



Meeting: **AUDIT AND GOVERNANCE COMMITTEE**
Date: **WEDNESDAY 13 JANUARY 2016**
Time: **5.00PM – TRAINING FROM 4.30PM**
Venue: **COMMITTEE ROOM**
To: **Councillors M Jordan (Chair), I Reynolds (Vice Chair), K Arthur, D Buckle, Mrs J Chilvers, A Thurlow and P Welch.**

Councillors are advised that a training session will precede the meeting, starting at 4.30pm.

Agenda

- 1. Apologies for absence**
- 2. Disclosures of Interest**

A copy of the Register of Interest for each Selby District Councillor is available for inspection at www.selby.gov.uk .

Councillors should declare to the meeting any disclosable pecuniary interest in any item of business on this agenda which is not already entered in their Register of Interests.

Councillors should leave the meeting and take no part in the consideration, discussion or vote on any matter in which they have a disclosable pecuniary interest.

Councillors should also declare any other interests. Having made the declaration, provided the other interest is not a disclosable pecuniary interest, the Councillor may stay in the meeting, speak and vote on that item of business.

If in doubt, Councillors are advised to seek advice from the Monitoring Officer.

- 3. Minutes**

To confirm as a correct record the minutes of the Audit and Governance Committee held on 29 September 2015 (pages 1 to 4 attached).

- 4. Chair's Address to the Audit and Governance Committee**

5. Audit and Governance Committee Work Programme

To review the Work Programme for 2015/16 (pages 5 to 7 attached).

6. A/15/12 – Information Governance Annual Report

To receive and note the Information Governance Annual Report from the Solicitor to the Council (pages 8 to 17 attached).

7. A/15/13 – Annual Governance Statement – Action Plan Review

To receive and note the Annual Governance Statement from the Executive Director (s151) (pages 18 to 21 attached).

8. A/15/14 – Annual Audit Letter 2014/15

To receive and note the Annual Audit Letter 2014/15 from the External Auditor (Mazars) (pages 22 to 35 attached).

9. A/15/15 – External Audit Progress Report, January 2016

To receive and note the External Audit Progress Report from the External Auditor (Mazars) (pages 36 to 49 attached).

10. A/15/16 - Internal Audit Progress Report

To receive and note the report from the Audit Manager, Veritau and to review progress against the Internal Audit Plan (pages 50 to 69 attached).

11. Private Session

In accordance with Section 100(A)(4) of the Local Government Act 1972, in view of the nature of the business to be transacted, the meeting be not open to the Press and public during discussion of the following items as there will be disclosure of exempt information as defined in Section 100(1) of the Act as described in paragraph 3 of Part 1 of Schedule 12(A) of the Act.

12. A/15/17 – Review of the Risk Management Strategy

To receive the report from the Audit Manager, Veritau and to endorse the actions of officers in furthering the progress of risk management (pages 70 to 87 attached).

13. A/15/18 – Review of the Corporate Risk Register

To receive the report from the Audit Manager, Veritau and to endorse the actions of officers in furthering the progress of risk management (pages 88 to 107 attached).

14. A/15/19 – Review of the Access Selby Risk Register

To receive the report from the Audit Manager, Veritau and to endorse the actions of officers in furthering the progress of risk management (pages 108 to 128 attached).

Jonathan Lund
Deputy Chief Executive

Date of Next Meeting
13 April 2016 at 5pm

For enquiries relating to this agenda please contact Daniel Maguire:
Tel: 01757 292247. Email: dmaguire@selby.gov.uk.

Recording at Council Meetings

Recording is allowed at Council, Committee and Sub-Committee meetings which are open to the public, subject to:- (i) the recording being conducted with the full knowledge of the Chairman of the meeting; and (ii) compliance with the Council's protocol on audio/visual recording and photography at meetings, a copy of which is available on request. Anyone wishing to record must contact the Democratic Services Officer on the above details prior to the start of the meeting. Any recording must be conducted openly and not in secret.

Minutes

Audit and Governance Committee

Venue:	Committee Room
Date:	Tuesday 29 September 2015
Time:	5pm
Present:	Councillors M Jordan (Chair), I Reynolds (Vice Chair), K Arthur, Mrs J Chilvers, J Thurlow, P Welch, and Mrs D White (sub for D Buckle).
Apologies for Absence:	D Buckle (sub Mrs D White)
Officers Present:	Karen Iveson – Executive Director (s151), Jodie Taylor – Lead Officer, Finance, Janet Lornie – Finance Officer, Gavin Barker – Senior Manager, Mazars, Phil Jeffrey – Audit Manager, Veritau and Palbinder Mann, Democratic Services Manager.
Public:	0
Press:	0

17. DECLARATIONS OF INTEREST

Councillor Reynolds declared an interest in minute item 22, Statement of Accounts 2014/15 as the re-evaluation of council houses had been carried out by his son who was an employee of Stephenson's for whom he was a partner.

18. MINUTES

The Committee considered the minutes from the special meeting held on 16 July 2015.

It was agreed to amend the second resolution of item 15, Audit and Governance Committee Work Programme 2015/16 to state the following:

ii) To include debt management as an item on the work programme, and to ask officers to prepare a report to include information about debt levels and debt write-off which could also consider the potential impact of changes to the payment of housing benefit.

RESOLVED:

To approve the minutes of the special meeting of the Audit and Governance Committee held on 16 July 2015 with the above amendment and they be signed by the Chair.

19. CHAIR'S ADDRESS TO THE AUDIT AND GOVERNANCE COMMITTEE

The Chair informed the Committee that he would be attending additional training relating to audit organised by Mazars as part of his role as a County Councillor.

20. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

The Committee considered the current work programme.

RESOLVED:

To note the current work programme.

21. ANNUAL GOVERNANCE STATEMENT 2014/15 - A/15/7

The Executive Director (s151) presented the report on the Annual Governance Statement 2014/15 and informed the Committee that the Statement set out the framework for efficient control and governance. The Executive Director (s151) drew the Committee's attention to the issues outlined in the appendix of the report.

With regard to the non-compliance with the Payment Card Industry Data Security Standard, the Executive Director (s151) explained that the recommendations stated in the report would be taken forward.

RESOLVED:

To approve the 2014/15 Annual Governance Statement.

22. STATEMENT OF ACCOUNTS 2014/15 - A/15/8

The Executive Director (s151) presented the Council's Statement of the Accounts for 2014/15 and explained that the business rates income

had been amended which had affected figures throughout the accounts. It was explained that this had been due to Drax Power Station converting to biomass which would allow the Council to keep all its renewable business rates. Due to the changes affecting the accounts, amended pages which were affected were circulated to the Committee.

A query was raised regarding the funding for litigation costs regarding land charges. The Executive Director (s151) explained that there had been a national case regarding how authority could set its charges and this funding was to ensure the Council would provide its share towards the litigation. In response to a further query regarding the developer contribution, it was explained this was additional income that had been received.

Further information was sought on the PFI scheme outlined in the earmarked reserves. It was explained that this related to the social housing project contract with South Yorkshire Housing Association.

The Finance Officer explained the changes to the accounts as a result of the decision relating to Drax Power Station. The Committee was informed that approximately £4.6m would be received by the Council of which £3.5m would go into unusable reserves and £1.1m into earmarked reserves.

With regard to the auditing of the accounts, Gavin Barker from Mazars explained that the auditors had not seen the revised accounts and once these had been assessed and providing there were no issues, an opinion could be provided. The Committee was informed that the deadline for submission of the accounts was midnight on 30 September 2015.

RESOLVED:

To approve the 2014/15 Statement of Accounts subject to the revised accounts being assessed and approved by Mazars.

23. AUDIT COMPLETION REPORT AND OPINION ON THE FINANCIAL STATEMENTS – A/15/9

The Senior Manager, Mazars presented the report and informed the Committee that under the executive summary, assurance from Deloitte had now been received. The Committee's attention was also drawn to the standard risks that were outlined under significant findings.

The Committee was informed that the summary of misstatements would need to be updated due to the latest budget adjustments.

RESOLVED:

To note the report.

24. COUNTER FRAUD ANNUAL REVIEW - A/15/10

The Audit Manager, Veritau presented the report and informed the Committee that the Chartered Institute of Public Finance and Accountancy (CIPFA) had established a new centre of excellence to combat fraud.

A query was raised regarding the Department for Work and Pensions (DWP) Single Fraud Investigation Service. Phil replied that the Council would have to take a decision on its internal fraud service in light of the proposed changes however there were only specific frauds the new service would look at and this would then relate to which staff would be transferred over.

RESOLVED:

To note the report and appendices.

25. INTERNAL AUDIT PROGRESS REPORT - A/15/11

Phil Jeffrey, Veritau presented the report and informed the Committee of the progress of audits to date.

RESOLVED:

To note the report.

The meeting closed at 6:09pm



Audit Committee Work Programme 2015/16

Date of Meeting	Topic	Action Required
17 June 2015 (Wednesday)	Time of meetings	To agree the start time of Audit Committee meetings for 2015/16
	Internal Audit Annual Report 2014/15	To consider the Internal Audit Annual Report for 2014/15
	Risk Management Annual Report	To consider the Risk Management Annual Report for 2014/15
	Review of the Corporate Risk Register	To review the latest Corporate Risk Register
	Review of the Access Selby Risk Register	To review the latest Access Selby Risk Register
16 July 2015 (Thursday)	Constitutional Amendments	To consider proposed constitutional amendments.
29 September 2015 (Tuesday)	Statement of Accounts (post audit)	To approve the Statement of Accounts
	Annual Governance Statement	To approve the Annual Governance Statement
	Mazars Audit Completion Report and Opinion on the Financial Statements	To receive the Mazars Audit Completion Report and opinion on Financial Statements
	Counter Fraud Annual Report	To review the Counter Fraud Annual Report
	Internal Audit Quarter 1+Report 2015/16	To review progress against the Internal Audit Plan

13 January 2016 (Wednesday)	Information Governance Report	To approve the Information Governance Annual Report
	Annual Governance Statement – Action Plan Review	To review progress against the AGS Action Plan
	Internal Audit Quarter 2+ Report 2015/16	To review progress against the Internal Audit Plan
	Annual Audit Letter	To receive the Mazars report on the 2014/15 Audit and Value for Money conclusion
	Review of Risk Management Strategy	To review the Risk Management Strategy
	Review of the Corporate Risk Register	To review the latest Corporate Risk Register
	Review of the Access Selby Risk Register	To review the latest Access Selby Risk Register
	External Audit Progress Report – Mazars	To review the progress by Mazars in meeting its responsibilities as the Council's External Auditor.

13 April 2016 (Wednesday)	Audit Strategy Memorandum and External Audit Progress Report – Mazars	To review the Audit Strategy and progress of the External Audit with Mazars
	Annual Governance Statement – Action Plan Review	To review progress against the AGS Action Plan
	Internal Audit Progress Report 2015/16	To review progress against the Internal Audit Plan for 2015/16
	Internal Audit Charter	To approve the Internal Audit Charter
	Internal Audit Plan 2016/17	To approve the Internal Audit Plan 2016/17
	Audit Committee Annual Report 2015/16 and Work Programme 2016/17	To approve the 2015/16 Annual Report and the 2016/17 Work Programme for the committee



Public Session

Report Reference Number: A/15/12

Agenda Item No: 6

To:	Audit and Governance Committee
Date:	13 January 2016
Author:	Gillian Marshall, Solicitor to the Council
Lead Officer:	Karen Iveson, Executive Director (s151)

Title: Information Governance Annual Report

Summary:

In March 2014 the Council's internal auditors (Veritau) published a final report into their review of the Information Governance and Data Protection arrangements at Selby District Council.

A project was established with a view to putting in place systems and controls to address the issues identified during the audit. As part of that project Information Governance was added to the Terms of Reference for Audit and Governance Committee and it was agreed that an annual report on the Information Governance arrangements would be provided for the Committee.

This is the annual report for 2015.

Recommendations:

- i. That Audit and Governance Committee note the contents of this report.**

Reasons for recommendation

To meet the requirement within the Audit and Governance Committee Terms of Reference and the 2014 audit action plan.

1. Introduction and background

- 1.1 In March 2014 the Council's internal auditors (Veritau) published a final report into their review of the Information Governance and Data Protection arrangements at Selby District Council. It was found that the arrangements for

managing risk were poor with significant control weaknesses in key areas and major improvements required before an effective control environment would be in operation. Their overall opinion of the controls within the system at the time of the audit was that they provided **Limited Assurance**. A project was established with a view to putting in place systems and controls to address the issues identified during the audit.

- 1.2 In accordance with the Action Plan approved to address the identified issues the Executive Director (s151) was appointed to the post of Senior Information Risk Officer (SIRO) with overall responsibility for information governance (IG). Day to day oversight of the IG arrangements is the responsibility of the Solicitor to the Council and Lead Officers have been appointed as Information Asset Owners
- 1.3 An Information Governance Framework consisting of an Information Charter, Information Risk Management Policy, ICT Acceptable Usage Policy, Data Protection Breach Policy and a Document Retention Policy were approved.
- 1.4 All staff received briefings on the new IG Framework and further mandatory training was rolled out. IG is now included in induction briefings.
- 1.5 There are some items remaining to be completed from the Action Plan which relate mainly to the use of It and these are now scheduled to be revisited when NYCC take over IT support for the Council. A copy of the updated action plan is attached at Appendix A.

2 The Report

2.1 This report sets out the IG issues that have arisen during 2015.

2.2 Information sharing agreements

During 2015 the Council signed up to two new Information Sharing Agreements.

An Agreement was signed between the Council and Yorkshire Water allowing the sharing of data in respect of persons affected by waste water flooding which will enable the Council to better respond to emergency incidents.

In addition the Council has signed up to the North Yorkshire Multi Agency Overarching Information Sharing Protocol, a major piece of collaborative work across the region covering:

North Yorkshire County Council
North Yorkshire Police
City of York Council
North Yorkshire Fire and Rescue Service

York Teaching Hospitals NHS Trust

The Protocol has been developed to create a positive culture of sharing information and facilitate more effective data sharing practices between partner agencies with the aim of improving service delivery.

The Protocol applies to all information being shared by signatory partner agencies and it covers the types of data partner agencies will share, how data is handled and the legislation which allows it to be shared, as well as outlining processes for documenting partner agency information sharing arrangements.

The Protocol aims to ensure compliance and consistency across the County. By becoming a partner agency to the Protocol, partner agencies are making a commitment to:

- a. Apply the “Fair Processing” and “Best Practice” standards that are in the Information Commissioner’s Data Sharing Code of Practice and checklists
- b. Comply with the Data Protection Act and other relevant legislative provisions;
- c. Develop partner agency information sharing arrangements that comply with the Protocol and clearly and transparently demonstrate the reasons for sharing data and provide assurance on this activity.

2.3 Information Security checks

Veritau carried out information security checks at the Civic Centre in September 2015. The purpose of the checks were to test the systems in place and assess the extent to which confidential, personal or sensitive data is stored securely and to ensure that data security is being given sufficient priority within council offices.

Overall, the checks established that the council is reasonably well protected against accidental disclosure of information. The Civic Centre office areas are not accessible without a staff security pass and within the offices most information is stored in cupboards. However, lockable storage is being left unlocked throughout the offices, the clear desk policy is not being followed by all staff and a number of council laptops are unsecured within the building.

Detailed findings were provided to the Solicitor to the Council, who has discussed these at Business Managers Group (BMG) and Operations Managers Group (OMG) and these were disseminated to service managers. An action plan will be produced by the Solicitor to the Council in consultation with the SIRO to address the weaknesses identified in this report. This action plan will be in place by 31 January 2016.

2.6 Data Protection Breaches

Within the Council four data security incidents have been investigated since the last report to Committee in January 2015. These include:

- One incident in which a customer contact call was not fully closed down resulting in an incorrect change of address notification.
- Two further incidents where documents containing sensitive personal information were sent to the wrong recipient (following on from 3 similar incidents in 2014).
- One incident where the full electoral register instead of the edited register was sent in response to a request.

2.7 In each of the security incidents listed above action was taken immediately to recover the data and each incident was subject to a formal breach review by the relevant Lead Officer. Recommendations arising from the breach investigations were implemented locally.

2.8 The incidents reported were largely isolated incidents save for two further incidents of incorrectly addressed mail. One fell within the criteria requiring notification to the Information Commissioner, namely the release of the Electoral Register. The ICO decided that no further action was required.

2.9 Freedom of Information

The table below shows the number of FOI requests received and responded to in 2015.

Month	Received	Outstanding	Completed	% in time	% out of time	% granted in full
Jan-15	52	0	52	69.23%	30.77%	84.62%
Feb-15	49	1	48	62.50%	37.50%	77.08%
Mar-15	49	5	44	70.45%	29.55%	75.00%
Apr-15	41	4	37	75.68%	24.32%	81.08%
May-15	27	3	24	75.00%	25.00%	75.00%
Jun-15	46	2	44	77.27%	22.73%	88.64%
Jul-15	33	3	30	76.67%	23.33%	90.00%
Aug-15	45	1	44	79.55%	20.45%	88.64%
Sep-15	47	5	42	80.95%	19.05%	90.48%
Oct-15	55	13	42	73.81%	26.19%	71.43%
Nov-15	37	7	30	90.00%	10.00%	80.00%
Dec-15	37	19	18	100.00%	0.00%	88.89%

The target being worked to is 86% as the Information Commissioner will consider formal performance monitoring of an authority where it responds to 85% or fewer requests within the statutory time period. Performance during 2015 has been below target. Legal Services and Business Support continue to work with service areas to ensure that requests are responded to within statutory time limits and this is shown in the improvements made in the last two months of 2015.

In addition the Business Transformation Team has undertaken a piece of work with Revenues and Benefits to try to streamline process and reduce the numbers of requests. Analysis of information from 2014/15 showed that 125 requests were for Benefits information (32% of requests, an average of 10 per month) of which 60% relate to Business Rates. The R&B team identified repeat FOI requests from an FOI log and worked with Data and Systems to create, set automated reports to be published on the website on a monthly basis. A standard letter compliant with the FOI legislation was created to direct requestors to the data. A 4 month trial started on May 1st 2015 in which 41 FOI requests were received of which 14 (34%) were re-directed to the website. This has saved c.4 working days – 1 day per month. The successful pilot was then adopted as on-going practice in Revenues and Benefits. All other service areas have been made aware of this and asked to look at whether a similar approach could produce savings in their areas.

2.10 Priorities for the next six months

The following have been identified as priority tasks for the next six months: -

- Further work on Information Asset Registers especially data stored on drives and in e mail accounts
- Complete an action plan following the data security sweep
- Refresher training for staff
- Review data security via the ICT Strategy

3 Legal/Financial Controls and other Policy matters

Legal Issues

- 3.1 The Information Commissioner has the power to fine the Council if there is a serious breach and he concludes that the Council does not have procedures in place that are sufficiently robust

Financial Issues

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

Impact Assessment

- 3.3 Residents, suppliers, customers and partners have a reasonable expectation that the Council will hold and safeguard their data appropriately. Failure to

comply with recognised good practice will have a negative impact of the reputation of the organisation.

4. Conclusion

- 4.1 The overall levels of control are within reasonable levels and the existing framework operates satisfactorily.

5. Background Documents

None

Contact Officer:

*Gillian Marshall
Solicitor to the Council
Selby District Council
gmarshall@Selby.gov.uk*

Appendices:

Appendix A - High Level Action Plan as at 01.01.2016

LEVEL 1 INFORMATION MATURITY

SDC HIGH LEVEL ACTION PLAN

AS AT 01.01.2016

Ref	Action	Target	Current Position/ Proposed Actions	RAG
1	Promulgate top level policy statement <ul style="list-style-type: none"> Publish Information Charter 	5 June 2014	Completed	GREEN
2	Senior commitment to Information Assurance <ul style="list-style-type: none"> Appoint Senior Information Risk Owner (SIRO) Report to Main Board regularly Provide assurance to Audit Committee on annual basis 	5 June 2014	Completed Executive appointed SIRO and IAOs and formally approved acceptable usage policy and data breach policy. First report to SIRO/Audit Committee completed Autumn 2014	GREEN
		5 June 2014	Completed Audit committee briefed June 2014 and aware of annual report	
		5 June 2014	Scheduled into Audit Committee work programme	
		30 May 2014	IG added to Corporate Risk Register on 19/5 and in AS Risk Register on 23/5 (Access Selby Board and BMG/OMG to be aware of any concerns via risk register) Risk added to action plan on covalent to show risk management	

3	Appoint Information Asset Owners (IAOs) for each key group of information assets	5 June 2014 30 June 2014	Appointed Lead Officers as IAOs Supported IAOs to produce Information Asset Registers - all IAOs had a one-to-one meeting with Veritau and draft schedules produced. These now need to be updated and further work needs to be completed in relation to hard copy documents and drives. IAO assurance process to be agreed – to revisit once IT support transfers to NYCC and IA registers updated	AMBER
4	Develop reporting mechanism to provide assurance to SIRO <ul style="list-style-type: none"> • Breach reporting and investigating system • IAO assurance to SIRO • Compliance review 	30 August 2014	DP Breach policy approved by Executive 1 st annual report to AG Committee covering these issues completed	GREEN
5	Carry out annual risk awareness training for those with access to personal data <ul style="list-style-type: none"> • Identify groups of staff and their training needs • Develop training packs for different groups • Deliver selected training • Monitor delivery of training • Carry out awareness campaign 	13 March 2014 30 April 2014 30 April 2014	Member Briefing Session held Audit Committee Members provided with additional briefing June 2014 Staff Awareness Campaign – used HR and Communications Teams to put out messages in newsletters and on Screen and included in team brief Provided Briefing Script and posters to Lead Officers in OMG meeting and request cascade of briefing through training hour - completed 30 April 2014. Managers cascaded briefings and provided names to HR for reporting	GREEN

		30 May 2014	Training for senior management agreed and delivered	
		30 May 2014	IAO training agreed and delivered	
		30 May 2014	Reviewed job description mandatory requirements and added DP/IG to induction process	
		31 August 2014	Online Training for all staff via NYCC package Special session held for Business Support and requested for Revenues and Benefits and Assets.	
6	Develop data sharing protocols with 3 rd party suppliers & delivery partners <ul style="list-style-type: none"> Identify groups, exposure and needs Develop appropriate awareness information packs Ensure requirement is included in contracts Deliver training where appropriate 	30 March 2015	Audit of current arrangements undertaken. SDC now signed up to the overarching Info Sharing Arrangements county wide	GREEN
		30 March 2015	Ensure confidentiality is reflected in contractual arrangements – work ongoing on rolling out standard contract terms and provision of guidance on specification writing	

7	Develop Information Risk Policy <ul style="list-style-type: none"> • Define information risk appetite • Agree classification scheme for records • Communicate scheme to staff • Monitor compliance 	5 June 2014 30 June 2016 As above	Policy completed To be discussed further when NYCC take on IT support. Included in staff communications and briefings identified above	AMBER
8	Develop Information Risk Register <ul style="list-style-type: none"> • Register monitored regularly • Highest risks fed into corporate risk register • IAOs and IMs identified in Information Risk Registers 	30 June 2016	Arrange risk workshop to develop register – to be completed once individual asset registers are updated	AMBER
9	Information Security <ul style="list-style-type: none"> • Develop Information Security Policy covering both IT and non IT based data • IT Security Officer appointed • Access to and use of sensitive data monitored 	30 June 2016	Review current systems for IT Security and write policy based on current position Review draft policy and identify any gaps/omissions Agree monitoring process Ensure that risk of Members IT provision is included as part of the IT Security Policy	AMBER



Report Reference Number: A/15/13

Agenda Item No: 7

To: Audit and Governance Committee
Date: 13 January 2016
Author: Karen Iveson - Executive Director (s151 Officer)
Lead Officer: Karen Iveson - Executive Director (s151 Officer)

Title: Annual Governance Statement 2014/15 – Action Plan Review

Summary: To review progress on the Annual Governance Statement (AGS) 2014/15 Action Plan approved in September 2015.

Recommendation:

It is recommended that the Action Plan for the Annual Governance Statement for 2014/15 is noted.

Reasons for recommendation:

To ensure the necessary actions have been carried out in accordance with the approved Annual Governance Statement and action plan.

1. Introduction and background

- 1.1 Good governance is important to all involved in local government; however, it is a key responsibility of the Leader of the Council and of the Chief Executive.
- 1.2 The preparation and publication of an annual governance statement in accordance with the Cipfa/SOLACE Framework was necessary to meet the statutory requirements set out in Regulation 4(2) of the Accounts and Audit Regulations which requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and to prepare a statement on internal control “in accordance with proper practices”.
- 1.3 To meet the requirement to review the AGS an Action Plan has been agreed and is subject to half yearly review by the Audit and Governance Committee.

2. The Report

- 2.1 The present Action Plan for review is attached as Appendix A. Progress against the approved action plan has been made although there are still delays over some reconciliations.
- 2.2 Actions will continue to be monitored throughout the remainder of 2015/16.

3. Legal/Financial Controls and other Policy matters

3.1. Legal Issues

None.

3.2. Financial Issues

None.

4. Conclusion

- 4.1. The AGS and scrutiny of the Action Plan represents progress towards setting the highest Corporate Governance standards and meets the requirements of the Accounts and Audit Regulations.

5. Background Documents

Contact Officer: Karen Iveson, Executive Director (and s151);
kiveson@selby.gov.uk
01757/292056

Appendices: Appendix A – AGS 2014/15 Action Plan

Appendix A

Year	Issue Identified	Source of Evidence	Update/Summary of Action Taken & Proposed	By whom & By when	Current Position
2012/13	ICT 2011/12. Risks have been identified around disaster recovery, security and back-up arrangements. As IT is fundamental to the Council achieving its goals it is important that systems and processes are robust.	Internal Audit report.	The IT Manager will ensure that agreed actions are implemented.	IT Manager 31 March 2016	Agreed Actions have been implemented. Further review of disaster recovery, security and back up arrangements will take place once the NYCC/IT shared service is up and running from February 2016
2013/14	Again, reconciliations of bank accounts and feeder systems have been undertaken although some delays have been seen.	Internal Audit Report	The Lead Officer - Finance will ensure that reconciliations are maintained up-to-date.	The Lead Officer - Finance and Access Selby Directors Immediate	Good progress has been made on the majority of reconciliations but there remains some delay on payroll due to system changes at NYCC, and revenues and benefits.
2013/14	Information Governance and breaches in Data Protection are not adequately managed.	Internal Audit Report	Plans are now in place to: <ul style="list-style-type: none"> • Assign clear roles and responsibilities; • Approve and implement the necessary policies and 	Solicitor to the Council 31 March 2016	Information Governance update report on Audit and Governance Committee agenda 13 January 2016

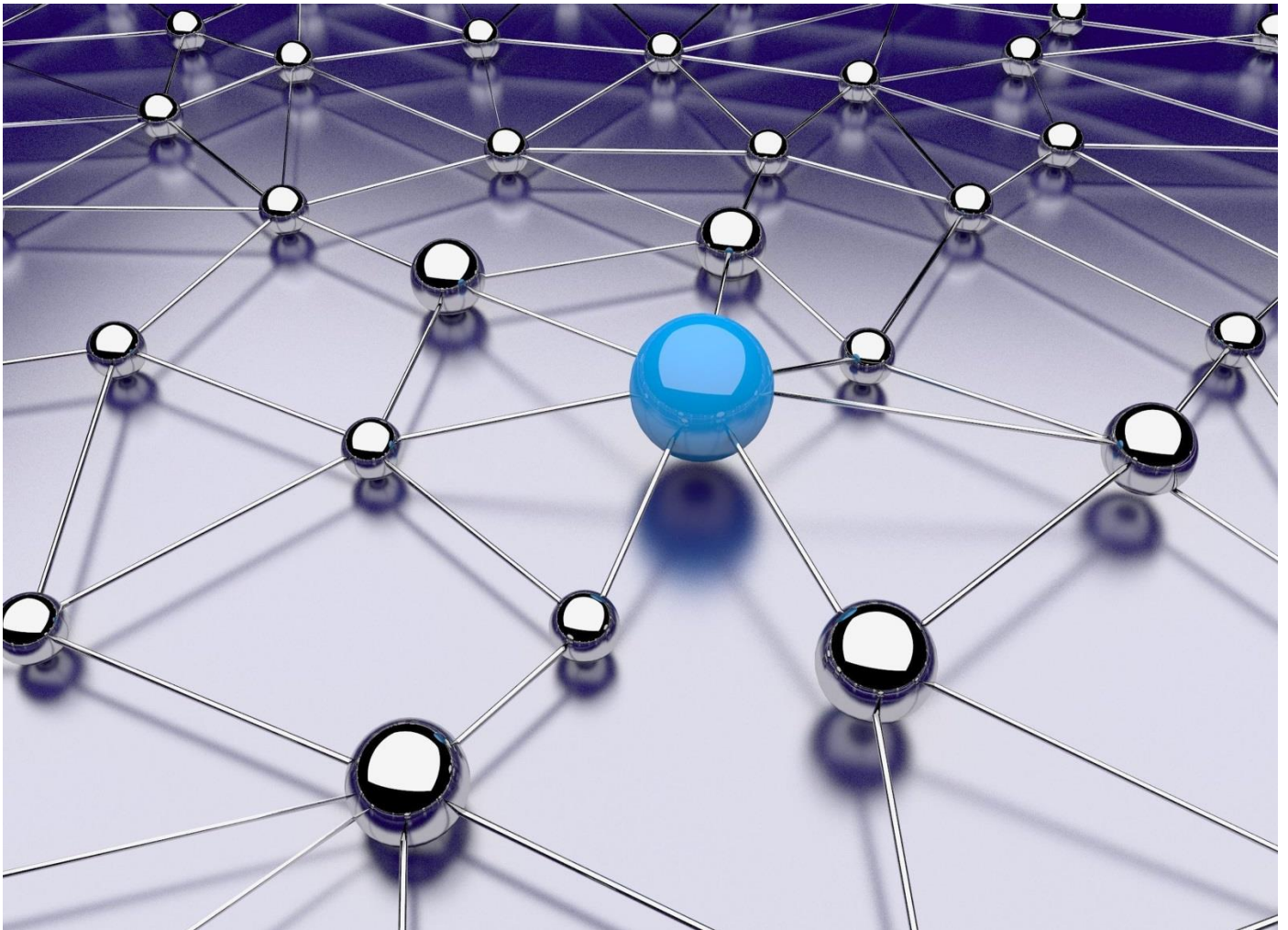
Year	Issue Identified	Source of Evidence	Update/Summary of Action Taken & Proposed	By whom & By when	Current Position
			procedures; <ul style="list-style-type: none"> • Deliver a targeted training programme; • Ensure adequate reporting arrangements; and • Consider appropriate disciplinary procedures for data breaches. Internal Audit to assist/advise.		
2014/15	Non compliance with the Payment Card Industry Data Security Standard (PCI DSS)	Internal Audit report	Agreed actions: <ul style="list-style-type: none"> • Management responsibility has been defined • The cardholder data environment will be mapped and documented • Policies and procedures will be developed in relation to PCI DSS • Dependencies on third parties will be explored and assessed • Responsibility for completing annual self-assessment questionnaires will be assigned Internal Audit to assist/advise.	Lead Officer Data and Systems 31 March 2016	Implementation Plan has been created and discussed with Internal Audit on 22 December 2015. Key milestones and stakeholders have been identified with the intention for new policies and procedures and a completed self-assessment questionnaire by 31 March 2016.

Annual Audit Letter 2014/15

Selby District Council

October 2015

REPORT: A/15/14
AGENDA 8



Mazars LLP
Rivergreen Centre
Aykley Heads
Durham
DH1 5TS

Members
Selby District Council
Civic Centre
Doncaster Road
Selby
YO8 9FT

29 October 2015

Dear Members

Annual Audit Letter 2015

We are delighted to present to you this year's Annual Audit Letter.

We carried out the audit in accordance with the Code of Audit Practice for Local Government bodies as issued by the Audit Commission and delivered all expected outputs in line with the timetable established by the Accounts and Audit Regulations 2011 and the National Audit Office.

I would also like to express my thanks for the assistance of the finance team, senior officers and the Audit and Governance Committee during the audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 0191 383 6314 or cameron.waddell@mazars.co.uk.

Yours faithfully

Cameron Waddell
Partner
Mazars LLP

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Our reports are prepared in the context of the Audit Commission's 'Statement of responsibilities of auditors and audited bodies'. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and we take no responsibility to any member or officer in their individual capacity or to any third party.

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01 Overall messages

Purpose of this letter

Our Annual Audit Letter provides a summary of our work and findings for the 2014/15 audit period for Selby District Council (the Council), and other interested parties.

In addition to this letter, we issued and presented our Audit Completion Report to the Audit and Governance Committee on 29 September 2015. We also issued a follow up letter on 30 September 2015 recording our agreement to late adjustments to the financial statements to reflect a windfall gain for the Council arising from business rates. These documents provide more detail on the work we have undertaken as the Council's external auditor in 2014/15. The key conclusions for each element of our audit are summarised below.

Our audit of the statement of accounts

We issued an audit report including an unqualified opinion on the Council's financial statements on 30 September 2015.

Our audit proceeded smoothly and we did not encounter any significant issues whilst undertaking our work. Management agreed to amend all errors identified by our audit. The finance team were cooperative during our work and the quality of the financial statements and working papers was good.

Officers processed the late accounting adjustments arising from business rates efficiently and effectively in challenging circumstances.

Our Value for Money conclusion

We performed our work in line with the Audit Commission's Code of Audit Practice for Local Government bodies and the Commission's guidance on the Value for Money conclusion for 2014/15 to provide us with sufficient assurance that the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Our work in this area focussed on the two criteria specified by the Audit Commission, and we issued an unqualified value for money conclusion on 30 September 2015. Further details are provided in the sections that follow.

Whole of Government Accounts (WGA)

We provide assurance to the National Audit Office (NAO), as the auditor of central government departments. As the Council's activity is below the threshold set by the NAO for a full review of WGA, the procedures we were required to carry out were limited to reporting the levels of income, expenditure, assets and liabilities. We sent our return to the National Audit Office on 30 September 2015.

Our other responsibilities

As the Council's appointed external auditor, we have other powers and responsibilities as set out in the Audit Commission Act 1998. These include responding to questions on the accounts raised by local electors as well as a number of reporting powers such as reporting in the public interest. We did not receive any formal objections or questions in relation to the 2014/15 accounts and did not need to exercise our wider reporting powers.

02 Financial Statements

Audit of the financial statements

We audited the Council's financial statements in line with auditing standards and we reported the detailed findings of the audit in our Audit Completion Report and subsequent follow up letter. We issued an audit report including an unqualified opinion on the Council's financial statements on 30 September 2015.

Preparation of the accounts

The Council presented us with draft accounts in accordance with the national deadline. The production of the statement of accounts is a significant technical challenge involving a great deal of work by the Council's officers. We appreciate the cooperation of management and the patience, courtesy and assistance shown to us in the completion of our work. The working papers supporting the statement of accounts were of good quality and officers were responsive in following up the queries we raised.

Issues arising from the audit of the accounts

Our audit proceeded smoothly and we did not encounter any significant issues whilst undertaking our work. Management agreed to amend all errors identified by our audit. The finance team were cooperative during our work and the quality of the financial statements and working papers was good.

Officers processed the late accounting adjustments arising from business rates efficiently and effectively in challenging circumstances.

Annual Governance Statement (AGS)

The AGS is drafted by the Council to provide assurance to the reader over how it is managed and how it dealt with risks in the year. We reviewed the AGS to see whether it complied with relevant guidance and whether it was misleading or was inconsistent with what we know about the Council. We found no areas of concern to report in this context.

03 Value for Money Conclusion

For 2014/15, we were required to give a statutory conclusion on the Council's arrangements to secure Value for Money (VfM) in its use of resources, based on the following two specified reporting criteria:

Criteria	Focus of each criterion
The Council has proper arrangements in place for securing financial resilience.	The Council has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.
The Council has proper arrangements for challenging how it secures economy, efficiency, and effectiveness.	The Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

As part of our work, we also:

- reviewed the annual governance statement;
- reviewed the work of other relevant regulatory bodies or inspectorates to the extent the results of the work have an impact on our responsibilities (where applicable); and
- carried out any risk-based work we determined to be appropriate.

Like other public sector bodies, the Council faces a number of challenges and in light of these we reviewed the Council's arrangements for managing financial risks and securing a stable financial position. We identified a significant risk in the Audit Strategy Memorandum regarding financial pressures faced from reduced funding. We addressed this risk by reviewing budget monitoring and reporting and reviewing plans to deliver future savings, and through our work were able to mitigate the risk we identified.

The table below shows commentary alongside each aspect of the two criteria and we have indicated alongside each a rating. This is followed by a reality check section. The expected arrangements were found to be in place in each area and an unqualified VfM conclusion has been issued.

Financial resilience

Criterion	Aspect	Commentary	Arrangements in place
Arrangements for securing financial resilience	Financial Governance	<p>The leadership is very aware of the changing financial management challenges. They have made significant savings over the last couple of years, and continue to make savings. An example of the Council taking action includes the Better Together project with North Yorkshire County Council. The two councils are looking to work together in some areas to provide savings for both.</p> <p>Each year the Council considers how robust the budget is, and it also reviews the sensitivity analysis to demonstrate the variable nature of the assumptions made in the budgets to the Executive and the Council. The significant savings made to date by the Council show there is a good understanding throughout the organisation of the financial position.</p> <p>Members do scrutinise and challenge performance, and the Audit Committee provides appropriate oversight. Quarterly budget monitoring reports are presented to the Executive and the Council.</p>	Yes
	Financial Planning	<p>The Council has managed its financial position well. The Council increased council tax by 1.96% in 2014/15 and a freeze in council tax has been approved for 2015/16. Budget setting is robust and close monitoring ensured delivery of spending within budget in 2014/15. At the year end, the draft accounts showed a budget surplus of £429k for the General Fund and the HRA a surplus of £1.250m. Savings exceeded target for the core General Fund and for the HRA. However, the target was missed for Access Selby, though offset by in year surpluses.</p> <p>The Council maintains a sensible General Fund Balance. Careful financial management has enabled it to build up a good level of earmarked reserves, although these are set aside for specific plans and projects. The earmarked reserves do enable the Council to manage its financial position more effectively over the medium term.</p> <p>The Medium Term Financial Strategy sets out how the Council proposes to deal with the difficult economic climate and the cuts in funding. The Council also has a plan looking ahead to the next 10 years. The Council has considered the impact of the retention of business rates and localisation of council tax support, and is monitoring these areas closely.</p> <p>Financial and corporate planning processes are closely aligned, this has been particularly evident in the current difficult economic environment.</p> <p>Risk management arrangements are robust, workforce planning has led to significant reductions in overall workforce in the last major restructuring, and the Council maintains a reasonable capital programme.</p> <p>The Council has good arrangements for treasury management and this is regularly monitored and reported.</p>	Yes

Criterion	Aspect	Commentary	Arrangements in place
	Financial Control	<p>The Council monitors its revenue and capital budgets closely during the year. Corrective action is taken when necessary, and budget monitoring appears to be robust.</p> <p>There have been no significant overspends in recent years, and the Council has recorded underspends for the last few years, including the current year.</p> <p>Robust control has allowed the Council to manage its financial position well. As noted above, the accounts for 2014/15 show that the Council achieved a surplus of £429k for the General Fund and £1.250m for the HRA.</p> <p>The Council has also delivered the savings required so far, and it also has healthy financial reserves to help it manage the future cuts that are likely to be required. The expectation is, and the Council is preparing for, difficult decisions in future years.</p> <p>Cash flow is managed effectively. The Council has investments due to its cash-backed earmarked reserves.</p>	Yes

Securing economy, efficiency and effectiveness

Criterion	Aspect	Commentary	Arrangements in place
Arrangements for challenging economy, efficiency and effectiveness	Prioritising resources	<p>The leadership team does have a good grasp of the issues and is taking the action needed to secure the financial position. Following the restructure to a new delivery model for the Council, the Council have consistently delivered planned savings.</p> <p>It is looking further afield to deliver savings for the future, to work in partnership with other authorities, in particular North Yorkshire County Council. The Better Together project is expected to deliver further savings going forward.</p> <p>The Council carry out consultations with the public and with the staff. The staff are positive about the future plans for the local authority.</p> <p>There are many recent examples of consultation including:</p> <ul style="list-style-type: none"> • planning service local validation list • budget and corporate plan • homelessness strategy • customer strategy and • development plan. <p>There is effective cost and performance management across the Council, and there are clear and robust links between the strategic priorities and in-year service decisions.</p>	Yes

Criterion	Aspect	Commentary	Arrangements in place
	Improving efficiency and productivity	<p>The Council receive quarterly updates on performance and budget outturns. Where appropriate option appraisals are used, recent examples include the transfer of assets to the housing trust. Staff surveys are carried out which have been positive. The Council is forward looking and is continuing to seek out saving opportunities such as its Better Together project with North Yorkshire County Council. It is part of the Yorkshire Procurement Partnership to help deliver savings in its procurement.</p> <p>The authority compares well in terms of overall value for money. The Council makes use of comparative and benchmarking information where possible. Significant savings have already been made, and service performance has been maintained.</p> <p>The Council sets itself challenging savings targets and has delivered these so far. The 'State of the Area' address from summer 2014 was a very clear articulation of how and where Selby had achieved its priorities, and it has been used to develop the refreshed Corporate Plan 2015-2020.</p>	Yes

Overall assessment

Having gathered evidence of the Council's arrangements for each criterion we conducted a 'reality check', building upon our existing knowledge of the Council and considering the robustness of our assessment by referring to:

- reports by statutory inspectorates or other regulators;
- achievement of performance and other targets; and
- performance against budgets and other financial targets.

Evidence	Auditor assessment
Reports by statutory inspectorates or other regulators	<p>There were no reports by any statutory inspectorates or other regulatory bodies during the year which might impact on our conclusion.</p> <p>We did review the value for money profiles (based on data previously maintained by the Audit Commission, but now available on the Public Sector Audit Appointments website). Based on this review, there were no indicators which would suggest weaknesses in the Council's arrangements, or any information contrary to our knowledge of the Council.</p>
Achievement of performance and other targets	<p>The Council's annual report includes performance against a number of indicators. This showed that for most indicators, performance is largely in line with the previous year. There has been some slight deterioration in performance for a couple of indicators, but nothing which indicates weaknesses in arrangements to secure value for money.</p>
Performance against budgets and other financial targets	<p>The Council had reported an underspend against budget in its 2014/15 financial statements. A balanced budget has been set for 2015/16 onwards.</p>

Annual Governance Statement

We reviewed the Council's Annual Governance Statement to identify if there were any issues disclosed by the Council that would lead us to consider that the Council did not have proper arrangements for securing economy, efficiency and effectiveness. Our review did not identify any such issues.

Overall Conclusion

Our overall conclusion, having carried out a 'reality check', was that the Council had adequate arrangements in place for each criterion and an unqualified VFM conclusion was issued.

04 Future challenges / other commentary

The Council continues to develop and modify its future plans to respond to reductions in funding.

Managing spending reductions will continue to become more and more difficult if it is not to affect service provision to the public. It is likely that the next few years will be even more difficult than the past few, and we will continue to monitor the situation during this coming year's audit, however, the Council is well placed to meet the challenge.

Late in the audit, the Council became aware of a windfall gain in business rates arising from renewables at the Drax power station. The Council will need to assess the impact of this on its overall financial position and any opportunities that this provides.

With a financial outlook that is increasingly challenging, to develop locally responsive services that maintain standards of access and quality, the Council will need to continue to:

- carefully forecast and effectively monitor budgets;
- identify and address financial pressures as they emerge;
- deliver a long term financial strategy that addresses immediate pressure while allowing scope for strategic service change;
- maintain effective arrangements for public engagement; and
- use constructive relationships with partners to safeguard service quality and resilience.

Whilst managing the challenge of funding reductions, the Council is also facing changes through the impact of local devolution. Although the future landscape remains unclear, a number of proposals have been submitted to central government, all of which would change the way the Council operates. All of the options seek greater powers from central government, in relation to transport, business rates retention, and funding settlements.

We will focus our 2015/16 audit on the risks that these challenges present to the Council's financial statements and its ability to maintain proper arrangements for securing value for money.

We will also share relevant insights that we have as a national and international accounting and advisory firm with experience of working with other public sector and commercial service providers.

In terms of the technical challenges that officers face around the production of the statement of accounts, we will continue to work with them to share our knowledge of new accounting developments and we will be on hand to discuss any issues as and when they arise.

05 Fees and closing remarks

Our Audit Strategy Memorandum, issued and presented to the Audit and Governance Committee, set out our proposed fees for the 2014/15 audit, which are based on a scale fee set by the Audit Commission. The fees applicable to our work in 2014/15 are summarised below.

Element of work	2013/14 Final Fee	2014/15 Scale fee (as previously reported)	2014/15 Final Fee
Code audit work	£59,180	£59,610	£59,610
Certification work	£20,796	£14,170	£14,170 *
Non-audit work	£0	£0	£0
Total	£79,976	£73,780	£73,780

* The fee outlined above in relation to certification work is an estimate as we are yet to complete our work on certifying the Council's Housing Benefit claim. We will confirm the final fee charged for certification work when we issue our 2014/15 Certification Report.

Mazars also provides services to Selby & District Housing Trust, a related party to the Council.

During the audit year we have continued to support the Council in other ways, including:

- Attendance at Audit and Governance Committee meetings where we inform the Committee about progress on the audit, report our key findings and update it about developments in the public sector and the wider environment.
- Hosting events for staff, such as our Accounts workshops, or more focused Accounts update sessions, as appropriate.

Further detailed findings, conclusions and recommendations in the areas covered by the audit are included in the reports issued to the Council during the year, which are summarised below.

Report	Date issued
2014/15 Audit Fee Letter	April 2014
Audit Strategy Memorandum	April 2015
Progress reports to Audit and Governance Committee	To each meeting
Audit Completion report, including follow up letter	September 2015
Auditors Report	September 2015
Annual Audit Letter	October 2015

The Council and management have taken a positive and constructive approach to our audit and I wish to thank them and the Audit and Governance Committee for their support and co-operation during our audit.

We are committed to supporting the Council move forward with clarity of purpose and strong governance and accountability arrangements. Mazars currently audits and advises a number of other councils across the country and will continue to share our insights from other audits, and relevant knowledge from the wider public and private sector.

Cameron Waddell

Partner

October 2015

Should you require any further information on this letter or on any other aspects of our work, please contact:

Cameron Waddell CPFA

Partner

T: 0191 383 6314

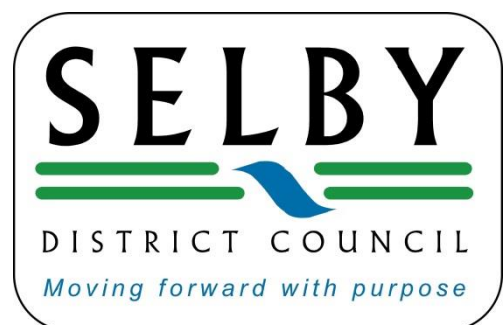
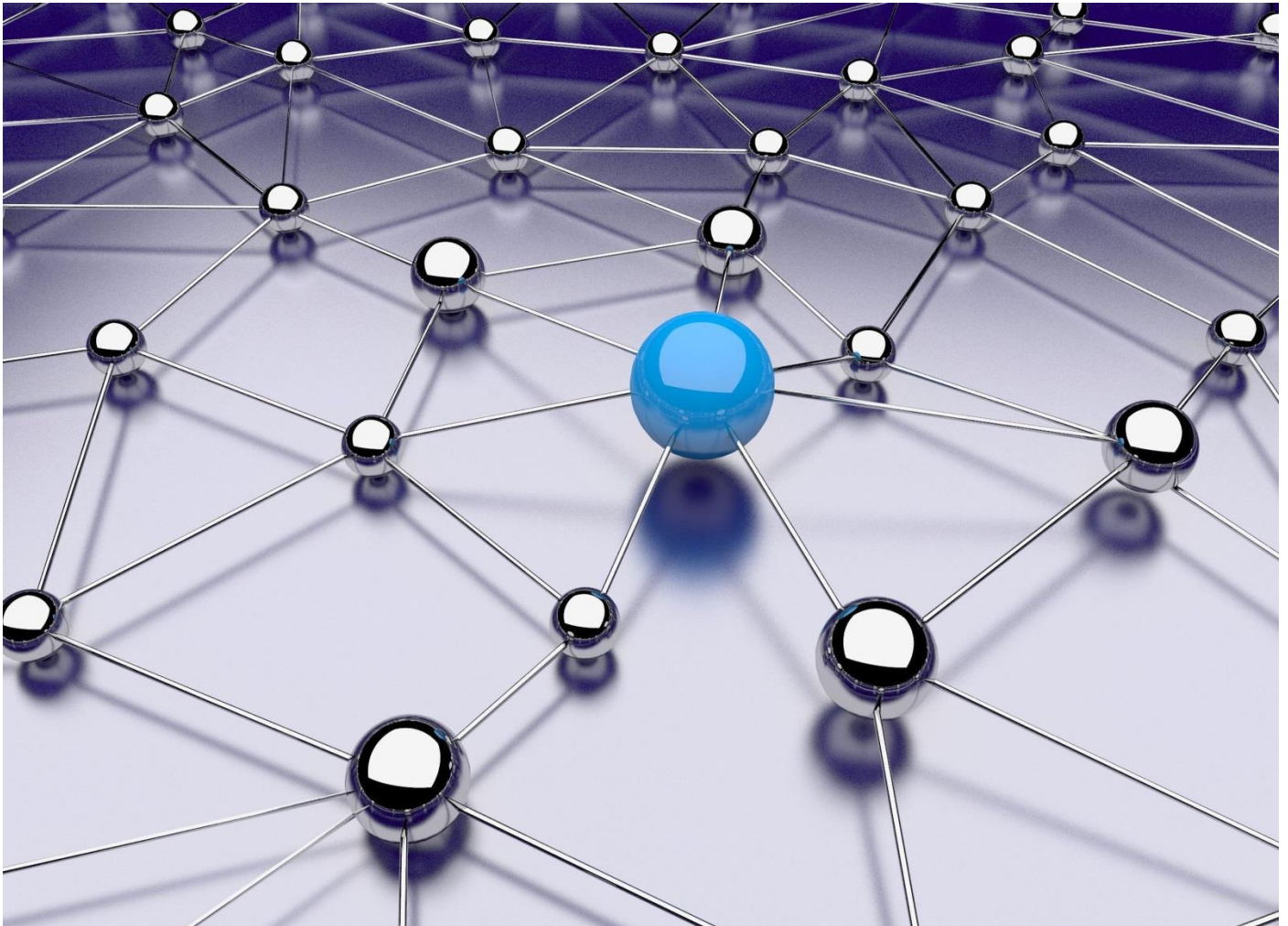
E: cameron.waddell@mazars.co.uk

M: 07813 752053

Mazars LLP
The Rivergreen Centre
Aykley Heads
Durham
DH1 5TS

Selby District Council Audit Progress Report January 2016

**REPORT: A/15/15
AGENDA 9**



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Our reports are prepared in the context of the Public Sector Audit Appointment Limited's 'Statement of responsibilities of auditors and audited bodies'. Reports and letters prepared by appointed auditors and addressed to Selby District Council, its Members, Directors or officers are prepared for the sole use of the audited body and we take no responsibility to any Member, Director or officer in their individual capacity or to any third party.

01 Introduction

The purpose of this report is to update the Audit and Governance Committee of Selby District Council (the Council) on progress in delivering our responsibilities as your external auditors.

We have also highlighted key emerging national issues and developments which may be of interest to Committee Members.

If you require any additional information, please contact us using the details at the end of this update.

Finally, please note our website address (www.mazars.co.uk) which sets out the range of work Mazars carries out, both within the UK and abroad. It also details the existing work Mazars does in the public sector.

02 Summary of audit progress

Completion of 2014/15 audit

We completed our 2014/15 by the statutory deadline of 30 September 2015 and issued:

- an unqualified opinion on the Council's financial statements; and
- an unqualified value for money conclusion.

We discussed our annual audit letter with senior management and it was finalised by the deadline of 30 October 2015. This marks the formal conclusion of our 2014/15 audit and summarises our work and findings as well as outlining future challenges. We will be presenting the letter to the Audit and Governance Committee as a separate agenda item.

Certification of claims and returns

Work on the 2014/15 Housing Benefits Subsidy Claim is complete, and we certified the claim before the Department of Work and Pensions deadline of 30 November 2015. The claim was amended for adjustments identified by officers (reduced by £4k) and was subject to a qualification letter, setting out the errors identified during the audit.

The errors identified were processing errors, such as errors in calculating claimants average weekly income. We reported in our qualification letter that if the errors we identified were extrapolated to the whole population, the impact would have been a reduction in subsidy claimed of £9k. Whilst it is important that officers continue to take steps to prevent errors from occurring, they do need to be viewed in the context of an overall claim for subsidy of £16.5m.

This is now the only claim remaining part of the national arrangements managed by Public Sector Audit Appointments Ltd (PSAA), successor to the Audit Commission.

2015/2016 planning

This is our first progress report in respect of the 2015/2016 audit year; in the coming quarter we will:

- carry out our initial planning in respect of 2015/2016, refreshing our understanding of the business and what we consider are the significant risks of material misstatement in respect of the financial statements and also the Value for Money (VfM) conclusion so as to inform our testing strategy;
- walkthrough the key financial systems;
- liaise with your internal auditors to both share common knowledge and ensure no duplication;
- maintain on-going liaison with senior officers and consideration of key agendas and papers; and
- plan and carry out any interim substantive testing.

Our detailed Audit Strategy Memorandum will set out our planned work and assessments in more detail and we will present the plan to the Audit and Governance Committee meeting on 13 April 2016.

Audit team changes

There will be a change of personnel on the audit this year.

Suresh Patel, Director, with wide ranging experience of local government audit, is going to replace Cameron Waddell as the Engagement Lead for the audit.

In addition, Dan Spiller, one of our Senior Auditors is taking over as Team Leader for the audit.

Gavin Barker, Senior Manager will remain as the Engagement Manager. Gavin is introducing Suresh and Dan to the audit and ensuring the continuity of our arrangements.

03 Updated Value for Money conclusion guidance

Summary

The National Audit Office has published updated guidance in respect of the Value for Money (VfM) conclusion. The guidance sets out the revised criterion applying to 2015/2016 audits and consists of an overarching document, along with a local authority-specific paper which provides details of supporting background information on key issues facing local authorities.

Overarching guidance: <https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2015/03/Auditor-Guidance-Note-03-VFM-Arrangements-Work-09-11-15.pdf>

Local-authority specific background: <https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2015/03/Supporting-information-AGN-03-Local-authorities-Nov-2015.pdf>

Revised criteria

In previous years, auditors were required to reach their statutory conclusion on arrangements to secure VfM in respect of two main criteria; these have now been replaced by one overall criterion, supported by three sub-criteria, as set out in the two tables below

Previous year criteria

Previous year criteria	Focus of each criterion
The Council has proper arrangements in place for securing financial resilience.	The Council has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.
The Council has proper arrangements for challenging how it secures economy, efficiency, and effectiveness.	The Council is prioritising resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

New criterion from 2015/2016

New overall criterion	Sub-criteria
In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.	<ul style="list-style-type: none"> • Informed decision-making. • Sustainable resource deployment. • Working with partners and other third parties.

Sub-criteria – further detail

In both local government and the NHS, organisations are already required to have arrangements in place to ensure proper governance, resource and risk management, and internal controls, and to report on the design and operation of those arrangements through Annual Governance Statements.

The recently issued guidance draws on relevant requirements applicable to each sector and aligns the scope of proper arrangements with those that responsible parties are already required to have in place and to report on through documents such as annual governance statements and annual reports (where applicable).

Drawing on the relevant requirements applicable to local bodies, proper arrangements cover the following:

Sub-criteria	Guidance
Informed decision-making	<ul style="list-style-type: none"> Acting in the public interest, through demonstrating and applying the principles and values of sound governance. Understanding and using appropriate and reliable financial and performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management. Reliable and timely financial reporting that supports the delivery of strategic priorities. Managing risks effectively and maintaining a sound system of internal control.
Sustainable resource deployment	<ul style="list-style-type: none"> Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions. Managing and utilising assets effectively to support the delivery of strategic priorities. Planning, organising and developing the workforce effectively to deliver strategic priorities.
Working with partners and other third parties	<ul style="list-style-type: none"> Working with third parties effectively to deliver strategic priorities. Commissioning services effectively to support the delivery of strategic priorities. Procuring supplies and services effectively to support the delivery of strategic priorities.

Next steps

As in previous years, the VfM conclusion requires auditors to reach a conclusion on whether arrangements are in place for securing VfM as opposed to an absolute determination on whether VfM is being achieved. The guidance also highlights that auditors should note that while all bodies will work with partners and other third parties (including contractors), the significance of these arrangements, and consequently the extent to which they will impact on the auditor's risk assessment, will vary.

We will carry out an initial risk assessment in respect of the VfM conclusion for 2015/2016, drawing on the newly issued guidance. This will inform our assessment of any significant risks and the extent of work required and we will report this in our Audit Strategy Memorandum for the 2015/2016 audit.

04 National publications and other updates

This section contains updates on the following:

1. **Annual Regulatory Compliance and Quality Report, PSAA, June 2015**
2. **Regulatory Compliance and Quality Report, Quarter 1 2015/16**
3. **Whistleblowing e-learning for the public sector**
4. **Consultation on regulation of auditors, Financial Reporting Council, May 2015**
5. **Statement of Responsibilities of Auditors and Audited Bodies, Public Sector Audit Appointments Limited**
6. **A short guide to the Department for Communities and Local Government, National Audit Office, August 2015**
7. **A short guide to the National Audit Office's work on local authorities, National Audit Office, August 2015**
8. **Consultation on 2016/2017 work programme and scales of fees, Public Sector Audit Appointments Ltd, October 2015**
9. **Extension of existing external audit contracts by one year**

1. **Annual Regulatory Compliance and Quality Report, PSAA, June 2015**

Public Sector Audit Appointments Limited (PSAA) monitors the performance of all its audit firms. The results of monitoring provide audited bodies and other stakeholders with assurance that auditors within our regime are delivering high-quality audits.

There are two strands to their monitoring:

- audit quality – applying our annual quality review programme (QRP) to the audit work undertaken for the year ending 2013/14; and
- regulatory compliance – reporting quarterly on audit firms' compliance with our 2014/15 regulatory requirements as set out in the Terms of Appointment.

The audit quality and regulatory compliance monitoring for 2014/15 incorporated a range of measurements and checks comprising:

- a review of each firm's latest published annual transparency reports;
- the results of reviewing a sample of each firm's audit quality monitoring reviews (QMRs) of its financial statements, Value for Money (VFM) conclusions and Whole of Government Accounts (WGA).
- an assessment as to whether they could rely on the results of each firm's systems for quality control and monitoring;
- a review of the Financial Reporting Council's (FRC) published report on the results of its inspection of firm audits in the private sector;
- the results of inspection of each firm by the FRC's Audit Quality Review team (AQR) as part of our commissioned rolling inspection programme of financial statements and VFM work;

- the results of each firm’s compliance with 17 key indicators relating to Terms of Appointment requirements;
- a review of each firms' systems to ensure they comply with regulatory requirements; and
- a review of each firm’s client satisfaction surveys for 2013/14 work.

The report summarising the results of our monitoring work for Mazars LLP is available on the PSAA website. <http://www.psaa.co.uk/wp-content/uploads/2015/07/Mazars-2014-15-Annual-Regulatory-Compliance-and-Quality-Report-Final.pdf>

The firm is meeting standards for overall audit quality and regulatory compliance requirements. The red, amber, green (RAG) indicator for overall audit quality and regulatory compliance was calculated using the principles detailed in Appendices 1 and 2 to the report. For 2014/15, Mazars’ combined audit quality and regulatory compliance rating was **green** (the highest available).

2015 Comparative performance for audit quality and regulatory compliance

BDO Amber	Deloitte Amber	EY Green	GT Amber	KPMG Amber	Mazars Green	PwC Amber
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The firm has maintained its performance against the regulatory compliance indicators since last year, with all of the 2014/15 indicators scored as green.

The satisfaction survey results show that audited bodies are satisfied with the performance of Mazars as their auditor.

2. Regulatory Compliance and Quality Report, Quarter 1 2015-16

This report summarises the performance of Mazars LLP (Mazars) against key quarterly performance indicators and is available on the PSAA website <http://www.psaa.co.uk/wp-content/uploads/2015/07/Mazars-Q1-2015-16-monitoring-report.pdf>

Mazars are rated **green** in all areas. The all firm comparison is also provided.

3. Whistleblowing e-learning for the public sector

The CIPFA Counter Fraud Centre has worked with the leading whistleblowing charity, Public Concern at Work (PCaW) and Mazars to create an accessible, easy to navigate e-learning course on whistleblowing.

The whistleblowing course is designed for use in organisations, to show all staff how to raise and report concerns at work and to clarify ‘grey areas’ around processes, complaints and definitions.

Featuring high profile examples plus sector specific case studies, the course aims to help staff to understand:

- what is and what is not whistleblowing
- the arrangements you have in place
- how best to blow the whistle/raise concerns
- where staff can blow the whistle/raise concerns

- what staff can expect and how their organisation will support them
- rights and options for support
- why whistleblowing is so important.

4. Consultation on regulation of auditors, Financial Reporting Council, May 2015

In July 2014, the Financial Reporting Council (FRC) issued a consultation document seeking views on the way in which it should give effect to three specific responsibilities delegated to it under the Local Audit and Accountability Act 2014, that is:

- guidance on the recognition of individuals as key audit partners;
- regulations for the keeping of the Register of Local Auditors;
- regulations for local audit firms on the requirement to publish transparency reports.

The FRC has now published a feedback statement to this consultation together with the Guidance and Regulations as per the link below.

<https://www.frc.org.uk/News-and-Events/FRC-Press/Press/2015/May/FRC-publishes-feedback-statement-on-the-Regulation.aspx>

The areas consulted on included:

- transparency report requirements;
- register of local auditor requirements; and
- approval of engagement leads for local audits.

5. Statement of Responsibilities of Auditors and Audited Bodies, Public Sector Audit Appointments Limited

This statement serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and of the audited body begin and end, and what is to be expected of the audited body in certain areas. It replaces the previous statement issued by the Audit Commission and applies to audit engagements in respect of 2015/2016.

The responsibilities of auditors are derived from statute, principally the Local Audit and Accountability Act 2014 and from the Code of Audit Practice, now produced by the National Audit Office (NAO). Nothing in the Statement is intended to limit or extend those responsibilities. In particular, audited bodies should note that, because auditors must not prejudice their independence, the role of the appointed auditor does not include providing financial or legal advice or consultancy services to the audited body.

The statement covers the following areas:

- responsibilities in relation to the financial statements;
- responsibilities in relation to arrangements for securing economy, efficiency and effectiveness in the use of resources (the VfM conclusion);
- specific powers and duties of auditors (public interest report, referral to Secretary of State);
- reporting the results of audit work;
- ad hoc requests for auditors' views; and
- access to information, data security and confidentiality.

http://www.psa.co.uk/wp-content/uploads/2006/08/Statement-of-responsibilities-of-auditors-and-audited-bodies-2015_16.pdf

Code of Audit Practice applying to 2015/2016 audits

As a reminder, earlier in 2015/2016, the NAO published the new Code of Practice applying to 2015/2016 audits. The Code prescribes the way local auditors are to carry out their functions and is supplemented by guidance issued by the NAO during the year.

<https://www.nao.org.uk/code-audit-practice/>

6. A short guide to the Department for Communities and Local Government, National Audit Office, August 2015

The National Audit Office (NAO) is publishing a suite of short guides; one for each government department, to assist House of Commons Select Committees. This guide is designed to provide a quick and accessible overview of the Department and focuses on what the Department does, how much it costs and recent and planned changes.

<https://www.nao.org.uk/report/a-short-guide-to-the-department-for-communities-and-local-government/>

7. A short guide to the National Audit Office's work on local authorities, National Audit Office, August 2015

The NAO has also published a short guide to its work on local authorities; this guide is designed to provide a quick and accessible overview of how local government is funded, the pressures local authorities face, staffing, and major recent and future developments.

<https://www.nao.org.uk/report/a-short-guide-to-the-naos-work-on-local-authorities/>

8. Consultation on 2016/2017 work programme and scales of fees, Public Sector Audit Appointments Ltd October 2015

Public Sector Audit Appointments Ltd (PSAA) has published its consultation on the 2016/2017 proposed work programme and scales of fees.

There are no planned changes to the overall work programme for 2016/2017. It is proposed scale fees are set at the same level as the scale fees applicable for 2015/2016 previously set by the Audit Commission. The Commission reduced scale fees from 2015/16 by 25 per cent, in addition to the reduction of up to 40 per cent made from 2012/13.

Following completion of the Audit Commission's 2014/2015 accounts, PSAA has received a payment in respect of the Audit Commission's retained earnings. PSAA will redistribute this and any other surpluses from audit fees to audited bodies.

The work that auditors will carry out on the 2016/2017 accounts will be completed based on the requirements set out in the Local Audit and Accountability Act 2014 and under the Code of Audit Practice published by the National Audit Office.

The consultation closes on Friday 15 January 2016. PSAA will publish the final work programme and scales of fees for 2016/17 in March 2016.

<http://www.psa.co.uk/audit-and-certification-fees/consultation-on-201617-proposed-fee-scales/>

9. Extension of existing external audit contracts by one year

The current local government audit contracts with audit firms end with completion of the audit of the accounts for 2016/17, with an option to extend contracts after this date. The Government has taken a decision to extend local authority contracts by one year to cover the 2017/18 audit, the first year in which the accounts and audit deadline is to be brought forward significantly. From the 2018/19 audit, local authorities, including Selby District Council, will be required to make their own auditor appointments. The auditor for 2018/19 must be appointed by 31 December 2017. CIPFA is preparing guidance for local authorities on appointing auditors.

05 Contact details

Please let us know if you would like further information on any items in this report.

www.mazars.co.uk

Suresh Patel
Director
0191 383 6300

suresh.patel@mazars.co.uk

Gavin Barker
Senior Manager
0191 383 6300

gavin.barker@mazars.co.uk

Address: Rivergreen Centre,
Aykley Heads,
Durham,
DH1 5TS.

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Public Session

Report Reference Number: A/15/16

Agenda Item No: 10

To: Audit Committee
Date: 13 January 2016
Author: Phil Jeffrey; Audit Manager (Veritau)
Lead Officer: Karen Iveson; Executive Director (s151 Officer)

Title: Internal Audit Progress Report 2015/16

Summary:

The purpose of the report is to provide an update on progress made in delivering the internal audit workplan for 2015/16, and to summarise the findings of recent internal audit work.

Recommendations:

It is recommended that the Committee note the report.

Reasons for recommendation

To support the work of the Committee in monitoring internal audit and scrutinising and monitoring control systems.

1. Introduction and background

- 1.1. The provision of Internal Audit is a statutory requirement (Accounts & Audit Regulations 2015).
- 1.2. The Audit Committee approved the internal audit plan for 2015/16 at its meeting held on the 15 April 2015. The purpose of this report is to inform Members of the progress made to date in delivering the 2015/16 internal audit plan and to summarise the outcomes of internal audit reviews.

2. The Report

- 2.1. Details of internal audit work in 2015/16 are included in the report attached at Appendix A.

2.2 Veritau carries out its work in accordance with the Public Sector Internal Audit Standards (PSIAS).

2.3 There is no direct linkage to any of the Council's Priorities, as internal audit is a support service, providing assurance on corporate governance arrangements, internal control and risk management to the Council's and Access Selby's managers in respect of their services, and specifically to the Council's S151 Officer on financial systems.

3. Legal/Financial Controls and other Policy matters

3.1. Legal Issues

3.1.1 There are no legal issues.

3.2. Financial Issues

3.2.1 There are no financial issues.

4. Conclusion

4.1 Currently, three 2015/16 audits are at draft report stage and a further thirteen are either in progress or planning work has commenced. Three reports have been finalised since the last report to this committee. It is anticipated that the 93% target will be exceeded by the end of April 2016 (the cut off point for 2015/16 audits).

5. Background Documents

**Contact Officer: *Phil Jeffrey Audit Manager; Veritau
Phil.jeffrey@veritau.co.uk
01904 552926/01757 292281***

***Richard Smith; Deputy Head of Internal Audit;
Veritau
Richard.smith@veritau.co.uk***

Appendices: - Appendix A – Internal Audit Progress Report



Selby District Council

Internal Audit Progress Report 2015-16



Audit Manager:	Phil Jeffrey
Deputy Head of Internal Audit:	Richard Smith
Head of Internal Audit:	Max Thomas
Date:	13 January 2016

Background

- 1 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). The Head of Internal Audit is required to regularly report progress in the delivery of the internal audit plan to the Audit Committee and to identify any emerging issues which need to be brought to the attention of the Committee.
- 2 Members approved the Annual Internal Audit Plan 2015/16 at their meeting on the 15 April 2015. The total number of planned audit days for 2015/16 is 355. The performance target for Veritau is to deliver 93% of the agreed Audit Plan by the end of the year. This report summarises the progress made in delivering the agreed plan.

Internal Audit Work Carried Out 2015/16

- 3 A summary of the audit work completed in the year to date is attached at **Annex A**.
- 4 Veritau officers are involved in a number of other areas relevant to corporate matters:
 - **Support to the Audit Committee**; this is mainly ongoing through our support and advice to Members. We also facilitate the attendance at Committee of managers to respond directly to Members' questions and concerns arising from audit reports and the actions that managers are taking to implement agreed actions.
 - **Contractor Assessment**; this work involves supporting the assurance process by using financial reports obtained from Experian (Credit Agency) in order to confirm the financial suitability of potential contractors.
 - **Risk Management**; Veritau facilitate the Council's risk management process and advise Access Selby on their processes.
 - **Systems Development**; Veritau attend development group meetings in order to ensure that where there are proposed changes to processes or new ways of delivering services, that the control implications are properly considered.
 - **Investigations**; Special investigations into specific sensitive issues.
- 5 An overall opinion is given for each of the specific systems under review.
- 6 The opinions used by Veritau are provided below:

High Assurance Overall, very good management of risk. An effective control environment appears to be in operation.

Substantial Assurance Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.

Reasonable Assurance Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.

Limited Assurance Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.

No Assurance Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

7 The following priorities are applied to individual actions agreed with management:

Priority 1 (P1) – A fundamental system weakness, which represents unacceptable risk to the system objectives and requires urgent attention by management.

Priority 2 (P2) – A significant system weakness, whose impact or frequency presents risk to the system objectives, which needs to be addressed by management.

Priority 3 (P3) – The system objectives are not exposed to significant risk, but the issue merits attention by management.

8 It is important that agreed actions are formally followed-up to ensure that they have been implemented. Agreed actions are recorded within Covalent therefore assurance should be gained through the performance management framework, with further testing carried out by internal audit where appropriate.

9 A total of 35 agreed actions from 2014/15 audits have been followed up with the responsible officers. 30 have been satisfactorily implemented. In a further 5 cases, the actions had not been implemented by the target date but a revised date was agreed. This is done where the delay in addressing an issue will not lead to unacceptable exposure to risk and where, for example, the delays are unavoidable (e.g. due to unexpected difficulties or where actions are dependent on new systems being implemented). These actions will be followed up after the revised target date. The remaining 18 actions agreed in 2014/15 audits have not yet been followed up either because the target dates have not yet passed or because follow up work is still in progress. A summary of this follow up work is included below:

Action status	Total No.	Action Priority		
		1	2	3
Actions now implemented	30	0	6	24
Revised date agreed	5	0	1	4
Follow up in progress	4	0	1	3
Not yet followed up	14	0	8	6
Total agreed actions	53	0	16	37

- 10 A total of 1 agreed action from 2015/16 audits has been followed up with the responsible officer. This had been satisfactorily implemented. The remaining 7 actions agreed in 2015/16 audits have not yet been followed up because the target dates have not yet passed. A summary of this follow up work is included below:

Action status	Total No.	Action Priority		
		1	2	3
Actions now implemented	1	0	0	1
Revised date agreed	0	0	0	0
Follow up in progress	0	0	0	0
Not yet followed up	7	0	2	5
Total agreed actions	8	0	2	6

- 11 Currently, three 2015/16 audits are at draft report stage and a further thirteen are either in progress or planning work has commenced. Three reports have been finalised since the last report to this committee. Details can be found at Annex A. It is anticipated that the 93% target will be exceeded by the end of April 2016 (the cut off point for 2015/16 audits).

Annex A

Table of 2015/16 audit assignments status

Audit	Status	Audit Committee
Corporate Risk Register/Access Selby RR		
Savings Delivery		
Corporate Complaints	Reasonable Assurance	Jan 16
Customer Engagement	In progress	
Income Generation	Support/advice provided	Jan 16
Freedom of Information	Not started	
Democratic Governance and Transparency	In progress	
Governance Arrangements	Cancelled ¹	
Performance Management	Not started	
Financial Systems		
Housing Rents	Field work complete	
Council Tax/NNDR	Not started	
Benefits	Not started	
Creditors	Planning underway	
Car Parking Income	Draft report issued	
Payroll	Planning underway	
General Ledger (budgetary control & reconciliations)	Not started	
Treasury Management	Planning underway	
Regularity / Operational Audits		
Health and Safety	In progress	
Members' Allowances	In progress	
Recruitment	Draft report issued	
Counter Fraud		
Counter Fraud Arrangements	Draft report issued	
Whistleblowing Policy	Support/advice provided	Jan 16
Technical / Project Audits		
ICT – Disaster recovery	In progress	
ICT – PCI DSS compliance	In progress	
Programme for Growth	In progress	

¹ This has been cancelled due to the organisational review currently underway. The proposed days have been transferred to Veritau's Risk Management Facilitation work.

Audit	Status	Audit Committee
Procurement	Planning underway	
Business Transformation	Ongoing	
	support/advice	
Better Together	Not started	
Information Governance	Planning underway	
Information Security Checks	Reasonable Assurance	Jan 16
Follow Ups:	Updates provided to Audit Committee	

Summary of progress against key actions; audits previously reported to this committee

Audit	Opinion	Comments	Date Issued	Key Agreed Actions ²	Progress against key actions
Partnerships (2014/15)	Reasonable Assurance	<p>Strengths The two partnerships that were reviewed were found to have adequate governance arrangements in place</p> <p>Weaknesses Reviews are not regularly undertaken to confirm whether it is appropriate for a partnership mandate to be in place or whether the partnership was delivering the desired outcomes for the council.</p>	31 July 2015	<p>A reference to the review of partnering arrangements (at least every five years) will be included within the Partnership Toolkit – with the extent and frequency of that review to be determined by reference to the nature/scale/risk associated with each individual partnership.</p> <p>The partnership toolkit will be attached to the council's shared filing area to ensure it can be accessed by council officers.</p>	<p>Due 31 Oct 2015</p> <p>The toolkit is currently being reviewed and a revised date of 31 Dec 2015 has been agreed.</p>
PCI DSS Compliance (2014/15)	No Opinion Given.	<p>Strengths Initial steps have been taken towards</p>	5 th August 2015	This was a memo report. A full audit was planned; however weaknesses were	<p>Due 31 Oct 2015</p> <p>The 2015/16 audit is currently</p>

² Priority 2 or above

Audit	Opinion	Comments	Date Issued	Key Agreed Actions ²	Progress against key actions
		<p>achieving compliance, such as the implementation of the Northgate PARIS web-based system in particular.</p> <p>Weaknesses</p> <p>The council has weaknesses to address including a lack of documented responsibility for compliance, a definition of the cardholder data environment, a lack of policies and procedures and compliance assurance from third parties along with non-completion of annual self-assessment questionnaires.</p>		<p>identified at an early stage. Advice has been provided and a full audit is now planned for later in 2015 once the council has had an opportunity to implement the recommendations.</p>	<p>underway.</p>
General Ledger (inc Budgetary	Substantial Assurance	<p>Strengths</p> <p>The processes for the</p>	1 st September 2015	The existence of the reconciliations issue has	Due 31 Dec 2015

Audit	Opinion	Comments	Date Issued	Key Agreed Actions ²	Progress against key actions
Control and Bank Reconciliation) (2014/15)		<p>authorisation and uploading of virements were sound, with adequate supporting documentation being held or available and posting permissions suitably restricted.</p> <p>Weaknesses</p> <p>Significant delays were observed in the completion and return of system reconciliations to Finance and, on some occasions, in Finance's verification of reconciliations following receipt. It is noted that the situation had shown some improvement from 2013/14 but the timeliness of these reconciliations remains</p>		<p>been recognised by Finance and highlighted as a priority.</p> <p>Work is ongoing to ensure that these are kept up to date.</p> <p>The intention over the longer term is to train staff in Business Support to take over the administration of this task in order to free up capacity within Finance for other tasks. Finance will retain overall responsibility, however.</p>	

Audit	Opinion	Comments	Date Issued	Key Agreed Actions ²	Progress against key actions
		a concern.			

Summary of audits completed to 21 December 2015; previously not reported

Audit	Opinion	Comments	Date Issued	Key Agreed Actions ³	Progress against key actions
Corporate Complaints	Reasonable Assurance	<p>Strengths The system in place accurately reflects the guidance provided by the ombudsmen.</p> <p>Systems in place outline responsibilities: ensuring complaints are handled by independent staff with relevant authority, with a timely initial response and resolution.</p> <p>The process is readily accessible to customers.</p> <p>Weaknesses Policy/ procedure notes do not reflect working</p>	12 November 2015	<p>Policy & procedure notes will be updated to reflect working practices. A review schedule will be established to keep P&P notes up to date.</p> <p>During policy review, stage 1 and 2 acknowledgement and response times will be clarified, particularly “first working day”.</p>	Due 30 June 2016

³ Priority 2 or above

Audit	Opinion	Comments	Date Issued	Key Agreed Actions ³	Progress against key actions
		<p>practices / are out of date.</p> <p>The complaints process is not sufficiently publicised.</p> <p>Deadlines for the acknowledgement of, and response to, complaints are not always accurate, or met.</p> <p>Recording of performance data could be improved.</p>			
<p>Access Controls: Windows Network and Finance System (2014/15)</p>	<p>Reasonable Assurance</p>	<p>Strengths The introduction of a new user request form in November 2014 was a positive step towards better control of network user accounts.</p>	<p>3rd December 2015</p>	<p>IT will liaise with HR to send a monthly summary of leavers and internal movers to IT, to prevent changes being missed.</p> <p>Network permissions will be</p>	<p>Due 1 Jan 2016</p> <p>Due 1 Feb 2016</p>

Audit	Opinion	Comments	Date Issued	Key Agreed Actions ³	Progress against key actions
		<p>We also found that network and COA password settings are in practice good.</p> <p>Weaknesses There is still an informal process for COA user management.</p> <p>There is a lack of a formal policy to govern the council's required standards for passwords, and there are issues with some aspects of user account management, particularly regarding changes to network permissions and control of users who have access to SDC networks but are not directly</p>		<p>reviewed and revalidated at the point of changing IT provision.</p> <p>We will arrange for a list of non-SDC users to be cross-checked to staff records. Any additional non-SDC users to be queried and added to list or removed as necessary.</p> <p>IT to notify HR of any future requests for access by non-SDC users so that they can be recorded in the list. Future requests for access by non-SDC users to include an end date whenever appropriate, which will be set in Active Directory, so that accounts will be automatically disabled after that date.</p> <p>IT to log all requests for remote access in the service</p>	<p>Due 1 Jan 2016</p> <p>Due 1 Jan 2016</p> <p>Due 1 Feb 2016</p>

Audit	Opinion	Comments	Date Issued	Key Agreed Actions ³	Progress against key actions
		employed by the council itself.		<p>desk. Any unauthorised requests will continue to be rejected.</p> <p>Remote access permissions will be reviewed and revalidated at the point of changing IT provision.</p> <p>Actions will depend to some extent on how partnership arrangements develop, but the council will investigate whether it is possible to change this password [COA Administrator password] and then disable the account, having delegated the appropriate privileges to individual administrators, so that they can perform day to day tasks using their own accounts, for which they are responsible.</p> <p>The password will be removed from the guidance notes, whether it is changed</p>	Due 1 Feb 2016

Audit	Opinion	Comments	Date Issued	Key Agreed Actions ³	Progress against key actions
				<p>or not, and to be stored securely e.g. in a digital vault.</p> <p>User permissions will be reviewed when the council changes to a new system in conjunction with its prospective partner. How to manage user permissions will also be considered at this point.</p> <p>The council hopes to have a better understanding of how this will develop in the timescale indicated.</p>	Due 1 Feb 2016
Information Security Checks	Reasonable Assurance	<p>Strengths Overall, the council is reasonably well protected against accidental disclosure of information. The Civic Centre office areas are not accessible without a staff security pass</p>	16 th December 2015	An action plan will be produced to address the information security weaknesses identified in the report. This will include reminders to staff on maintaining information security and arrangements to ensure sufficient secure	Due 31 Jan 2016

Audit	Opinion	Comments	Date Issued	Key Agreed Actions ³	Progress against key actions
		<p>and within the offices most information is stored in cupboards.</p> <p>Weaknesses Lockable storage is being left unlocked throughout the offices, the clear desk policy is not being followed by all staff and a significant number of council assets are unsecured</p> <p>In addition, some service areas that hold sensitive personal information should have security measures that protect this information from all staff that do not need access to it; this includes other council</p>		<p>storage is available where needed within the Civic Centre.</p>	

Audit	Opinion	Comments	Date Issued	Key Agreed Actions ³	Progress against key actions
		staff, cleaning staff and partners that share the office space.			

Other work completed to 21 December 2015; previously not reported

Work	Opinion	Comments	Date Issued	Key Agreed Actions⁴	Progress against key actions
Whistleblowing Policy	n/a	A review of the council's whistleblowing policy was carried out and advice was provided.	18 August 2015		
Income Generation	n/a	A piece of work was carried out using data interrogation software to help the council identify all of the fees and charges currently made.	9th November 2015		

⁴ Priority 2 or above