

AUDIT AND RISK COMMITTEE

30 June 2015

UPDATE ON AUDIT REPORTS GIVING LIMITED ASSURANCE

Report of the Head of Welland Internal Audit Consortium

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor King, Portfolio Holder for Places (Development and Economy) and Resources	
Contact Officer(s):	Rachel Ashley-Caunt, Head of Internal Audit	Tel: 07824 537900 rashley-caunt@rutland.gcsx.gov.uk
Ward Councillors	Not Applicable	

DECISION RECOMMENDATIONS

That Members:

1. Note that there has been one report: ICT Asset Management 2014/15 giving rise to a limited assurance rating since the last Committee meeting.
2. Note the action being taken by Officers to address issues raised.
3. Agree that further updates should be provided in October 2015.

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 areas of concern identified by the audit. This report provides Members with an update any assignments which have resulted in Limited Assurance ratings since the last Committee meeting.

2. BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 One of the seven assignments which has been finalised since the last Committee meeting resulted in a Limited Assurance rating. This related to ICT Asset Management. This audit was requested by the Council in order to support the review of the Council's ICT strategy and operations and the development work which is already planned to strengthen the asset management operations.

- 2.2 The findings of this review are summarised within this report, including any updates on the current status of the agreed management actions. Appendix A provides the Executive Summary for the audit assignment, including details of all recommendations and the agreed management actions.
- 2.3 In relation to ICT asset management, the audit review concluded that control arrangements needed to be improved to ensure the accuracy and completeness of the Council's ICT asset database. Whilst the database contained appropriate data-fields to assist the IT service in locating items or identifying the age or value of asset, Internal Audit testing identified significant gaps in record keeping, these issues have been summarised in Appendix A.
- 2.4 Although there is a formal process in place for Human Resources (HR) to notify the IT team of starters and leavers, it was established that the ICT asset database had not been periodically reconciled to current HR or Member records to confirm that ICT asset records remained correct. The absence of periodic reconciliations to HR or Member records also increased the risk of failing to identify any stock that had not been returned to the Council by leavers. The 'Asset Database Procedures' document states that an annual stock take audit will take place but it was confirmed at the time of testing that due to staff changes this has not been completed for 2014/15. In response to these findings, the IT service will be reviewing the current database and conducting a full site audit to provide assurance over the records before implementing new procedures for maintaining these.
- 2.5 At the time of the review, the Council did not hold a software application register listing details of all applications used across the authority. A complete record of all applications should be maintained and should also include details of licenses held to support reconciliations and identification of under or over use. The Head of IT has confirmed that the software management system is to be included as part of the wider IT service review.
- 2.6 All agreed actions to address the findings from the report are due to be completed by September 2015 and will be subject to formal review by Internal Audit as part of the standard audit process and reported to Members in the regular progress report.

3. CONSULTATION

- 3.1 No formal consultation was required as part of this report.

4. ALTERNATIVE OPTIONS

- 4.1 This Committee has oversight of internal audit reports. The audit of areas rated as 'limited' is part of the 2015/16 internal audit plan. Members could wait for the results of this follow up review rather than ask for an update in October.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications arising from this report.

6. LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 The Audit and Risk Committee is responsible for oversight of internal audit work and ensuring that officers are taking action to ensure that the control environment is robust.
- 6.2 There are no legal implications arising from this report.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 Equality Impact Assessment (EqIA) screening has been completed and there were no issues arising. A full Impact assessment has not been carried out.

8. COMMUNITY SAFETY IMPLICATIONS

- 8.1 There are no community safety implications.

9. HEALTH AND WELLBEING IMPLICATIONS

- 9.1 There are no health and wellbeing implications.

10. CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 10.1 As the Council is required to ensure that the control environment is robust, it is important that all areas reviewed receive, as a minimum, a sufficient assurance audit opinion.
- 10.2 In the area of ICT Asset Management, the audit has highlighted that the control environment was not adequate and further action is required. The Committee has a role to play in assessing the adequacy of management's response to recommendations and assessing, at a future date, whether actions have been taken.

11. BACKGROUND PAPERS

None

12. APPENDICES

Appendix 1: ICT Asset Management Internal Audit Report 2014/15

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

