It should also be noted that SBC has appointed the Assistant Director for Stevenage Direct Services who took the post up in early November 2017. The AD will line manage the R&V Service</p>				

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			Manager and will be responsible for driving the necessary actions forward.				
3.	Repairs and Voids Service	<p>Post Project Closure Reports and Follow Up Actions</p> <p>a) Management of the implementation of these actions should be included in the job objectives for the incoming Information Manager.</p> <p>b) Implementation of post project actions should be monitored by the ECHFL Board.</p> <p>For context – Finding included as background</p> <p>From the five projects selected, a post project closure report has been completed for four of these.</p>	<p>Agreed. Project Leads and the Information Analyst are to meet with all relevant parties on a monthly basis to review the actions and collate all relevant information and reports. This will then be reviewed and signed off by the Service Delivery Manager.</p> <p>Agreed. Monthly reviews of this document will take place with the Service Delivery Manager and all updates will be logged and monitored. This can then be reviewed by ECHFL.</p> <p>Please also refer to</p>	<p>Service Delivery Manager</p> <p>Service Delivery Manager and ECHFL Board</p>	<p>On appointment</p> <p>To be commenced October 2017</p>	<p>23/01/2018 - No new management updates as report issued in January 2018.</p> <p>07/03/2018 - An update will be provided by representatives of Repairs and Voids service at the Audit Committee meeting.</p> <p>23/05/18 – This work has been commenced and a phase two action plan has been developed and is monitored by the Service Delivery Manager with monthly reports provided to the Assistant Director, Strategic Director and Portfolio Holder. Performance generally is monitored on a weekly basis and cross service voids meetings are held to ensure timely</p>	Implemented.

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		<p>The remaining one is due for completion following the final staff away day, September 2017.</p> <p>Whilst these projects are reported as completed, the closing reports for each project identify future actions and post project actions. The project team leaders are mostly in charge of the future actions. Some of the actions such as those for the Repairs Diagnosis project have been ongoing since July 2016.</p> <p>During the course of the audit, a consolidated post project action tracker was being developed to allow the orderly demobilisation of the programme management team. There was no central monitoring of actions prior to the implementation of this tracker. It is essential that the incoming management team continue to monitor and implement these actions.</p> <p>The consolidated tracker has been developed to</p>	the attached Post Programme Actions spreadsheet.			<p>turnaround or property repairs and works. An update will be provided by representatives of Repairs and Voids service at the Audit Committee meeting.</p>	

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		<p>ensure that as the programme closes down and permanent managers recruited the actions are available. Prior to this, individual project managers tracked the progress of post project actions.</p> <p>Several actions on the post programme tracker have been assigned to the 'Information Manager' post which has not yet been filled.</p>					
4.	Digital Information Management	<p>Digital Record Retention</p> <p>Senior Management should, in conjunction with the IT Service, identify an appropriate file management system(s) through which the Councils' record retention schedules can be enforced.</p> <p>The digital records, which include those that are stored within IT systems, should be reviewed on a routine basis and where there is not a demonstrable need for their retention they should be disposed of.</p>	<p>SBC has recruited a new Information Officer who is delivering an action plan for the Council to comply with GDPR including focus on personal data. This post currently reports to the Head of Legal Services but will transfer to AD of Corporate Projects, Customer Services and Technology in July 2017.</p> <ul style="list-style-type: none"> Action plan delivery, 	Assistant Director (Corporate Projects, ICT and Customer Services) (Stevenage Borough Council) / Borough Solicitor	31 July 2017	<p>25/08/2017 - This is a new addition and the management response opposite is the latest comment.</p> <p>The AD Corporate Projects, ICT and Customer Services and Senior IT Manager will be in attendance at the Audit Committee to take any questions.</p> <p>30/10/2017 – An update will be provided by representatives of IT Services at the Audit Committee meeting.</p>	Partially implemented.

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		The IT Service should maintain a record of the IT systems that do not conform to the Councils' requirements for digital record retention and appropriate compensating controls should be deployed.	<ul style="list-style-type: none"> GDPR Compliance at SBC, Proposing formation of a sub group of the Corporate Governance Group to be created to focus on good information governance for SBC, EH have a new Policy Officer leading on GDPR compliance and staff training. 		<p>31 May 2018</p> <p>30 September 2017</p> <p>31 May 2018</p>	<p>23/01/2018 - An update will be provided by representatives of IT Services at the Audit Committee meeting.</p> <p>14/03/2018 - Action plan in place and being delivered / under review to achieve GDPR compliance at SBC – regular updates to SLT</p> <ul style="list-style-type: none"> Corporate Information Governance Group (CIGG) in place and meeting and IAO's identified and active An Information and Records Governance Manager role has now been recruited / and will be confirmed SIAS Audit – GDPR preparedness completed and draft report issued – moderate assurance. <p>23/05/2018 - SBC has recruited a new Information and Records Governance Manager (and registered DPO with the ICO) whose priority initially is overseeing and</p>	

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						<p>driving the delivery of a cross council action plan to comply with GDPR. This post reports to the AD of Corporate Projects, Customer Services and Technology. Key outputs currently include</p> <ul style="list-style-type: none"> - Drive and deliver the GDPR Compliance Action plan programme – including mandatory training for all Council staff on GDPR. - Deliver SBC's core database - Records of Processing Activities (ROPA) - Establish of a Corporate Information Governance Group – CIGG. <p>GDPR is setting the pace for improvements at this time – later this year we will be moving to a wider information and records governance agenda – looking at document and record management strategies, etc.</p>	
5.	Digital Information Management	<p>Security Standards for IT Systems</p> <p>Management should establish a standard for</p>	ICT Policy Frameworks to be strengthened – deliver actions within the Improvement	Assistant Director (Corporate Projects, ICT and Customer	30 September 2017	25/08/2017 - This is a new addition and the management response opposite is the latest comment.	Partially implemented.

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		<p>securing the IT systems that are used to collect, process and store digital records. This should include, but not be limited to:</p> <ul style="list-style-type: none"> - Password standards, which should be aligned to or exceed the requirement for active directory accounts. - All users should be uniquely identified and generic accounts should be locked unless there is a business requirement for their use - A full audit trail should be enabled to trace user activity. <p>Management should maintain a record of the IT systems that do not comply with the standard and take appropriate action to mitigate the risk of a security breach.</p>	<p>Plan from the ICT Review (already procurement of a policy framework is being investigated)</p> <p>Cybersecurity Action Plan in place and being delivered.</p>	Services) (Stevenage Borough Council)		<p>The AD Corporate Projects, ICT and Customer Services and Senior IT Manager will be in attendance at the Audit Committee to take any questions.</p> <p>30/10/2017 – An update will be provided by representatives of IT Services at the Audit Committee meeting.</p> <p>23/01/2018 - An update will be provided by representatives of IT Services at the Audit Committee meeting.</p> <p>14/03/2018 – New Access Control guidelines for IT Systems have been adopted and the shared IT Service are working with key stakeholders to implement these guidelines for all IT systems used by both Councils.</p> <p>23/05/18 - The Council, with its Shared Technology Services partner East Herts approved an ICT</p>	

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						Improvement Plan in November / December 2017 (replacing the Cybersecurity Plan) , which prioritised the strengthening of IT system security across the Shared Service – in revenue terms £250k ADDITIONAL investment agreed for delivery: - New policy suite in delivery - Dual factor authentication planned - ITIL training and service management framework under review – applications register etc. - Strategic Leadership receive update reports on security status –and Improvement Plan progress monitored at Strategic Director level - last SLT report 22/5/2018.	
6.	IT Disaster Recovery (Post-Incident)	Network resilience Management should put in place a defined procedure for establishing a single data centre in the event of a loss of synchronisation between the two data	Agreed. A technical procedure for establishing all IT services at a single data centre has been	Interim Senior IT Manager	Complete	23/01/2018 - No new management updates as report issued in January 2018.	Implemented.

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		centres. These procedures should be incorporated within the IT disaster recovery planning (see Finding 2). Furthermore, additional connectivity should be added to the IT network so that the single point of failure for Stevenage Borough Council is addressed.	drafted. This will be further refined following testing and use. Additional connectivity options are being considered and will be implemented as part of the outcomes from the IT Disaster Recovery review in January 2018.		31 August 2018	14/03/2018 - The technical procedure is in place and we continue to work towards establishing a single data centre and this is part of the Disaster Recovery Planning currently being undertaken. This will be developed following the establishment of the Disaster Recovery Plan. 25/05/2018 – An appraisal of options to improve the resilience of out IT Services is underway with support from SOCITM. The recommendations are due to come forward in June 2018 and will include a timeline for implementation.	Not yet implemented.
7.	IT Disaster Recovery (Post-Incident)	Environmental controls Appropriate environmental controls should be installed at both data centres so that they can continue to operate in the event of a disaster. This should	Agreed. Increased power resilience will be implemented with larger capacity UPS	Interim Senior IT Manager	31 May 2018	23/01/2018 - No new management updates as report issued in January 2018.	Not yet implemented.

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		<p>include:</p> <ul style="list-style-type: none"> • Appropriate UPS deployed at both data centres • Appropriate power sources to support the continued operation of air conditioning at the Daneshill site. <p>Management should define the processing capacity threshold at which it is no longer possible for a data centre to operate as the single data centre.</p> <p>This should be monitored and, where exceeded, appropriate action should be taken.</p>	<p>deployed at both data centres, plus a generator will be installed to support the continued operation of the Daneshill data centre in the event of power disruption.</p> <p>Capacity requirements will be considered as part of identifying the technical solution within the planned review of IT Disaster Recovery Plans.</p> <p>More formal improved capacity management processes will be introduced as part of the IT Service's adoption of ITIL.</p>		<p>31 March 2018</p> <p>31 December 2018</p>	<p>14/03/2018 - The first meeting with the supplier is due to take place in early March and installation is expected by the original target date. This will increase our ability to operate Business As Usual and enable more effective Disaster Recovery.</p> <p>Additional hardware is being purchased to enable greater capacity. This initial mitigation will be in place by April 2018. This will enable the re-provisioning of a greater number of remote desktops across both councils should a data centre be lost. IT staff have undergone initial ITIL training and the learning has started to be transferred to the workplace. Further training will continue on an on-going basis.</p> <p>25/05/2018 – Works to implement the additional power resilience at Daneshill House are scheduled to take place</p>	<p>Not yet implemented.</p> <p>Not yet implemented.</p>

APPENDIX B – IMPLEMENTATION STATUS OF HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment as at 25 May 2018
						in June 2018. Capacity requirements are being defined as part of the options appraisal exercise mentioned above. Once requirements are clearly defined, thresholds will be set and an escalation protocol agreed.	
8.	IT Disaster Recovery (Post-Incident)	<p>Disaster recovery planning</p> <p>Working with stakeholders from both Councils, Senior Management must define the recovery time and point objectives for critical IT systems and determine the order by which they should be recovered by the Service.</p> <p>Where the Service is unable to achieve these objectives, the relevant IT system owner must identify alternative recovery solutions.</p> <p>The Service should put in place a defined IT disaster recovery plan, which is aligned to the Councils'</p>	<p>Agreed.</p> <p>A review of IT Disaster Recovery arrangements will be undertaken, which will re-establish the councils' business requirements and identify the technical solutions needed.</p>	Interim Senior IT Manager	31 March 2018	<p>23/01/2018 - No new management updates as report issued in January 2018.</p> <p>14/03/2018 - BDO have been commissioned to provide expertise and support to the review of Disaster Recovery Planning. This will be further supported by the expected team restructure once the new lead post has been recruited to. In the meantime, the IT team continue to progress this work, supported by</p>	Not yet implemented.

APPENDIX B – IMPLEMENTATION STATUS OF HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment as at 25 May 2018
		continuity planning.				experts from outside of the organisations. 25/03/2018 – Recommendations from the BDO review are being addressed through the options appraisal mentioned above. It has been agreed that BDO will also review the outcome of the options appraisal to provide additional assurance that the issues identified through this audit have been addressed.	
9.	IT Disaster Recovery (Post-Incident)	<p>Risk assessment and tolerance</p> <p>Management should assess the risk of the data centres becoming unavailable and, where necessary, revise the risk treatment plans.</p> <p>Senior management at both Councils, supported by the Service, should perform a business impact assessment with regards to the loss of IT and define their respective risk appetites so that</p>	<p>Agreed.</p> <p>The risk appetites of the councils will be considered and addressed as part of the planned review of IT Disaster Recovery Plans.</p>	Interim Senior IT Manager	31 March 2018	<p>23/01/2018 - No new management updates as report issued in January 2018.</p> <p>14/03/2018 - See item above. This will be considered as part of the first phase of the review of Disaster Recovery Planning being supported by BDO.</p>	Not yet implemented.

APPENDIX B – IMPLEMENTATION STATUS OF HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment as at 25 May 2018
		appropriate actions are taken by the Service.				25/05/2018 – see item above relating to appraisal of options.	

APPENDIX C – AUDIT PLAN ITEMS (APRIL 2018 TO MARCH 2019) – START DATES AGREED WITH MANAGEMENT

Apr	May	Jun	July	Aug	Sept
Complaints Handling (2017/18 audit) (In Fieldwork/Drafting Report)	Mobile Device Management and BYOD (Draft Report Issued)	Land Charges (In Planning)	GDPR – Post Implementation Review	Debt Recovery	DFG Capital Grant Certification
2017/18 Audit – Other (Draft Reports Issued)	Data Quality (In Planning)	Emergency Planning (In Planning)	Street Cleansing	Housing Development Schemes	Development Management
CCTV (In Quality Review)	Anti-Social Behaviour (Deferred to September)	Digital Connected to our Customers (Allocated)	Repairs and Voids Service (Follow up)		
			Refurbishment Contract (1)		

Oct	Nov	Dec	Jan	Feb	Mar
Main Accounting System (General Ledger)	Cash and Banking	Housing Rents	Debtors	Corporate Governance	Risk Management
Council Tax	NDR	Payroll	Creditors	Cyber Security	
Housing Benefits	Treasury Management		TSS Improvement Plan Governance (b/f to May) (In Fieldwork)	Homelessness Reduction Act	
Refurbishment Contract (2)			Incident Management – Major Incident Review / IT Disaster Recovery Follow-up	Herts Home Improvement Agency	

This is an indicative spread of audit start dates that may change as the financial year progresses.

All key financial systems audits have been brought forward to accommodate early closure and external audit requirements.

APPENDIX D – REVISED ASSURANCE / PRIORITY LEVELS

Assurance Level	Definition
Good	The design and operation of the internal control framework is effective, thereby ensuring that the key risks in scope are being well managed and core objectives will likely be achieved. There are minor reportable audit findings.
Satisfactory	The internal control framework is largely working well in managing the key risks in scope, with some audit findings related to the current arrangements.
Limited	The system of internal control is only partially effective, with important audit findings in key areas. Improvement in the design and/or operation of the control environment is necessary to gain assurance risks are being managed to an acceptable level, and core objectives will be achieved.
No	The system of internal control has serious gaps, and controls are not effective in managing the key risks in scope. It is highly unlikely that core objectives will be met without urgent management intervention.

Priority Level			Definition
Corporate	Critical		Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
	High		Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
Service	Medium		Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low / Advisory		Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.