

AGENDA ITEM: 9

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Meeting	Audit Committee
Date	8 December 2011
Subject	Exception Recommendations Report
Report of	Assistant Director of Finance - Audit and Risk Management
Summary	Members are asked to note the progress against internal audit recommendations.

Officer Contributors	Assistant Director of Finance - Audit and Risk Management
Status (public or exempt)	Public
Wards affected	None
Enclosures	Appendix A Internal Audit Recommendations
For decision by	Audit Committee
Function of	Council
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

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1. RECOMMENDATIONS

- 1.1 That the Committee note the contents of the Report and the actions being taken to address some cases of non implementation of recommendations.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 At the meeting of the Committee on the 17th February 2011 it was decided that a report would be prepared quarterly regarding those internal audit recommendations not implemented.
- 2.2 The Committee also requested that the table of priority 1 recommendations should in future indicate what date recommendations were made to service areas and the implementation date.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 All internal audit planned activity is aligned with the Council's objectives, particularly the "Better Services with Less Money" priority, and, thus, supports the delivery of those objectives by giving an auditor judgement on the effectiveness of the management of the risks associated with delivery of the service.

4. RISK MANAGEMENT ISSUES

- 4.1 All Internal Audit activity is directed toward giving assurance about risk management within the areas examined. By so doing the aim is to help maximise the achievement of the Council's objectives. Internal Audit does this by identifying areas for improvement and agreeing actions to address the weaknesses.
- 4.2 Internal Audit work contributes to increasing awareness and understanding of risk and controls amongst managers and thus, leads to improving management processes for securing more effective risk management.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Effective systems of audit, internal control and corporate governance provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community. Individual audits assess, as appropriate, the differential aspects on different groups of individuals.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 When risk, and assurances that those risks are being well managed, is analysed alongside finance and performance information it can provide management with the ability to measure value for money.

7. LEGAL ISSUES

- 7.1 Section 151 Local Government Act 1972- ‘...every local authority shall make arrangements for the proper administration of their financial affairs...’

Regulation 6 of the Accounts and Audit (England) Regulations 2011 - 'A relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.'

8. CONSTITUTIONAL POWERS

- 8.1 The Constitution Part 2 Paragraph 3.3 recognises that the annual audit opinion plays an essential part in advising the Council that risk management procedures and processes are in place and operating effectively.

9 BACKGROUND INFORMATION

- 9.1 The Appendix is broken down into those recommendations that have been carried forward from previous Committees and those that were due in quarter 2. Of those carried forward from the previous period 80% have now been implemented, with 3 recommendations partly implemented due for revised implementation date of April 2012.
- 9.2 Of those due in quarter 2 all had action taken against delivering the recommendations however 54% had been implemented in full. A number of the recommendations take a significant amount of work to take place to implement the recommendations in full, hence why a three month lead in has not always meant delivery of the action. Work continues to satisfy the Committee that the weaknesses are addressed.
- 9.3 Overall the number of recommendations implemented on time is 69%; this has improved since the last quarter which was reported as 60% and the previous quarter to that was 49%. Each Directorate has an audit lead that is a reference point to ensure that action against recommendations is monitored on a regular basis.
- 9.4 There are 15 recommendations due for implementation for period 3 reporting, which includes those rated as Amber from this review period, those that were not due in this period, and those recommendations raised as part of this period's audits.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

Legal: MAM
Finance: MGC/JH

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Outstanding recommendations from quarters 4 (2010-11) & 1 (2011-12)

Audit Title and Recommendation / Risk	Responsible Area	Response from Management	Audit Assessment at March 2011	Audit Assessment September 2011	Audit Assessment December 2011
<p>Recommendation 1: Environmental Health – compliance with the Provision of Services Regulation 2009</p> <p>Ensure compliance with the Provision of Services Regulation 2009 regarding facility to apply for licences electronically, using the prescribed web portal.</p>	Environment Health	The action relating to the availability of an electronic system to make and pay for licence applications through an on-line portal is still not met. There are some it dependencies to achieve this outcome.	<p>Not implemented in full</p> <p>Deadline: June 2011</p>	<p>September Audit Committee</p> <p>Partly Implemented The payment engine has now been activated, but the web pages need to be deployed on Barnet Online to enable visitors to make an application and the relevant links made on the ELMS site. This has been escalated to the Assistant Director for IT Services.</p> <p>Further action: Establish clear timeline for the completion of the outstanding tasks through the Web Transformation Project to ensure that the Council achieves legal compliance.</p> <p>Revised implementation Date: November 2011.</p>	<p>Implemented</p> <p>The relevant licensing web pages and facility to apply and pay for licences are now live on the Barnet Online site. The service has appointed an Administrator to oversee the ELMS site.</p>

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Audit Title and Recommendation	Responsible Area	Response from Management	Audit Assessment September 2011	Audit Assessment December 2011
<p>Recommendation 2: Learning Disabilities (LD) Reviews Recommendation - Timely Review of care packages</p> <p>Management should: - ensure that annual reviews are undertaken and completed in a timely manner. - identify and prioritise the backlog of reviews.</p> <p>Strengthen quality assurance checks for ensuring that annual reviews are undertaken - for example, management should regularly extract and review a report of the outstanding annual reviews to be undertaken.</p>	Learning Disabilities Social Care (Adults Social Care and Health)	<ol style="list-style-type: none"> 1. Requested different format for the "Review Due" information, from Information team as it was felt that the format was not user friendly and did not support the business 2. Reviews prioritised by need regarding Safeguarding, Complaints and Duty referrals; not always by time 3. Managers confirm performance through supervisions 4. Objectives set for staff in Performance reviews re: Reviewing and also recording 	<p>Partially implemented A process has recently been developed to identify and prioritise the backlog of reviews for LD Residential clients only.</p> <p>Further action: Identify backlog of reviews for all LD clients and ensure that these are undertaken and completed in a timely manner.</p> <p>Revised implementation date: November 2011</p>	<p>implemented A review monitoring system has been established by the team, to effectively prioritise/allocate and monitor the progress of reviews. Outstanding reviews have been identified and allocated with targets for individual social workers.</p> <p>Weekly reports are received by management to monitor the status of reviews completed by social worker.</p> <p>Management action in place to ensure review target is met by the end of November.</p>
<p>Recommendation 3: Data Quality - Recommendation – Systems and Processes</p> <p>Management should ensure that all relevant information is recorded and documentation saved in key systems. This should ensure that there is a complete documentary management trail to support the personal budget / safeguarding processes and provide evidence to support the calculations and</p>	Transformation and Resources (Adults Social Care and Health)	Since the issue of the Internal Audit Report on Data Quality, Heads of Service (CSD) have been collaborating and working closely with colleagues in CSD and other Divisions to ensure implementation of the "Management Response" i.e. a proper audit trail (for clients receiving Self Directed Support) including: <ol style="list-style-type: none"> 1. Responsibility for ensuring correct recording of PBs is one of objectives in Team Managers' 	<p>Partially Implemented Management have taken action to inform Managers of their responsibilities concerning data quality requirements. The Information Team is undertaking sample check of case records and following up data quality issues with</p>	<p>Implemented Management have taken action on devising, implementing and embedding revised procedures across all operational teams on the Care and Support Pathway, which includes the recording of data in SWIFT and audit trail of working</p>

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Audit Title and Recommendation	Responsible Area	Response from Management	Audit Assessment September 2011	Audit Assessment December 2011
checks that have been taken place to meet the requirements for both indicators.		<p>Performance Review</p> <p>2. Staff in CSD are undergoing mandatory training on use of SWIFT & WISDOM to record PBs</p> <p>3. Staff in CSD are undergoing further mandatory training on personalisation process</p> <p>4. Managers in CSD are attending workshop on 29 June to agree client journey in relation to Support Planning</p> <p>5. New more user friendly support plan has been designed and launched to support service users and staff</p> <p>6. Personalisation process and practice benchmarking visits to other councils are being organised for key staff</p> <p>7. Spot checks on standard of recording are underway</p>	<p>relevant Service Teams.</p> <p>Audit sample check of ten July personal budgets cases revealed documentary management trail for only half of the records examined.</p> <p>Further Action As per the recommendation, management to continue monitoring recording of information and saving documentation in key systems to ensure that there is 90% compliant at the next follow-up for the recommendation to be assessed as implemented.</p> <p>Revised implementation date: November 2011.</p>	<p>papers in WISDOM</p> <p>Spot checks by Performance Team are carried out on a weekly basis with the results fed-back direct to the relevant Team Manager and Head of Service.</p> <p>Audit sample check of ten personal budget cases confirmed 90% compliant.</p>
<p>Recommendation 4: Freedom of Information – FOI Information Requests</p> <p>The S&IR Team should take steps to remind Link Officers that they: - comply with statutory timescales under the FOI and EIRs when responding to a request;</p>	Corporate Governance	<p>FOI training was provided to Link Officers on 21 and 23 June 2011 which covered the statutory timescales.</p> <p>An email was sent on 24 June 2011 to Link Officers which covered point (iii).</p>	<p>Partly Implemented FOI Link Officers informed of audit findings through e-mail communication and reminded to comply with statutory timescales.</p> <p>FOI response times are a Corporate Plan indicator.</p>	<p>Partly Implemented Quarter 2 performance report highlights that FOI requests being answered within the statutory deadlines have improved by 3.7% to 76.3% despite a increase in the number of FOI from quarter 1 to</p>

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<p>The procurement of a new FOI database should allow for more effective tracking and monitoring requests.</p>		<p>Emails were sent on 7 July 2011 to Link Officers covering (i) to (iv).</p> <p>All four matters will be followed up with Link Officers at the Link Officer Forum on 23 July 2011.</p>	<p>For the last quarter, there were 52 requests responded outside the statutory timescales, resulting in 74% achieved against the indicator target of 90%. It is noted that the service has received an increase in more complex FOI requests.</p> <p>Further Action: Continue to monitor statutory timescales and follow-up reasons for non-compliance with Link Officers, with Assistant Directors support.</p> <p>Revised implementation date: November 2011.</p>	<p>quarter 2 of 147%. The target however is 90% of FOI requests to be answered within the statutory deadlines.</p> <p>Further action: Continue to monitor statutory timescales and follow-up reasons for non-compliance with Link Officers, with Assistant Directors support. By quarter 3 if the direction of travel is maintained we would consider this recommendation implemented.</p> <p>Revised Implementation date: March 2012</p>
<p>Recommendation 5: Business Continuity - Corporate critical activity business continuity Plan testing Recommendation</p> <p>The Head of Insurance should co-ordinate and undertake testing of business continuity Plans for critical activities and report testing outcomes (for lessons learned purposes) to the relevant Service business continuity Leads.</p>	<p>Corporate Governance</p>	<p>Meeting with Zurich Municipal 27 June 2011 to discuss external support option for corporate BC and implementing suitable risk led testing regime. ZM offered to review current arrangements and advise.</p> <p>Documents emailed to ZM 30 June 2011.</p> <p>Reference to testing made to BC leads at Risk and Fraud Forum Meeting 30 June 2011 and followed up in email to all leads 5 July 2011.</p> <p>Further support to be investigated eg neighbouring borough/peer review.</p>	<p>Partly implemented</p> <p>The Head of Insurance has started co-ordinating the testing of business continuity plans for the Council's critical activities with plans to undertake testing for Services on a phased and risk basis.</p> <p>The development of test plans and actual testing still has to start.</p> <p>Further action Develop testing plans</p>	<p>Implemented</p> <p>The first test of critical activity Business Continuity plans has been co-ordinated and undertaken and there are plans to undertake further testing on a 6 monthly basis</p> <p>A full report of the test outcomes for submission to key stakeholders including</p>

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		<p>Options received and discussed with Commercial Director 18 July 2011.</p> <p>Safeguarding (Children and Adults), Accommodation, IT/Comms and some E&O identified for first phase testing.</p> <p>Peer partnership identified with London Borough of Islington. Meeting held with Islington's Emergency Planning Manager and BC Manager on 18 August 2011.</p> <p>BC Manager is BS25999 accredited and has delivered tests at previous London Boroughs. Testing plan discussed, outcomes, format and venue etc.</p>	<p>and undertake testing of business continuity plans for the Council's critical activities in line with the recommendation and agreed action.</p> <p>Revised implementation date: 31 October 2011</p>	<p>business continuity service leads is planned but is still outstanding.</p> <p>The test outcome report was shared with BC leads in November.</p>

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<p>Recommendation 6: Risk Management - Risk Analysis – Risk identification (Children’s Service) The comprehensive identification of all risks which could compromise service delivery should be undertaken as part of annual Business Planning and on an ongoing basis thereafter as appropriate. Ongoing reviews of the risk register should be undertaken to ensure the inclusion of all relevant risks.</p>	<p>Policy, Planning and Performance in Children’s Service</p>	<p>Risk management briefings took place for managers on Monday 9 May, Tuesday 10 May, Wednesday 11 May and Thursday 14 May. A total of 31 managers attended.</p> <p>All team plans are to include risks. These plans are sent to the Performance and Data Management team who review the risk registers.</p> <p>All service risks are being reviewed quarterly by SMT.</p> <p>A monthly review of the service risk register is carried out by the Performance and Data Management Team to ensure that it captures all the service risks.</p>	<p>Partly implemented</p> <p>A quality review process for monitoring the quality of risk identification in operational team plans had started but had not been completed.</p> <p>The quality review process will:</p> <ul style="list-style-type: none"> - ensure that team plan risks were identified for the relevant Barnet Children and Young People’s Plan (2011 update) priorities, for inclusion in/escalation to JCAD, where appropriate. - identify the need for further briefing sessions, with a particular focus on instances where quality review issues around risk identification were identified and the respective manager(s) had not attended briefing sessions. <p>Further action:</p> <p>Complete the quality review of team plans to assess how effectively managers identify risks and to assess (and deliver where appropriate) where</p>	<p>Implemented</p> <p>The review of all Children’s Service team plans including the component relating to risk assessment component was undertaken.</p>

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			further risk briefing / training is necessary. Revised Implementation Date Completion date: 30 September 2011	
Recommendation 7: Debit / Credit Cards – Contractual Agreements Management should ensure that there are written contractual agreements which sets out terms and conditions, responsibilities of both parties, service specification etc. Contractual agreements should be readily available for review in the event of a query.	Revenue(Deputy Chief Executive)	It has not been possible to obtain contact copies as not all machines have contracts in place. Therefore a tendering exercise is in process, led by the Head of Finance, in order to standardise the contract arrangements for all machines. A timeline for this process has been produced, with tenders received in August, an evaluation of tenders in September and the new contract expected to be in place by November.	Partly Implemented A tendering exercise is underway to have a written contract in place by November 2011. Further Action: Complete the tendering exercise and have new contract by November 2011. Revised implementation date: November 2011.	Implemented Contract was signed at the end of November by the Council and the new provider.
Recommendation 8: Street Lighting – Performance (Customer satisfaction surveys) Part 1 - Monitoring arrangements should include ensuring that the contractor undertakes all customer satisfaction surveys and assessing the extent of relief in the light of ongoing non-performance by the contractor. Part 2 - Resident feedback should be analysed and issues addressed as necessary.	Highways - Environment Planning and Regeneration (EPR)	The Authority had already requested BLS to implement the Annual Survey for Year 5 and this was completed as planned during April 2011. In order to avoid adjustments the Authority also requested x4 separate blocks of Annual Survey forms be distributed to provide some data for Years 1 to 4, albeit carried out in Year 5 – these have also been completed resulting in a total of 2,500 Annual Survey forms having been	Partly implemented There was evidence that the annual surveys required in terms of the PFI contract had been undertaken. A process for undertaking the monthly CIP and post CIP (Annual Investment Programme) surveys was confirmed. Evidence	Implemented The recommendation in relation to the contract is no longer applicable following proposal to obtain resident feedback by another method. Owing to the poor resident survey response rate,

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		<p>delivered since the beginning of the year.</p> <p>To date only x19 forms in total have been returned by residents, less than 1%. For Year 5 we have received just x2 forms returned, less than 0.5%.</p> <p>Returns have been logged on the attached Survey Schedule but we have not yet concluded how these will be analysed, or by whom.</p>	<p>that the process was undertaken had been requested from the PFI contractor and still had to be provided.</p> <p>Further Action</p> <ol style="list-style-type: none"> 1. Obtain evidence that monthly surveys for March April May 2011 (CIP) and May June 2011 (Post CIP) were delivered by contractor. 2. Approach the relevant officer to agree a way forward for analysis of returned customer satisfaction surveys. 3. Confirm decision, as applicable, on the future application of the contract requirement process for sending out surveys and the analysis of survey responses owing to poor resident response rate and need to focus on higher priority tasks. <p>Revised Implementation Date</p> <p>Completion date: 30 September 2011</p>	<p>Management has decided that this requirement will be removed from the contract requirements. An alternative method of identifying customer satisfaction will be explored and will be considered and incorporated into the Services Review of improving Customer</p>

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<p>Recommendation 9: Parking – Internal control and Risk Management</p> <p>To ensure risk management is embedded effectively, the service should ensure that an appropriate outcomes based plan for the mitigation of risks is identified in order to achieve financial stability and mitigate against known risks.</p>	<p>Parking - EPR</p>	<p>New risk registers have been created to feed the JCAD system and their consideration is a monthly agenda item at meetings of the management team. Training in JCAD will be provided and all managers will load directly onto it by 2011/12.</p> <p>Since the meeting on 28/01/11, the RAG rating has been completed.</p> <p>If copies of previous Internal Audit reviews are provided the manager will ensure that the recommendations contained therein are addressed.</p> <p>Action Agreed: The risk register will be updated on the Council's JCAD system, and consideration of risks will be undertaken routinely at regular management meetings.</p>	<p>Partly Implemented Risks around the key elements of the recovery plan have been allocated to service managers and logged on the JCAD system. These risks are reviewed in accordance with the timetable set, using the reminders within the system, and are up to date. However, risks associated with each income work stream are not recorded on the JCAD system.</p> <p>Further Action: Ensure all potential risks associated with each income work stream have been identified and recorded on the JACD system and monitored</p> <p>Revised implementation date: November 2011</p>	<p>Implemented Risk associated with the income streams has been recorded at a Directorate Level on the JCAD system.</p> <p>Controls are in place to monitor each income stream activity weekly by the Assistant Director for Highways and Transport (risk owner) and at Team Level.</p>
<p>Recommendation 10: Sustainability – Risk Management – Recommendation</p> <p>Arrangements should be implemented for ensuring that identified lead officers responsible for sustainability and carbon emission reduction initiatives in respective Service areas, have identified and addressed risks (linked to activity)</p>	<p>EPR (Cross Cutting)</p>	<p>The Assistant Director - Strategic Planning and Regeneration has been allocated responsibility for coordinating the development of the strategy.</p> <p>Development has not been completed owing to: a) uncertainty around</p>	<p>Partly implemented Full implementation of the recommendation depends on the development of an agreed strategy/co-ordinated approach for delivery of the sustainability (carbon</p>	<p>Partially implemented</p> <p>The sustainability review by the Member Task and Finish group is in progress.</p> <p>A strategy remains outstanding pending</p>

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which may compromise carbon emission reduction objectives/ delivery outcomes.		<p>the management structure for the proposed combined Environment and Operations and Planning Housing and Regeneration directorates.</p> <p>b) future development depending on the outcome of the Council Leadership elections and appointment of Cabinet Members which will only be known in June 2011.</p> <p>Sustainability is being reviewed as a topic by a Member Task and Finish Group.</p>	<p>emission reduction) agenda. The strategy will focus operational delivery for the agenda and will incorporate risk management, as standard.</p> <p>Sustainability is being reviewed as a topic by a Member Task and Finish Group, with a remit for examining specific issues and making recommendations in the area, which should assist in setting the Council's way forward for Sustainability.</p> <p>The risk register referred to some identified risks relating to the sustainability agenda.</p> <p>Further Action Completion of the strategy for operational delivery through effective risk management.</p> <p>Revised Implementation Date Completion date: 30 November 2011</p>	<p>prioritisation of work to analyse Member Task and Finish Group review feedback.</p> <p>Further Action Completion of the strategy for operational delivery through effective risk management.</p> <p>Revised Implementation Date 1 April 2012</p>
Recommendation 11: Waste Prevention – Waste Prevention	EPR	A scope for a new waste strategy was produced in March 2011 and	Partly implemented The scoping for the new	Partly implemented

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<p>Strategy – Recommendation</p> <p>Management should put a process into place to ensure there is a periodic review of the Waste Prevention Strategy and that the Strategy is fit for purpose and remains current. The Waste Prevention Strategy should reflect the latest legislative requirements and directives/trends in population behaviour/attitude towards waste prevention.</p>		<p>has been agreed by the Assistant Director of PER.</p> <p>A first draft of the strategy is currently being developed. The draft strategy will take into account legislative requirements and trends in the population's behaviour and attitudes, which will be assessed through work to be carried out with Impower.</p>	<p>strategy has been completed. The first draft of the Strategy is being developed.</p> <p>Further Action</p> <p>Complete first draft of the strategy in line with the recommendation and agreed action.</p> <p>Revised Implementation Date</p> <p>Completion date: 30 September 2011.</p>	<p>Development of the first draft of the strategy has started but has been delayed pending feedback from the work.</p> <p>The project to improve recycling commenced on 10 October 2011 and is expected to run for 2 months.</p> <p>Outcomes of this project will inform development of the draft strategy.</p> <p><u>Further action</u></p> <p>Complete the first draft of the Waste Strategy in line with the completion of the project work.</p> <p><u>Revised implementation date</u></p> <p>31 March 2011</p>
<p>Recommendation 12: Waste Prevention – Governance Arrangements</p> <p>Terms of Reference should be developed for the Waste Project Board, to ensure that the purpose, structure and remit of the Board are clearly defined.</p> <p>Adequate governance arrangements</p>	EPR	<p>Draft Terms of Reference for the Waste Project Board were produced in March 2011. These will be considered at the next Waste Project Board meeting, with the aim of agreeing them.</p> <p>Governance arrangements for scrutinising and challenging the Waste Strategy are to be defined following the drafting of the strategy.</p>	<p>Partly implemented</p> <p>A draft terms of reference for the Waste Project Board has been developed. This needs to be formally approved. Formal governance arrangements for overseeing the Waste Prevention Strategy need</p>	<p>Implemented</p> <p>The draft terms of reference was approved 9 November 2011.</p>

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should be put in place to scrutinise, oversee and challenge the Waste Prevention Strategy.			to be developed. Further Action Approve the Terms of Reference for the Waste Project Board Develop governance arrangements for overseeing the Waste Prevention Strategy. Revised Implementation Date Completion date: 30 September 2011	
<p>Recommendation 13: Equalities – Delegated Powers report Recommendation</p> <p>A process should be in place where the Council can demonstrate that there is challenge and scrutiny of equality and diversity statements within the DPR and committee report clearance process.</p> <p>Where there is lack of challenge/scrutiny of the equality and diversity section within a DPR or other committee report, there is an increased risk that assurances on equality issues provided by service areas may not be secure resulting in incorrect management decisions being taken.</p>	Strategy - Assistant Chief Executive	<p>A template has been prepared for report authors to complete and attach to relevant committee reports. A summary of the response will be contained in the 'Equalities and Diversity Issues' paragraph.</p> <p>As the council progresses with its transformation programme there is an increased risk of legal challenges on a number of grounds including equalities.</p> <p>To ease the transition process, the Director for Planning, Environment and Regeneration (PER) has agreed to pilot this new template. between 1 August – 1 November 2011</p> <p>Governance Service also needs to support this process by quality assuring the content of the 'Equalities and Diversity Issues' paragraph. They have already been doing this with this</p>	<p>Partly Implemented June Audit Committee</p> <p>Equalities Impact Assessments are reported within the DPRs, and a nominated officer provides Equalities clearance on the DPR.</p> <p>Further action required: Complete the action agreed by CDG in line with the duties under the Equalities Act 2010 and guidance.</p> <p>Revised Implementation Date: November 2011</p>	<p>Implemented</p> <p>Report on the EPR Equalities Impact Assessments Pilot has been prepared for December.</p> <p>Following Council's Directors Group presentation, it will be implemented across all service areas supporting staff in the completion of the 'Equalities and Diversity issues'. Change to be communicated to staff through an internal communications plan.</p>

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		<p>reports prepared by the former Environment and Operations directorate, so this task would not be onerous.</p> <p>Outcome of the PER pilot review to be jointly presented to Council Directors' Group, the Director of PER, Corporate Governance and the Chief Executive's Service in November 2011 and proposals for implementation across the organisation.</p>		
<p>Recommendation 14: LG Pensions - Performance Management/Management Information Framework - Recommendation</p> <p>There should be a robust framework for reviewing, monitoring, and reporting of performance management implemented. Regular reports should be presented to the Pensions/ Investment Committee, so that the performance of the Council as the administering authority of the pension scheme can be assessed and remedial action taken were necessary. Agreed Action 1: The Pension Services Manager will be considering the option of implementing the Task Management function on AXIS; this will allow regular performance reports to be produced from the system. The Pension Services Manager has attended Task Management meetings,</p>	Pensions (Deputy Chief Executive)	<p>Officers have attended Heywards Axise course to learn how to build task management workflows and reporting on October 12. Hansha is visiting LB Camden on 27th May to review how they have implemented task management for pension's administration. This will support our implementation of task management within LBB. Although some preparatory work has commenced on this Management Action, we anticipate this Management Action will not be completed before September 2011.</p> <p>As part of our improvement and implementation of Performance Management, we have subscribed to CIPFA Benchmarking for Pensions Administration. We anticipate we will receive the benchmarking questionnaire on 13th May and results received back from CIPFA 2nd September.</p>	<p>Further action Required: complete the review of how another Local Authority has implemented task management for pension's administration.</p> <p>Implementation Dates: 1. June 2011- review of results received from CIPFA to inform the development of a new performance framework. 2. Further follow up will be undertaken in September 2011 when the action will be completed as per Management Comment.</p>	<p>Implemented</p> <p>The outturn figures for the 8 CIPFA performance indicators relevant to pension administration were generated by the AXIS reporting system and reported to CIPFA as part of a benchmarking exercise. CIPFA returned the information on 5 September 2011. The feedback including the performance indicators was reported to the Head of HR Service delivery. These indicators will be reported to the Pension Fund Committee in April 2012.</p>

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<p>and will be visiting another local authority to consider how the module has been implemented and can be used to report.</p> <p>Action 2: A robust performance management framework will be developed, were the Pension Services Manager will set Key Performance Indicators', based on the CIPFA benchmarking guidance. The Key Performance Indicators' will be monitored and reported regularly to the Head of HR Service Delivery, to allow timely remedial actions to be taken where poor performance is identified.</p>				

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Audit Title and Recommendation	Responsible Area	Response from Management	Audit Assessment September 2011	Audit Assessment December 2011
<p>Recommendation 15: IS Strategy / Business Continuity / Disaster Recovery – IT BCP Development - Recommendation</p> <p>Management should ensure that the critical systems and their dependencies are formally identified, prioritised, documented and agreed in consultation with representatives from the critical business activities.</p> <p>Furthermore, management should ensure that the Recovery Time Objective (RTO) and Recovery Point Objective (RPO) are defined and agreed for each IT system.</p> <p>The prioritised list of critical services, systems and their dependencies (including their RTO and RPO) should be included in the IS level Business Continuity / Disaster Recovery Plan.</p>	<p>Information Systems (Commercial Services)</p>	<p>Interviews have been carried out with the business and compiled customer feedback on day-one-scenario recovery, and this has been fed into the IS Transformation Plan as an action to implement appropriate disaster recovery to support the council Business Continuity plan for bringing up key processes. The design of the IS disaster recovery plan is based on Recovery Time Objectives (RTO) work for critical systems.</p> <p>IS has undertaken an RTO analysis, and have produced a list of IT services requiring restoration to deliver the 51 critical business services: these are being designed into the IS disaster recovery solution. The deadline is September 2011 for delivery of the design and specification for the disaster recovery solution.</p> <p>With regards to Recovery Point Objectives (RPO), there is currently some debate within the business as to where responsibility for RPO lies. The Transformation Manager will consult with the Transformation Programme Board and the Programme Sponsor to obtain agreement on this point.</p>	<p>Partly Implemented Critical systems and their dependencies have been formally identified, prioritised, documented and agreed in consultation with representatives from the critical business activities.</p> <p>Recovery Time Objectives have been identified.</p> <p>Further Action: The Recovery Time Objectives will be included in the IS Disaster Recovery solution.</p> <p>The Recovery Point Objectives (RPO) issue will be raised and resolved, with a clear decision on where responsibility lies and an action plan for either commencing or handing over the work will be prepared by October 2011.</p> <p>Revised implementation date: October 2011</p>	<p>Implemented Recovery Time Objectives are included in the IS Disaster Recovery solution and the Recovery Point Objectives ownership issue has been resolved by IS taking this forwards as part of their business continuity work.</p> <p>The disaster recovery plan procurement and implementation processes are underway.</p>

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Recommendation due in Quarter 2 (2011-12):

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<p>Recommendation 1: Strategic Procurement - Devolved Procurement Teams - Recommendation</p> <p>Management should clarify if/where devolved procurement is needed. Where devolved procurement teams are established, roles and responsibilities should be formally allocated and assigned, and the role of CPT clearly defined. In addition, there should be a process in place to measure, monitor and report progress of devolved teams towards meeting the Council's procurement objectives and compliance with Contract Procedure Rules.</p>	<p>Corporate Procurement Team (Commercial Services)</p>	<p>The exercise to consolidate procurement activity as part of the New Support Organisation has begun in collaboration with Human Resources, this process will take some time to complete and the original estimate of October 2011 was optimistic. This process will also change the devolved nature of procurement activity as such implementing this recommendation is not feasible, instead the consolidation of procurement staff will be what management intend to deliver.</p>	<p>Partially implemented: The consolidation activity has begun but is in infancy stages, as such we will review when the project has completed.</p> <p>Implementation date: June 2012</p>
<p>Recommendation 2: Strategic Procurement - Monitoring of vendor spend – Recommendation</p> <p>The corporate procurement team should establish a process for identifying and monitoring expenditure by category by service across the Council to ensure that current levels do not exceed Contract Procedure Rules.</p>	<p>Corporate Procurement Team (Commercial Services)</p>	<p>Through delivery of the Procurement Controls and Monitoring Action Plan there have been improvements to the control environment. All new vendors entered onto SAP are entered with their approved limit.</p> <p>Reports are being enhanced for reporting spend by category for services to use through the Business Warehouse, this process will take some time to embed.</p>	<p>Partly implemented The Contract Procedure Rules (CPRs) requires the Commercial Director will ensure that expenditure is monitored by category across the Council to ensure these levels are not exceeded. As the reports have not been used consistently across the Council, this recommendation is considered partly implemented until these changes are considered embedded.</p>

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<p>Recommendation 3: Income and Debt Management – Credit Notes and Refunds – Recommendation</p> <p>The Accounts Payable Manager should ensure that a complete record of authorised signatories should be maintained. In addition, the authorised signatory list should be reviewed in light of changing needs (signatories starting and leaving the Council) to help ensure that signatories and the delegated limits are in line with management requirements.</p>	Income - Finance (Deputy Chief Executives)	Full audit completed in October and satisfactory assurance obtained.	<p>Implemented</p> <p>An authorised signatory list now exists for maintenance. The area was audited in October and the income and debt management process received satisfactory assurance and all recommendations were considered implemented.</p>
<p>Recommendation 4: Data Security Risks and Issues</p> <p>It is recommended that good practice standards of IT Project Management and Programme Management should be implemented within IS. The procedures should lay out the key stages in project management. This could include, though not be limited to: Developing a project portfolio, obtaining strategic approval for projects; development and approval of a PID and Business Case; prioritisation of projects, budget and timeline monitoring and regular reporting on project status.</p> <p>The Council should also establish an IT Programme Management Office function or similar to be able to support projects. Additionally, the corporate system Hydra, should be utilised within IS to track projects and formalise capture of project decisions and risks.</p>	Information Systems (Commercial Services)	Evidence provided to validate completion of these tasks.	<p>Implemented</p> <p>Processes have been implemented and evidence was provided to ensure that good practice project management standards have been implemented for projects owned by IS or for projects in which IS are involved.</p>
<p>Recommendation 5: Data Security Risks and Issues</p> <p>A review should be carried out of the</p>	Information Systems (Commercial	Evidence provided to validate completion of these tasks.	<p>Implemented</p> <p>All IS Projects are now reported to</p>

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<p>Information Systems Service Plan for 2011-12 against the Draft Information Systems Business Plan for 2011-12 to ensure all IT initiatives and projects have been included within the Plan and are communicated to the Director of Commercial Services. The project monitoring owner should be defined.</p> <p>As part of this review, the project deadlines for the CISCO IPT infrastructure upgrade project should be reviewed for accuracy and suitability. As a matter of priority, a review should be carried out of all the actions to be taken to ensure support is available from CISCO for the IPT infrastructure in the interim between the infrastructure going End of Life in April 2011 and the upgrade project being completed by 2012. A formal confirmation should be received from CISCO for provision of this support and senior management need to be made aware of any potential costs which could be incurred if CISCO conditions are not met and support is not extended as well as the risks of running an unsupported CISCO IP Telephony platform.</p>	Services)		<p>the Director of Commercial Services on a monthly basis as part Service performance review arrangements. Projects are RAG rated to ensure appropriate focus. The CISCO upgrade Project is now managed under an effective governance structure and CISCO support has been confirmed between April 2011 and the implementation of the upgrade project.</p>

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<p>Recommendation 6: Data Security Risks and Issues A formal process should be implemented to review and address any issues or risks raised within the Infrastructure Supplier service reports. Responsibility to review, address and monitor progress of implementing these issues should be formally defined and allocated to a designated officer in IS. Any risks identified from the reports should be added to the IS Risk Register where appropriate. Implementation of these issues should form part of regular reporting to senior management.</p>	Information Systems (Commercial Services)	Evidence provided to validate completion of these tasks.	<p>Implemented</p> <p>Responsibility for addressing risks stemming from risks or issues raised in the Infrastructure Supplier Service Reports is clear and allocated.</p> <p>Monitoring of implementation of agreed actions is undertaken at the IS Management Team meetings.</p> <p>Risks are logged in the IS JCAD risk register and where the risk rating is sufficiently high, risks are reported to Commercial Services Management Team as part of the monthly performance review process.</p>
<p>Recommendation 7: Data Security Risks and Issues It is recommended that the E-Vault back-up system upgrade requirement is reviewed as a matter of priority. The project should be appropriately scoped and the delivery timeframe should be assigned and formally communicated to senior management. As part of this upgrade, the proposed risk of not complying with LBB's data retention policy due to expired backup safe sets being deleted should be reviewed and the results should be formally communicated to senior management.</p> <p>Management should carry out a formal impact analysis with each Service to ensure that the back-up solution and</p>	Information Systems (Commercial Services)	Evidence provided to validate completion of these tasks.	<p>Implemented</p> <p>Back-up, including the E-Vault back-up system, is being addressed as part of the Disaster Recovery Project which features on the IS Project Plan and for which a business case and draft specification has been produced. The risk of non compliance with the Council's data retention policy has been assessed and will be addressed once the data retention policy has been developed and formally approved. The review with Services on back-up requirements has been done and a solution which addresses recovery point objectives has been proposed.</p>

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back-up retention policy adequately satisfies their recovery point objectives or legislative requirements for retention of back-up data for that system and service.			
<p>Recommendation 8: Data Security Risks and Issues</p> <p>It is recommended that Network and CITRIX security patches are applied on a regular basis. A regular maintenance window should be agreed with the business and scheduled.</p> <p>Furthermore, the Change Management Policy and Procedure should be formally approved by senior management. The Senior Management Board should provide a directive to ensure that Change Approval Board meetings are held on a regular basis and attended by all. Any Requests for Change (RFC) raised should be reviewed and approved on a timely basis.</p>	Information Systems (Commercial Services)	Evidence provided, however it is felt that this task has been partly implemented due to some of the security patches being cancelled due to business needs – weekend working within Children’s and Adults and Member support.	<p>Partially implemented</p> <p>The application of security patches has not been implemented pending a Business decision around an agreed time for downtime for implementing patches.</p> <p>Processes exist to ensure the timely approval of Requests for Change. Change Approval Board meetings are held regularly and responsibility for co-ordinating meetings so that they are attended by the required officers and escalating issues, where applicable, to the Head of IS Service Delivery, is clear and allocated.</p> <p>Further Action:</p> <p>Agree a date for and undertake the implementation of patches.</p>
<p>Recommendation 9: Data Security Risks and Issues</p> <p>Management should ensure that the IS Risk Register on JCAD (Council’s risk management system) is updated with all IS risks and all IS risk registers should be</p>	Information Systems (Commercial Services)	Evidence provided to validate completion of these tasks.	<p>Implemented</p> <p>Arrangements exist for identifying and raising risks on JCAD (e.g. stemming from issues and risks identified in the Infrastructure</p>

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<p>consolidated onto a central risk register on JCAD.</p> <p>The Head of IS should ensure that the formalised risk management methodology is used to rate the risks in order to identify all the top risks within IS. These should then be reported to senior management team.</p> <p>It is further recommended that a formal procedure is implemented to ensure IS risks are reviewed by IS management on a regular basis and updated on JCAD. All risks should be given a Risk Rating, assigned ownership and have an action plan developed.</p>			<p>Supplier Service Reports) and reviewing risks at the weekly IS Management Team meetings. All risks are now raised on JCAD, the Council's official risk management system. Risks are rated in line with the Council's risk management policy and have assigned owners. Risks with a rating above 12 are reported to the Commercial Services Management Board monthly as part of the monthly Service performance review.</p>

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<p>Recommendation 10: Complaints The Council should develop a customer relations strategy, which communicates objectives for providing good customer service. The strategy should communicate its objectives and attitudes towards reducing complaints, and how the Council intends to promote and seek feedback on positive working practices.</p> <p>In addition, internal procedures for managing corporate complaints should be developed, published on the Council's intranet, and subject to regular review. Management should consider including the following within the scope of the procedures:</p> <ul style="list-style-type: none"> • Scope/definition of complaint; • Key roles and responsibilities; • How to manage the different types of complaints, i.e. corporate, social care, joint complaints between organisations, prolific or vexatious complainants, etc; • Timescales for dealing with complaints; • Training and information; and • Monitoring and reporting arrangements. 	Customer Services (Chief Executives Services)	<p>Actions were delayed by a change directed by Julie Taylor. Complaints report presented to Directors individually and to Assistant Directors Group. Policy has been devised and has been presented to Directors. It is going to be presented to the Assistant Directors Group in November for discussion and agreement. New policy will be implemented following agreement. Revised timeframe for policy implementation estimated at end of December 2011.</p> <p>Training needs analysis will be conducted after the policy has been implemented.</p>	<p>Partly Implemented Management have taken action to inform Directors of the new Complaints Policy. However, the policy still needs to be presented and approved by the Assistant Directors Group (ADG). A meeting will be arranged with the ADG to action this.</p> <p>Further Action Ensure that:</p> <ul style="list-style-type: none"> - The policy is implemented following formal approval. - Monitoring and reporting arrangements are in place. - A training needs analysis is undertaken after implementation of the policy. <p>Revised implementation date: January 2012.</p>
<p>Recommendation 11: Member Allowances Management should review current reconciliation arrangements and agree on the frequency and method of checking members allowances to</p> <ul style="list-style-type: none"> - confirm that members are receiving their correct allowances as agreed. 	Corporate Governance	Management began a reconciliation process with Corporate Governance. There were some errors however within the data. Support has been provided by Finance to rectify some of the reconciliation errors. Due to the delay allowances have not been confirmed and details of these allowances have not been published for 2010-11.	<p>Partly Implemented</p> <p>The reconciliation process needs to be completed and confirmation of allowances for 2010-11 agreed. The process for carrying out the checks will then need to be documented and carried out every</p>

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<p>- identify and rectify any anomalies, to limit any year end issues with regards to Members' allowances.</p> <p>In addition, documentary evidence of the checks carried out should be retained to indicate who preformed the checks and when.</p>			<p>six months.</p>