

Eastern Internal Audit Services



BRECKLAND DISTRICT COUNCIL

Progress Report on Internal Audit Activity

Period Covered: 1 April to 1 December 2015

Responsible Officer: Emma Hodds – Internal Audit Consortium Manager (IACM)

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1. INTRODUCTION

- 1.1 This report is issued to assist the Authority in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards also require the Chief Audit Executive (known in this context as the Internal Audit Consortium Manager) to report to the Audit Committee on the performance of internal audit relative to its plan, including any significant risk exposures and control issues. The frequency of reporting and the specific content are for the Authority to determine.
- 1.3 To comply with the above this report includes:-
 - Any significant changes to the approved Audit Plan;
 - Progress made in delivering the agreed audits for the year;
 - Any significant outcomes arising from those audits; and
 - Performance Indicator outcomes to date.

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 At the meeting on 13 February 2015, the Annual Internal Audit Plan for the year was approved, identifying the specific audits to be delivered. Since then, there have been some timings changing agreed with management.
- 2.2 The plan of work for IT audits has been revisited as planned, and agreed with management. Due to Gt Yarmouth Borough Council and Breckland District Council having arrangements in place with Norfolk County Council for the provision of IT, a joint meeting was held with all parties present. Where possible joint audits have been agreed, as the processes are the same for each Council and where appropriate a joint audit report will be provided. The IT coverage this year will be:

Software Licencing (Breckland only);
Starters, Leavers and Movers (joint audit, separate reports);
Patch and Change Management (joint audit, one report);
Network Security and Infrastructure (joint audit, one report);
Disaster Recovery (Breckland only); and
IT Asset Management (Breckland only).

In addition as there were some significant risks being reviewed as part of the IT audits, seven days from the budget allocated for strategic risks was utilised for these reviews to ensure appropriate coverage and scope could be confirmed.

3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

- 3.1 The current position in completing audits to date within the financial year is shown in **Appendix 1** and progress to date is in line with expectations. As members are aware the main part of the plan of work is completed by TIAA Ltd, with West Suffolk Audit completing the Revenues and Benefits audit reviews through the ARP arrangements.
- 3.2 In summary 93 days of programmed work has been completed by TIAA Ltd, and 19 days completed by West Suffolk Audit, equating to 46% of the (revised) Internal Audit Plan for 2015/16.

4. THE OUTCOMES ARISING FROM OUR WORK

4.1 On completion of each individual audit an assurance level is awarded using the definitions shown in the table below.

Substantial Assurance	Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.
Reasonable Assurance	Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.
Limited Assurance	Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.
No Assurance	Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot rely upon them to manage risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.

4.2 Recommendations made on completion of audit work are prioritised using the definitions shown in the table below.

Urgent	Fundamental control issue on which action to implement should be taken within 1 month.
Important	Control issue on which action to implement should be taken within 3 months.
Needs Attention	Control issue on which action to implement should be taken within 6 months.

4.3 Members who have previously served on the Audit Committee will note that the above terminology for the assurance level and recommendation priority has changed. TIAA Ltd (the new contractor) use different terminology for assurance ratings and recommendation priority levels, it was decided to move the Consortium onto these assurance levels to enable greater comparison across TIAA customers and enable us to benefit from areas of good practice.

For the Committee’s information a comparison between these is as follows, with the new definitions contained within the attached report:

Assurance Levels

Previous Contract	Current Contract
Good	Substantial Assurance
Adequate	Reasonable Assurance
Limited	Limited Assurance
Unsatisfactory	No Assurance

Recommendation Priority

Previous Contract	Current Contract
High	Priority One – Urgent
Medium	Priority Two – Important
Low	Priority Three – Needs Attention

- 4.4 Also now on completion of audit work “Operational Effectiveness Matters” are proposed, these set out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services. These are for management to consider and are not part of the follow up process.
- 4.5 During the period covered by the report Internal Audit Services have issued eight final reports and the Executive Summary of these reports are attached at **Appendix 2**, in addition a position statement on risk management has also been concluded and this can be found at **Appendix 3**. Full copies of these reports can be requested by Members from the Internal Audit Consortium Manager.
- 4.6 As a result of these audits 34 recommendations have been raised; five priority one (urgent) 22 priority two (important) and seven priority three (needs attention).

Of these 34 all have been agreed by management and three Operational Effectiveness Matters have been proposed to management for consideration.

4.7 In summary eight of the final reports issued conclude the following:

Capita Performance Information

The audit was requested by management to focus on the data quality and integrity of the performance information reported by Capita. In particular, it covered progress with implementing three previous audit recommendations and the controls for confirming the accuracy of data in support of the relevant performance information. The previous recommendations related to; validating performance information submitted by Capita; routine independent check of planning enforcement activity; and measuring the timeliness of the processing of and response to land charge searches.

The audit concluded with a **limited assurance** and three important and one needs attention recommendations were agreed with management. The audit concluded that the previous recommendations had not been implemented and the audit recommendations made in this report superseded these and brought the recommendation up to date to reflect current practices.

The first important recommendation was to establish and undertake a formal process for spot checking planning and building control cases processed by Capita to validate monthly performance outcomes reported and in addition, the Council establishes the extent of the internal review processes, this has now been confirmed as completed through recent follow up work.

The other two important recommendations relate to; regular and independent review on planning enforcement activity and a performance indicator in relation to the processing of and response to land charge searches be drafted, agreed.

Development Management

This scope of this audit covered; contract monitoring (of Capita); planning applications; planning enforcement; land charges; and s.106 planning agreements. The systems and processes of internal control were deemed to be **reasonable** on conclusion of the review, with seven important recommendations agreed with management.

The recommendations were in the areas of;

Contract monitoring, whereby four recommendations were agreed and relate to: confirming detailed written procedure be put in place by Capita stating how the Deemed Discharge of Planning Conditions will be monitored to ensure the Council is protected from financial and reputational risks of any breaches; ensuring Discharge of Planning Conditions is adequately monitored through performance measures; ensuring minutes and actions raised with action owner and implementation dates be formally recorded at the monthly Operational Contract Monitoring meetings (this is now reported as complete and is working well); and identifying any risks relating to Capita and the services provided and include these in the relevant risk registers.

The fifth recommendation was in the area of planning applications and related to ensuring that planning applications are completed within the stipulated timeframe and where this cannot be achieved, an extension of time (EOT) be agreed with applicant and evidence of this retained on file, this has now been actioned.

The sixth recommendation in the area of s106 planning agreements and have been agreed to ensure migration from paper files of details of development obligations and key dates for

all s106 agreements to Ocella be completed, resulting in a more systematic and effective monitoring of s106 trigger points takes place.

The final recommendation is in the area of land charges and has been agreed to ensure that access to the land charge register is appropriately restricted to ensure that the record is held securely and that the accuracy of the date can be confirmed at all times.

Democratic Services

This audit reviewed the work of the team, with particular regard to member training and the claiming of allowances and expenses. A **substantial assurance** was concluded at the end of the audit with no recommendations being raised, indicating a strong and stable control environment in this area.

Building Control

This is the first time building control has been reviewed as a discreet area and the scope was to reviewed; procedural guidance & management; processing of applications; building control inspection fees; performance reporting; completion certificates and decision notices; dangerous structures – out of hours reporting; and market position of the service.

The audit concluded with a **limited assurance**, with three urgent, two important and one needs attention recommendation agreed with management.

The three urgent recommendations relate to; reviewing the fee payment mechanism for building control charges, to encompass the requirements of the Building Regulation Fee Charges Regulations 2010 and payment arrangements with Capita for the provision of this service; retaining a client side function with the requisite qualifications to comply with its statutory responsibilities for approving Decision Notices; and ensuring the out of hours service for reporting dangerous structures is properly resourced, which has since been implemented.

The first important recommendation relates to the market share position being monitored and reported to the Contract Monitoring Board as a standard agenda item, due to the increased competition in this area and the potential impact of this on the Council.

The second important recommendation, which has since been actioned, is to ensure that the Council are kept up to date with the current percentage of staff that are suitably qualified / experienced. The current position has been reported and it is found to be satisfactory although will continue to be monitored.

Leisure Facilities

This audit focused on the Contract Monitoring of the PFI Arrangements, including the provisions for planned maintenance and an overview of the PFI Benchmarking, to help confirm that these are operating adequately, effectively and efficiently. A **substantial assurance** was awarded on conclusion of the audit with only one needs attention recommendation agreed with management, which has since been implemented.

Software Licensing

The scope of this IT audit was to review the software policies, software inventory, the security of software media and licenses, software copyright and procurement of software Licenses. A **limited assurance** opinion was awarded with one urgent, three important and

two needs attention recommendations agreed with management on conclusion of the review.

The urgent recommendation relates to needing a software licence inventory that maps software to machines and then to users issued those machines, this will ensure that software is managed effectively and that those assets are adequately managed.

The first important recommendation is linked to the urgent recommendation above, whereby when this has been completed it is important to then ensure that the software inventory is regularly reviewed.

To complement this a software audit (spot check) should also be undertaken to ensure that unauthorised software is not held on the Council's systems, which if is the case can lead to the risk of punitive and reputational damage.

The final important recommendation is to develop a software procurement and management strategy to ensure that budgets are managed effectively and to reduce the risk of unilateral and potentially inefficient use of available resources

Starters, Leavers and Movers

This IT audit reviewed the processes in place at and between Breckland DC and Norfolk County Council, and on conclusion a **reasonable assurance** was awarded with five recommendations raised; three important and two needs attention.

The recommendations will ensure that the process used for starters, leavers and movers is consistent and that it is clear how access to IT systems is to be managed and maintained.

Patch and Change Management

This was a joint IT audit undertaken at both Breckland DC and Gt Yarmouth BC to review the service supported by Norfolk County Council (NCC) in this regard. The audit concluded in a **limited assurance** with five recommendations agreed with management in relation to Breckland DC.

One urgent recommendation was agreed and relates to ensuring that processes are put in place to deploy desktop/laptop Operating System, application and other relevant patches as a matter of urgency in order to ensure PSN compliance.

Four important recommendations were also agreed relating to; better understanding the server patch management process in place, the areas that are excluded / included and to receive appropriate patch status updates; ensuring that the upgrade of all relevant servers to Windows Server 2008/2012 (as appropriate to each server's requirements) is progressing as required and that all relevant Breckland and Great Yarmouth servers have been included in the project; ensuring GYBC management work with NCC to receive training on the change management process, including the process to manage unplanned changes and confirm the process document is approved; and ensuring that Breckland IT staff liaise with NCC to set up user specific administrator accounts, rather than the generic ones currently being utilised to ensure accountability.

- 4.8 The final (ninth) report that has been issued is a Position Statement on Risk Management. The outcomes of the review are being reported through a 'Position Statement' as opposed to a formal audit report. This is due to the Council's transitional stage in moving from one risk management system to a new one which is not yet fully operational. As such, no formal assurance opinion is stated and no recommendations have been raised, although in some

areas, suggested actions/improvements have been stated. The statement recognises the journey that the Council is currently on in defining its approach to risk management and developing a framework within which to operate.

It is important to note that the advent of the Performance, Risk and Audit Board has enabled progress on risk monitoring and management to be assessed by officers monthly during this meeting and will include discussions with risk owners called in to account for risks within their areas, action plans will be drawn up with the risk owners where necessary. This monitoring and management of risks relates to both strategic and operational risks and enables these to be critically assessed by key officers, strategic risks will then be brought to the Audit Committee for their review and critique. The Executive Summary to this report is attached at **Appendix 3**.

- 4.9 Of the eight reports where an assurance opinion was awarded four of these concluded in a positive opinion being awarded, indicating a strong and stable control environment in these areas.

The reports relating to Capita Performance Information, Building Control, Software Licencing, and Change Control and Patch Management have issues that require addressing prior to year end, if not addressed these issues would need to be considered at year end and included in the Annual Report and Opinion.

5. PERFORMANCE MEASURES

- 5.1 The new Internal Audit Services contract includes a suite of key performance measures against which the new contractor will be reviewed on a quarterly basis. There are a total of 13 indicators, over 4 areas. From the first year of the contract records will be maintained for all 13, however performance can only be recorded on 11 of these as base line data is required for the final 2. The performance measures can be seen at **Appendix 4**.

- 5.2 There are individual requirements for performance in relation to each measure; however performance will be assessed on an overall basis as follows (for the first year):

- 9-11 KPIs have met target = Green Status.
- 5-8 KPIs have met target = Amber Status.
- 4 or below have met target = Red Status.

Where performance is amber or red a Performance Improvement Plan will be developed by the contractor and agreed with the Internal Audit Consortium Manager to ensure that appropriate action is taken.

- 5.3 The first two quarters work have been completed and a report on the performance measures provided to the Internal Audit Consortium Manager, performance is currently at green status with targets having been satisfactorily met for this quarter.

- 5.4 In addition to these quarterly reports from the Contractors Audit Director, ongoing weekly updates are provided to ensure that delivery of the audit plan for the current financial year is on track. A review of the most recent update indicates that work is on track as expected.

- 5.5 One area whereby improvement is needed is in relation to client feedback; the response rate thus far has been poor with feedback requested for all finalised reports and only one response received. The Internal Audit Consortium Manager will be discussing this with Managers in December as part of the planned meetings to discuss audit planning for 2016/17. Feedback is always important in relation to service delivery, especially when the work is provided through a contract.

APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee
							Urgent	Important	Needs Attention	Op	
Quarter 1											
CAPITA Performance Information	BRK1603	5	5	5	Final Report issued 23 July 2015	Limited	0	3	1	0	11 December 2015
TOTAL		5	5	5							
Quarter 2											
Development Management	BRK1604	18	18	18	Final Report issued 6 October 2015	Reasonable	0	7	0	0	11 December 2015
Democratic Services includes member training, allowances, & expenses and committee system	BRK1606	6	6	6	Final Report issued 16 October 2015	Substantial	0	0	0	1	11 December 2015
Building Control	BRK1607	8	8	8	Final Report issued 30 October 2015	Limited	3	2	1	0	11 December 2015
Leisure Facilities and Culture	BRK1608	14	14	14	Final Report issued 30 October 2015	Substantial	0	0	1	1	11 December 2015
TOTAL		46	46	46							
Quarter 3											
Risk Management	BRK1601	4	4	4	Position Statement issued						11 December 2015
Accountancy Services	BRK1609	18	18	17	Draft report imminent						
Accounts Receivable	BRK1610	10	10	9	Draft report imminent						
Community Development	BRK1612	8	8	1	To commence 14 December 2015						
TOTAL		40	40	31							
Quarter 4											
Corporate Governance	BRK1602	4	4	0							
Performance Management, Corporate Policy and Business Planning	BRK1605	10	10	0							
Environmental Health	BRK1611	10	10	0							
Key Controls and Assurance	BRK1613	10	10	0							
Remittances	BRK1614	8	8	0							
TOTAL		42	42	0							

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee
							Urgent	Important	Needs Attention	Op	
IT Audit											
Software Licence Management	BRK1615	0	7	7	Final Report issued 11 August 2015	Limited	1	3	2	1	11 December 2015
Starters, Leavers and Joiners	BRK1616	0	6	6	Final Report issued 13 August 2015	Reasonable	0	3	2	0	11 December 2015
Change Control and Patch Management	BRK1617	0	6	6	Final Report issued 13 November 2015	Limited	1	4	0	0	11 December 2015
Network Security and Infrastructure	BRK1618	0	10	9	Draft report imminent						
Business Continuity Planning / Disaster Recovery	BRK1619	0	8	0							
IT Asset Management	BRK1620	0	4	0							
IT Audits to be confirmed	BRK TBC	34	0	0							
TOTAL		34	41	28							
Follow Up											
Follow Up	BRK NA	12	12	9	Bi-monthly exercise						
Specific follow up exercise	BRK NA	2	2	2	Included in above						
Other Work											
Strategic Risk Register Review	BRK TBC	20	13	0							
Disabled Adaptations advice & guidance	BRK TBC	5	5	0							
TOTAL		39	32	11							
TOTAL		206	206	93			5	22	7	3	
West Suffolk Internal Audit Reviews											
Council Tax		11	11	6	Fieldwork underway						
National Non Domestic Rates		11	11	6	Fieldwork underway						
Benefits		13	13	7	Fieldwork underway						
TOTAL		35	35	19							
OVERALL TOTAL		241	241	112							
Percentage of overall plan completed				46%							

Assurance Review of the Capita Performance Information

Executive Summary

<p>OVERALL ASSURANCE ASSESSMENT</p>  <p>The diagram shows a central orange circle labeled 'LIMITED ASSURANCE' surrounded by a blue ring with the text 'Adequate & effective governance, risk and control processes'. To the right is a legend with four levels: 'SUBSTANTIAL ASSURANCE' (light green), 'REASONABLE ASSURANCE' (yellow), 'LIMITED ASSURANCE' (orange), and 'NO ASSURANCE' (red).</p>	<p>SCOPE</p> <p>This audit focused on the data quality and integrity of the performance information reported by Capita. In particular, it covered progress with implementing three previous audit recommendations and the controls for confirming the accuracy of data in support of the relevant performance information. The three recommendations, as identified in consultation with the Internal Audit Consortium Manager, are as follows:</p> <ul style="list-style-type: none"> • BRK/12/01 – Environmental Planning and Development Control - Recommendation 2; • BRK/12/01 – Environmental Planning and Development Control - Recommendation 5; and • BRK/14/03 – Development Control - Recommendation 6. 								
<p>ACTION POINTS</p> <table border="1" data-bbox="698 911 1538 1066"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Needs Attention</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>3</td> <td>1</td> <td>0</td> </tr> </tbody> </table>		Urgent	Important	Needs Attention	Operational	0	3	1	0
Urgent	Important	Needs Attention	Operational						
0	3	1	0						

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Limited' in managing the risks associated with Capita Performance Information. The assurance opinion has been derived as a result of three important recommendations and one needs attention recommendation being raised upon the conclusion of our work.
- The three important recommendations, which are all linked to previously agreed recommendations that have not been implemented, relate to the need for the Council to establish and undertake a formal process for spot checking planning and building control activity to validate monthly performance outcomes reported and to ascertain the effectiveness of Capita's own internal validation checks; for Capita to provide evidence of independent review on planning enforcement activity and for the introduction of a performance indicator in relation to the processing of and response to, land charge searches.

KEY FINDINGS

- A process for the Council to validate performance information submitted by Capita covering all performance indicators or to verify the robustness of the internal review process undertaken by Capita; is not in place (BRK/12/01 – Environmental Planning and Development Control - Recommendation 2);
- Planning enforcement activity undertaken by Capita is not subject to routine independent check by Capita or by the Council (BRK/12/01 – Environmental Planning and Development Control - Recommendation 5);
- The review of the performance indicator report used to assess Capita's performance encompasses an additional performance indicator in relation to the timeliness of serving of planning enforcement notices. This performance indicator has yet to be formally agreed by Capita and monitored by the Council (BRK/12/01 – Environmental Planning and Development Control - Recommendation 5); and
- A performance indicator in relation to measuring the timeliness of the processing of and response to land charge searches by Capita is not in place despite the Council's website stating it endeavours to turn round searches within 10 working days (BRK/14/03 – Development Control - Recommendation 6).

Assurance Review of Development Management

Executive Summary

OVERALL ASSURANCE ASSESSMENT



SCOPE

The audit assessed the system and controls in place within Development Control to help confirm that these are operating adequately, effectively and efficiently, in particular with regards to:

- Contract Monitoring (of Capita),
- Planning Applications,
- Planning Enforcement,
- Land Charges, and
- s.106 Planning Agreements.

ACTION POINTS

Urgent	Important	Needs Attention	Operational
0	7	0	0

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable' in managing the risks associated with the Development Control. The assurance opinion has been derived as a result of seven 'important' recommendations being raised upon the conclusion of our work.
- The seven 'important' recommendations relate to the control areas of contract monitoring (four), planning applications (one), s106 planning agreements (one) and land charges (one).

KEY FINDINGS

Positive Findings

Contract Monitoring

- The Capita contract performance is monitored through the monthly performance monitoring reports reviewed at the bi-monthly Contract Monitoring Board and the monthly Operational Board meetings; and
- Monthly invoice payments to Capita are approved in accordance with the Council's Scheme of Delegation.

Issues to be addressed

Contract Monitoring

- Capita do not have procedures or process in place for monitoring the Deemed Discharge of Planning Conditions, as per the requirements of the Town and County Planning Act 1990, effective from April 2015 despite requests to do so by the Council;
- There are currently no performance reports for monitoring Discharge of Condition application cases;
- Minutes or action points from the monthly Operational Contract Monitoring meetings are not formally documented;
- Risks relating to Capita and the services provided have not been identified and addressed in the Council's strategic and operational risk registers;

Planning Applications

- Evidence for extension of time agreed with planning permission applicants where decision deadline has lapsed could not be found in one of the planning application and one s106 planning application cases reviewed.

S106 Planning Agreement

- There is currently no robust method of monitoring s106 trigger points.

Land Charges

- Land charges register is not locked away and instead, placed in several open boxes in different locations within the Development Planning Office.

In addition, there are currently no Key Performance Indicators (KPI) for when Enforcement Cases should be closed. A recommendation to address this issue was raised in audit report BRK/16/03 Capita Performance Information issued 23rd July 2015. Similarly, the final report for BRK/16/03 also includes a further recommendation for the introduction of a performance measure for processing land charge search requests. As such, no further recommendations are raised in this report relating to these points.

Assurance Review of Democratic Services

Executive Summary

<p>OVERALL ASSURANCE ASSESSMENT</p>  <p>The diagram shows a central green circle labeled 'SUBSTANTIAL ASSURANCE' surrounded by a blue ring with the text 'Adequate & effective governance, risk and control processes'. To the right is a vertical legend with four colored circles and corresponding labels: a light green circle for 'SUBSTANTIAL ASSURANCE', a yellow circle for 'REASONABLE ASSURANCE', an orange circle for 'LIMITED ASSURANCE', and a red circle for 'NO ASSURANCE'.</p>	<p>SCOPE</p> <p>The audit covered the Council's Democratic Services, in particular:</p> <ul style="list-style-type: none"> • Member Training; and • Allowances and Expenses. 										
<p>ACTION POINTS</p> <table border="1"> <thead> <tr> <th data-bbox="698 946 907 1023">Urgent</th> <th data-bbox="907 946 1115 1023">Important</th> <th data-bbox="1115 946 1330 1023">Needs Attention</th> <th data-bbox="1330 946 1538 1023">Operational</th> </tr> </thead> <tbody> <tr> <td data-bbox="698 1023 907 1102">0</td> <td data-bbox="907 1023 1115 1102">0</td> <td data-bbox="1115 1023 1330 1102">0</td> <td data-bbox="1330 1023 1538 1102">1</td> </tr> </tbody> </table>				Urgent	Important	Needs Attention	Operational	0	0	0	1
Urgent	Important	Needs Attention	Operational								
0	0	0	1								

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Substantial' in managing the risks associated with Democratic Services, in particular, Member training, allowances and expenses. The assurance opinion has been derived as a result of no recommendations being raised being raised upon our conclusion of the work.
- The audit has raised one operational effectiveness matter, which sets out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services.

KEY FINDINGS

Positive Findings

Member Training

- Supporting documentary evidence exists for new and existing Member inductions following the May 2015 elections;
- Officers of the Democratic Services team are members of the Association of Democratic Services Officers (ADSO) which represents staff working across all areas of democratic support in local authorities, joint authorities and employers' organisations. One of ADSO's key aims is to provide a range of training and development opportunities for its members which the is accessed as appropriate; and
- Training programmes supported by Member attendance records exist albeit some courses were cancelled due to lack of participation numbers.

Member Allowances and Expenses

- The approved Members' Allowance Scheme is available on the Council's website;
- Payment of allowances and expenses is in accordance with the approved scheme and are published on the Council's website;
- Member attendance at Committee is effectively monitored in order to comply with the Council's Standing Orders and the Local Government Act 1972;
- Access to the Committee Management System (Mod.gov) is restricted to authorised personnel; and
- Expenses are checked for accuracy, legitimacy and supported by receipts, where applicable and authorised prior to payment.

Operational Effectiveness Matters

The operational effectiveness matters, for management to consider relate to Members utilising the iTrent Payroll and HR system for claiming expenses.

Assurance Review of Building Control

Executive Summary

OVERALL ASSURANCE ASSESSMENT



SCOPE

The audit covered the Council's Building Control Service, in particular:

- Procedural Guidance and Management;
- Processing of Applications;
- Building Control Inspection Fees;
- Performance Reporting;
- Completion Certificates and Decision Notices;
- Dangerous Structures – out of hours reporting; and
- Market Position of the Service.

ACTION POINTS

Urgent	Important	Needs Attention	Operational
3	2	1	0

RATIONALE

- The systems and processes of internal control are, overall, deemed limited in managing the risks associated with Building Control. The assurance opinion has been derived as a result of three urgent recommendations, two important recommendations and one recommendation requiring attention being raised upon the conclusion of our work.
- The three urgent recommendations relate to the requirement to review building control fees to meet statutory requirements, the client side function to be able to discharge the Council's statutory responsibilities in approving decision notices and the resourcing of the out of hours service for dangerous structures. The two important recommendations relate to the formal monitoring of the building control market share position and ensuring Capita have the requisite resources, including suitably qualified and experienced, to deliver their contractual requirements.

KEY FINDINGS

Positive Findings

Procedural Guidance and Management

- Client side staff are monitoring the Capita contract;
- There is a dedicated Building Control system: Ocella;

Processing of Applications

- A standardised application form is used for all building control applications;
- A standard fee is collected at the time of the application;
- Building Control Inspection Fees
- An inspection fee is collected on the Full Plan applications and a debtors account is raised;

Performance Reporting

- There is a Contract Monitoring Board in place which meets regularly and discusses key issues;

Completion Certificates and Decision Notes

- Completion Certificates are issued by the Building Control Officer at the conclusion of the works and a Decision Note is issued as part of the Full Application process.

Issues to be addressed

Processing of Applications / Building Control Inspection Fees

- The Council (and Capita) is not operating Building Control fees in accordance with the Building (Local Authority Charges) Regulations 2010, nor is there currently any provision for adjusting Capita's fee irrespective of whether income levels, paid directly to the Council, rise or fall depending on

demand for building control services. For 2014/15, the income for building control was £363k. Expenditure for the year was £676k, of which £589k related to the payment to Capita for providing the Building Control service;

Completion Certificates and Decision Notes

- As a consequence of the Council's revised shared management structure client side staff responsible for the Building Control service are not appropriately qualified to approve Decision Notices; a statutory requirement of the Council. Discussions are underway with Capita regarding this, however a recommendation has been raised due to the importance of this issue;

Dangerous Structures – Out of Hours Reporting

- Capita are not operating an effective out of hours call service for reporting dangerous structures despite requests from the Council to improve the service;

Market Position of the Service

- There has been no progress by Capita on the move from a paper based system to a digital system for Building Control applications resulting in a risk of the Council not achieving the objective in the Corporate Plan;
- The market share position for building control services is recognised by the Council although needs to be formally monitored through the Council's risk management system; and
- There is a need for the Council to ensure Capita maintain sufficient resources, including qualified and experienced, to deliver its contractual obligations to the Council.

Assurance Review of Leisure Facilities and Culture

Executive Summary

<p>OVERALL ASSURANCE ASSESSMENT</p>  <p>The diagram shows a central green circle labeled 'SUBSTANTIAL ASSURANCE' surrounded by a blue ring with the text 'Adequate & effective governance, risk and control processes'. To the right, a vertical stack of four colored circles (green, yellow, orange, red) corresponds to assurance levels: SUBSTANTIAL ASSURANCE (green), REASONABLE ASSURANCE (yellow), LIMITED ASSURANCE (orange), and NO ASSURANCE (red).</p>	<p>SCOPE</p> <p>The objective of the audit was to review the systems and controls in place within Leisure Facilities and Culture with particular regard to the Contract Monitoring of the PFI Arrangements, including the provisions for planned maintenance and an overview of the PFI Benchmarking, to help confirm that these are operating adequately, effectively and efficiently.</p>								
<p>ACTION POINTS</p> <table border="1" data-bbox="698 986 1538 1145"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Needs Attention</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>1</td> <td>1</td> </tr> </tbody> </table>		Urgent	Important	Needs Attention	Operational	0	0	1	1
Urgent	Important	Needs Attention	Operational						
0	0	1	1						

RATIONALE

- The systems and processes of internal control are, overall, deemed Substantial in managing the risks associated with Leisure Facilities and Culture. The assurance opinion has been derived as a result of one “needs attention” recommendation being raised upon the conclusion of our work.
- The audit has raised one ‘operational effectiveness matter’, which sets out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services.

KEY FINDINGS

Positive Findings

- There is a PFI Monitoring and Strategic Sports Officer (in future referred to as the PFI Monitoring Officer) in post who reports to the Breckland Place Manager. Absence cover is provided by the Breckland Place Manager as necessary. There is an operational manual available and section 18 of the PFI Agreement provides guidance on benchmarking exercises.
- The PFI Agreement is designed to be primarily self-monitoring, with the contractor submitting monthly performance reports to the Council. Controls exist to verify the validity of performance information provided by the contractor.
- Monthly invoice payments made to the contractor are checked for accuracy prior to payment. Payments from the Government’s Treasury Department, which help cover the PFI Monitoring Officer’s salary and a proportion of the Unitary Charges, are received on a quarterly basis.
- Maintenance arrangements are defined within the PFI Agreement and unannounced site tours are conducted by the PFI Monitoring Officer to confirm that the upkeep of the facilities remains in line with contractual requirements. The responsibility for maintaining buildings and equipment remains fully with the contractor.
- A PFI risk register details a number of operational risks relating to the PFI Agreement. Risks are reviewed on a monthly basis at the operational performance meetings and also twice annually by the Strategic Board. Mitigating actions have been documented for all risks identified.
- A benchmarking exercise was completed between March and August 2013 and resulted in an uplift to the unitary payment of £185k per annum. Responsibility for the process and the resulting decision was delegated to the Deputy Chief Executive in consultation with the Executive Member for Localism, Community and Environmental Services and evidence was viewed to support this. Documentation was prepared by the PFI Monitoring Officer to negotiate the initial figure presented by the contractor (£215k). A stretch report has been prepared by the contractor in response to the finally agreed figure and this is monitored monthly at the operational board meeting.

Issues to be addressed

The audit has highlighted the following areas whereby controls would benefit from being strengthened, and as a result on ‘needs attention’ recommendation has been made.

Retaining evidence of Notification of Change

- Signed Notification of Change forms relating to the PFI Agreement are not held within the Council. There is a risk that at the end of the contract (32 years) full and authorised records of changes to the PFI Agreement may not be available to support the final position.

Operational Effectiveness Matters

The operational effectiveness matters, for management to consider relate to updating of the Operating Manual. Whilst this document provides adequate detailed information on the monitoring requirements needed for the PFI Agreement it was confirmed that areas are out of date. As there is no risk to the continuation of the contract no recommendation has been made, but it is suggested that this document it reviewed and revised.

Assurance Review Software Licensing

Executive Summary

<p>OVERALL ASSURANCE ASSESSMENT</p>  <p>The diagram shows a central orange circle labeled 'LIMITED ASSURANCE' surrounded by a blue ring with the text 'Adequate & effective governance, risk and control processes'. To the right, a vertical stack of four colored circles (green, yellow, orange, red) corresponds to assurance levels: SUBSTANTIAL ASSURANCE (green), REASONABLE ASSURANCE (yellow), LIMITED ASSURANCE (orange), and NO ASSURANCE (red).</p>	<p>SCOPE</p> <p>The audit looked at the management of Software Licensing, in particular:</p> <ul style="list-style-type: none"> • Software Policies; • Software Inventory; • Security of Software media and licenses (where appropriate); • Software Copyright; and • Software Licensing Procurement. 								
<p>ACTION POINTS</p> <table border="1" data-bbox="698 874 1538 1029"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Needs Attention</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>3</td> <td>2</td> <td>1</td> </tr> </tbody> </table>		Urgent	Important	Needs Attention	Operational	1	3	2	1
Urgent	Important	Needs Attention	Operational						
1	3	2	1						

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Limited' in managing the risks associated with Software Licensing. The assurance opinion has been derived as a result of three 'important' recommendations and three 'needs attention' recommendations being raised upon the conclusion of our work. In addition, one Operational Efficiency Matter has been proposed.
- The 'Urgent' recommendation relates the need to create a formalised software inventory.
- The 'Important' recommendations relate to the need to Ensure that regular reviews of the inventory are conducted, once it has been implemented; Conduct regular software audits; and Design and implement an appropriate Software Procurement Strategy.

KEY FINDINGS

Positive Findings

Software Policies

- The Council has a central ICT Security Policy that includes relevant clauses that relate to Software Licensing requirements.
- The document is communicated to all staff primarily via the Intranet.

Security of Software Media and Licenses (where appropriate)

- Software is downloaded and stored in appropriately secured network folders to help prevent unauthorised access to the installation files.
- Licenses are not held in physical form, although relevant records are available on demand from vendor website portals.

Software Copyright

- Council staff not in the IT department are prevented from downloading or installing software on Council machines.

Software License Procurement

- The ICT Policy mentioned above expressly forbids software procurement except via the IT department.
- The physical download and install restrictions mentioned above also help prevent unauthorised procurement.

Issues to be addressed

Software Inventory

- There is no central software inventory in place.
- As there is no central inventory in place, there are no processes to review the inventory periodically.
- Regular software audits were previously undertaken and once the central software inventory is in place these should be reinstated.

Software License Procurement

- There is no formal Software License Procurement Strategy in place.

In addition, the audit has highlighted two areas whereby action is required by management to improve the control environment. They relate to the need to review the ICT Security policy & have it formally approved by Senior Management and to communicate the approved document to all. IT Management is aware of these and recommendations have been raised for completeness and to ensure that the control environment is maintained.

The audit has also highlighted an operational efficiency matter - this needs to be considered as part of management review of procedures, rather than on a one-by-one basis – and is for management to consider and address as appropriate. This relates to becoming a member of the Federation Against Software Theft (FAST).

Assurance Review Starters, Movers and Leavers

Executive Summary

<p>OVERALL ASSURANCE ASSESSMENT</p>  <p>The diagram shows a central yellow circle labeled 'REASONABLE ASSURANCE' surrounded by a blue ring with the text 'Adequate & effective governance, risk and control processes'. To the right is a legend with four levels: 'SUBSTANTIAL ASSURANCE' (light green), 'REASONABLE ASSURANCE' (yellow), 'LIMITED ASSURANCE' (orange), and 'NO ASSURANCE' (red).</p>	<p>SCOPE</p> <p>The audit looked at the management of Starters, Movers and Leavers by Breckland District Council and Norfolk County Council.</p>								
<p>ACTION POINTS</p> <table border="1"><thead><tr><th>Urgent</th><th>Important</th><th>Needs Attention</th><th>Operational</th></tr></thead><tbody><tr><td>0</td><td>3</td><td>2</td><td>0</td></tr></tbody></table>		Urgent	Important	Needs Attention	Operational	0	3	2	0
Urgent	Important	Needs Attention	Operational						
0	3	2	0						

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable' in managing the risks associated with starters, movers and leavers. The assurance opinion has been derived as a result of four 'important' recommendations.
- The 'Important' recommendations will ensure that the processes in place for starters, movers and leavers are formalised and the appropriate level of control incorporated into the process utilising the existing Computer Access Request Form (CARform). It is important to note that once the processes have been improved key staff will require refresher training.

KEY FINDINGS

Positive Findings

The starter, movers and leavers processes at Breckland District Council are supported by Norfolk County Council's IT Service Desk.

Issues to be addressed

- There is currently no process whereby all job roles are mapped to a related IT services profile.
- All relevant management staff should be given refresher training on the starters, movers and leavers' processes.
- There is no formal leavers' checklist in place.

In addition the audit has highlighted two areas whereby action is required by management to improve the control environment, these relate to; enhancing the CARform to include a section setting out the IT resources that a job mover will no longer require on the day of the move (this form also needs to be routinely used for such instances) and the requirement for five working days' notice for starters to be formalised ensuring that ICT equipment is available at the start of a contract of employment.

Assurance Review of Patch and Change Management

Executive Summary

OVERALL ASSURANCE ASSESSMENT



SCOPE

The audit assessed the Patch and Change Management for Breckland District Council and Great Yarmouth Borough Council, supported by Norfolk County Council.

ACTION POINTS

Urgent	Important	Needs Attention	Operational
1	4	0	0

RATIONALE

The systems and processes of internal control are, overall, deemed 'Limited' in managing the risks associated with Patch and Change Management. The assurance opinion has been derived as a result of one 'urgent' recommendation and four 'important' recommendations being raised upon the conclusion of our work. Note that one of the four 'important' recommendations applies to Breckland District Council only, whereas the remaining recommendations relate to both Councils.

KEY FINDINGS

Positive Findings

It is acknowledged there are areas where sound controls are in place and operating consistently:

- Server Patch Management processes are in place and managed by Norfolk County Council ("NCC").
- Norfolk County Council Change Management processes are used to manage all changes. These have recently been reviewed and now encompass the entire IT service at Norfolk County Council and, hence, the service being provided to Breckland District Council and Great Yarmouth Borough Council.

Issues to be addressed

The audit has highlighted the following areas whereby controls would benefit from being strengthened, and as a result of these findings one urgent recommendation has been made.

Patch Management

- Desktop patching is not in place. A lack of patch management process increases the risk of known security vulnerabilities not being resolved and non-compliance with PSN requirements.

The audit has also highlighted the following areas where four important recommendations have been made.

Patch Management

- Breckland and Great Yarmouth IT management have not been trained on the Patch Management process managed by Norfolk County Council and are not kept informed on the status of patch deployment across their respective server estates on a regular basis. The lack of training and reporting increases the risk of a lack of awareness of any potential weaknesses in the processes, the current patch deployment status and non-compliance with PSN requirements.
- There are servers running Windows Server 2003 in both Councils' server estates. As this Operating System is no longer supported, there are no longer any Microsoft patches being issued such as critical security updates, which increase the risk of the exploitation of unpatched Microsoft product security vulnerabilities.

Change Management

- Breckland and Great Yarmouth management have not received training on the Norfolk County Council Change Management processes, this lack of training increases the risk of a lack of coordination.
- **Breckland District Council only** – Local IT staff are using a shared, generic administration account. A request for named administration accounts has been made, although not yet resolved. The use of shared, generic accounts increases the risk of weak accountability, in particular for accounts with greater access privileges such as these.

APPENDIX 3 – POSITION STATEMENT ON RISK MANAGEMENT

Position Statement – Risk Management

Executive Summary

INTRODUCTION

1. This review was carried out in November 2015 as part of the planned internal audit work for 2015/16. As agreed with the Internal Audit Consortium Manager; subsequent to issue of the Audit Planning Memorandum (APM), the outcomes of the review are being reported through a 'Position Statement' as opposed to a formal audit report. This is due to the Council's transitional stage in moving from one risk management system to a new one which is not yet fully operational. As such, no formal assurance opinion is stated and no recommendations have been raised, although in some areas, suggested actions/improvements have been stated. The previous report on Corporate Governance and Risk Management (BRK/13/06) was issued in April 2013. The report provided a Good assurance, with no recommendations being raised in respect of Risk Management.

SCOPE

2. The objective of this audit was to determine the progress made by the Council with implementation of the new risk management system and to provide suggestions to management to enhance the process, where applicable. The review also entailed walkthrough testing of the risk management process operated during the 2014/15 financial year in order to determine that controls were operating effectively.

MATERIALITY

3. Risk Management represents a specific area of service which the Council provides.

KEY FINDINGS

4. The review considered the observations and suggested actions and improvements to be made from analysis of the systems and controls in place as well as those to be due to be implemented within the remaining planned work.

REMAINING PLANNED WORK

5. A review of the Council's Risk Management Framework has commenced and is due to be completed, ready to be taken through the Council's approval process, by the start of the 2016/17 financial year. The migration of all operational and strategic risk information, including risk controls and mitigated actions (where applicable), from the databooks, to the Covalent system, is due to be completed by the end of quarter three of the 2015/16 financial year. Advanced risk management training is due to be provided to members of the Corporate Improvement and Performance (CIP) Team by the by the end of quarter three of the 2015/16 financial year, at which point the CIP team members will be in a position to provide risk training to risk owners within the Council by the end of quarter four of 2015/16. Upon confirmation of the strategic direction of the risk management process from the 2016/17 financial year, through the revised Risk Management Framework, a review is due to be undertaken to assess the relevancy of all operational risks with risk owners.

AUDIT OBSERVATIONS

6. The objective of the audit is to review the systems and controls in place to help confirm that these are operating adequately, effectively and efficiently. The audit covered:

- A walkthrough of Strategic and Operational risks, evidence of risk considerations in committee reporting, the controls for identifying new and emerging risks, reporting and management of risks and risk management training; and
- An update with implementing the new risk management system including roll out, the use of Covalent and training of the new risk management approach.

Controls/Areas	Observations	Suggested Actions/Improvements
Risk Management Framework.	<p>Until 31st March 2015, the process for recording, updating, monitoring and managing strategic and operational risks of the Council was maintained within databooks (spreadsheets) for each department. From July 2015, a new risk management system, Covalent, has been introduced and a migration process has been undertaken by the Corporate Improvement Team (CIP) to transfer risks from the databooks to the Covalent system. During this transfer period the databooks were closed down, risk reporting was suspended and staff resource allocated to setting up all strategic and operational risks on the Covalent system. The monitoring and management of risk during this period was consigned to the risk owners and services managers themselves.</p> <p>As of November 2015, all strategic and operational risk descriptions had been added on to Covalent although risk controls and mitigating actions to each risk are in the process of being uploaded to these risks, within Covalent. A review of the relevancy of all strategic risks has been undertaken with the Corporate Management Team (CMT). The 2014/15 Risk Management Framework, currently being applied, has not been subject to formal approval/adoption.</p>	<p>A revised Risk Management Framework is currently being drafted with the aim for it to be operational and agreed by members for 1st April 2016. This will reflect the strategic direction of the Council towards risk management and the implementation of Covalent.</p> <p>.</p>
Roles and Responsibilities.	<p>Roles and responsibilities for ensuring that risk registers are maintained and up to date are covered within the Risk Management Frameworks of 2012/13 and 2014/15. These roles and responsibilities are to be reviewed as part of drafting the new Risk Management Framework to be published by 1st April 2016.</p> <p>The Council's Risk Management and Internal Control Review Form, completed quarterly by all Service Managers and the Executive Director for each department of the Council, contains a statement which requires confirmation that all risks within the department have been identified, assessed and managed in accordance with the risk management policy.</p>	None
Access to the system	<p>Until 1st April 2015, spreadsheets were used to record and update strategic and operational risks and controls. These were stored on the Council's Intranet accessible to all risk owners and service managers through their network access rights. Records were retained of those who had accessed/modified the spreadsheets.</p> <p>Controls are in place for ensuring staff user and administrative access to the Covalent system is restricted. Contingency arrangements are in</p>	None

Controls/Areas	Observations	Suggested Actions/Improvements
New and emerging risks and escalation of risks	<p>place for undertaking administrative duties of the system.</p> <p>As per the Risk Management Frameworks relating to 2012/13 and 2014/15, it is the responsibility of the relevant service managers/partnership leads/contract owners and Cabinet report authors to identify new risks from the creation of new partnership or contractual arrangements and Cabinet decisions so that these can be accounted for within the Council's risk register/system.</p> <p>From analysis of the databook, it is clear that new risks have been added throughout 2014/15 e.g. the strategic risk 'Inter-authority communication regarding taxi licensing' which was added on to the databook in quarter three of 2014/15.</p>	None
Risk implications in reports.	<p>The Committee report template contains provision for the addition of risk implications by the author in relation to the subject matter of the report presented, and sufficient examples were reviewed.</p>	None
Communication.	<p>Risk owners were informed in April 2015 of the transfer of risk information from the databooks to the Covalent system which was due to be completed by the end of quarter one of the 2015/16 financial year.</p> <p>However, this risk migration process has been delayed and, as of November 2015, the CIP Team is in the process of uploading full detail of all risks on to Covalent; this includes risk controls and mitigating actions (where applicable).</p> <p>Informal discussions have taken place with risk owners over the period between April 2015 and November 2015 to ensure that risk owners were aware of current progress and that risks should be continually monitored and managed.</p> <p>Reporting to members recommenced in September 2015 on strategic risks.</p>	<p>It is suggested that all risk owners are formally updated on a regular basis, with evidence of this retained in relation to the process for risk monitoring, management and reporting.</p> <p>Reporting through to members on strategic risks to continue, and be developed as required to ensure that key information on the strategic risks is considered by the Audit Committee.</p>
Assignment of risks.	<p>A walkthrough was undertaken of strategic and operational risks documented within the databooks where it was determined that risks are assigned to risk owners, that risks are linked to risk controls and mitigating actions, where applicable, which are assessed and updated quarterly with commentary to evidence that these risks are monitored and managed.</p> <p>A process is in place for the CIP Team to check risk owners compliance to ensure that risks are monitored and managed and risk owners are called in to the monthly Performance, Audit and Risk Board where non-compliance is identified or concerns are raised regarding risk ratings, current controls and/or mitigating actions.</p>	None
Reporting on risks.	<p>Prior to February 2015, risks were not reviewed internally within the Council on a regular and formal basis i.e. through Board meetings.</p>	None

Controls/Areas	Observations	Suggested Actions/Improvements
	<p>February 2015 signified the inception of the Risk and Audit Board and in March 2015, the Risk and Audit Board was merged with the Performance Board to create the Performance, Audit and Risk Board to provide efficiency to the review process. Progress on risk monitoring and management is assessed monthly during this meeting and will include discussions with risk owners called in to account for risks within their areas as per the risk monitoring process undertaken by the CIP Team. Action plans will be drawn up with the risk owners where necessary.</p> <p>Prior to the 31st March 2015, progress on the monitoring and management of strategic and operational risks was reported quarterly to Audit Committee. It was determined at the Audit Committee meeting in February 2015 that risk reporting would not be reported to Audit Committee for quarter four of 2014/15 and quarter one of 2015/16 due to the need to focus CIP Team resource on setting up all risks on the Covalent system. Quarter one's 2015/16 risk report was presented to Audit Committee in September 2015, which included a revised format and contents as a result of the implementation of the Covalent system, and reporting the monitoring and management of strategic risks only.</p>	
Training.	<p>The Internal Audit Consortium Manager (IACM) undertook an overview on risk management with newly elected members of the Audit Committee in June 2015. A further overview on risk management is due to be provided during the Audit Committee meeting in December 2015. The IACM stated that detailed risk training is provided to members as and when requested (by members).</p> <p>In July 2015, internal training had been provided to all risk owners within the Council on the use of the Covalent system. Advanced risk training for the CIP team is due to be undertaken before the end of Quarter three of the 2015/16 financial year. Members of the CIP Team are then due to provide risk management training to risk owners by the end of Quarter four of the 2015/16 financial year.</p>	None
Changes to process.	<p>The Council has commenced a review of the Risk Management Framework in order to reflect the strategic direction of the risk management approach to be undertaken from the beginning of the 2016/17 financial year.</p>	None

APPENDIX 4 – PERFORMANCE MEASURES

Area / Indicator	Target
<u>Audit Committee / Senior Management</u> 1. Audit Committee Satisfaction – measured annually 2. Chief Finance Officer Satisfaction – measured quarterly	Adequate Good
<u>Internal Audit Process</u> 3. Each quarters audits completed to draft report within 10 working days of the end of the quarter 4. Quarterly assurance reports to the Contract Manager within 15 working days of the end of each quarter 5. An audit file supporting each review and showing clear evidence of quality control review shall be completed prior to the issue of the draft report (a sample of these will be subject to quality review by the Contract Manager) 6. Compliance with Public Sector Internal Audit Standards 7. Respond to the Contract Manager within 3 working days where unsatisfactory feedback has been received.	100% 100% 100% Full 100%
<u>Clients</u> 8. Average feedback score received from key clients (auditees) 9. Percentage of recommendations accepted by management	Adequate 90%
<u>Innovations and Capabilities</u> 10. Percentage of qualified (including experienced) staff working on the contract each quarter 11. Number of training hours per member of staff completed per quarter 12. Number of high and medium priority recommendations made per quarter 13. Number of audits which are considered to add value	60% 1 day To decrease over the life of the contract (from year 2) To increase over the life of the contact (from year 2)