

AUDIT & RISK COMMITTEE

23 September 2014

UPDATE ON AUDIT REPORTS GIVING LIMITED ASSURANCE

Report of the Head of Welland Internal Audit Consortium

STRATEGIC AIM	All
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1. PURPOSE OF THE REPORT

- 1.1 When audit assignments give rise to Limited (or No) Assurance ratings, the Committee requires assurance that Officers have taken appropriate and effective steps to address the issues of concern identified by the audit. This report provides Members with an update on the two assignments which have resulted in Limited Assurance ratings since the last Committee meeting.

2. RECOMMENDATIONS

- 2.1 That Members note the report.

3. PROGRESS TO DATE

- 3.1 Two assignments which have been finalised since the last Committee meeting resulted in Limited Assurance ratings: ICT Projects and Safe Driving at Work.
- 3.2 The findings of each of these reviews are summarised within this report, including updates on the current status of the agreed management actions. Appendix A provides the Executive Summaries for the two audit assignments, including details of all recommendations and the agreed management actions.
- 3.3 The Annual Report of Internal Audit was presented to the last meeting of the Committee in June 2014. The report highlighted eight assignments which were still at draft report stage. These assignments have all been finalised; seven assignments resulted in either Sufficient or Substantial assurance. The

ICT Projects assignment resulted in Limited Assurance and is therefore included in this report.

ICT Projects

- 3.4** ICT Project Management was selected for audit review because whilst the Council has been generally successful in implementing projects in which the ICT team was involved, some delays and issues had occurred. The audit provided a Limited Assurance rating because it was not possible to demonstrate that an appropriate project management framework was being consistently applied. Evidence was identified of delays in project implementation arising from failures to include the ICT team in the planning of projects. As a result, projects had commenced on the assumption that significant ICT infrastructure and ongoing support would be available without consulting the team to confirm whether this would be achievable, and that the resource to deliver this would be available in line with the project plan. There is a risk that projects may not be delivered within the required timescale due to delays which could have been avoided had the ICT team been consulted earlier.
- 3.5** In addition, evidence was discovered of hardware and software purchases made without prior approval of the ICT team in breach of the Council's IT Security Policy. Assumptions had been made that ICT would install and support the hardware/software; however this will not always be the case, for example if installation would involve an unreasonable level of ongoing support from the ICT department. There is a risk of additional, unplanned expenditure being incurred to make newly purchased hardware/software compatible with the Council's systems. Three recommendations addressing these issues were accepted by management.
- 3.6** The Council recently appointed an Interim ICT Manager who has been commissioned to carry out a review of the way in which ICT services are delivered. This will include a full review of the ICT project management framework. Appropriate responses to the issues raised within the audit report will be developed as part of this wider review.

Safe Driving at Work 2014/15

- 3.7** In 2013/14 Safe Driving at Work was identified by management as a significant risk. On this basis, the Director for Places (Environment, Planning and Transport) requested an audit of Safe Driving at Work be carried out to establish what processes were being followed across the Council to ensure compliance with health & safety requirements, and to assess the extent of compliance with those processes. This audit provided a Limited Assurance rating because there is limited evidence that driver and vehicle

documentation is currently being examined where staff are using personal vehicles for work purposes. Although the Council encourages use of pool cars, in 2013/14 there were 4,393 mileage claims for journeys made by employees in their own vehicles. No instructions have been issued to managers requiring them to verify driver and vehicle documentation and to undertake appropriate risk assessments. Employees are required to self-certify prior to submitting expense claims but there are no formalised checking arrangements in place. There is a risk, therefore, that officers may be undertaking work related journeys without a valid driving licence, in an employee owned vehicle which is not roadworthy, or without appropriate insurance cover being in place.

3.8 In addition, the Council does not have a specific corporate policy statement which coherently sets out its approach towards ensuring the safe driving and riding of employees whilst at work, and which links together all of the various guidelines, procedures and terms and conditions.

3.9 An appropriate action plan has been developed and agreed with management to resolve these issues by 31st December 2014; the Director for Places (Environment, Planning and Transport) has made delivery of the action plan a high priority. The action plan includes development of a corporate policy on Safe Driving at Work, introduction of driver and vehicle documentation checks, and assigning one team as responsible for oversight and compliance.

4. RISK MANAGEMENT

RISK	IMPACT	COMMENTS
Time	Low	The report does not prompt or require any time-bound response.
Viability	Low	There are no resourcing issues arising directly from this report
Finance	Low	There are no financial issues arising directly from this report
Profile	Medium	The report demonstrates that the Committee is taking action to satisfy itself that audit reports are driving improvements in the Council's control framework.
Equality and Diversity	Low	EIA screening indicates no issues arising therefore full Impact Assessment has not been carried out.

Background Papers

None

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A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.