Division(s): N/A

AUDIT and GOVERNANCE COMMITTEE – 11 January 2017

**INTERNAL AUDIT 2016/17
PROGRESS REPORT**

Report by the Chief Financial Officer

INTRODUCTION

1. This report provides an update on the Internal Audit Service, including resources, completed and planned audits and an update on counter-fraud activity.

RESOURCES

2. Since the last update to the 14 September 2016 Audit & Governance Committee there has been a change to Internal Audit resources. The Compliance Officer has been seconded for a 6 month period to the Income and Banking Team to cover a vacant position and contribute to the improvements to financial control in this area.

3. As a result of this; audits have been reallocated within the team, combined with two audits where they are now more appropriate to defer until 17/18 plan, also the two trainee Auditors are continuing to develop and are undertaking more of the audit activity. Therefore this has only resulted in a small reduction to the Internal Audit Plan which will not impact on the overall opinion of the system of internal control provided at the year end.

4. Since April, Sarah Cox has been covering the post of Chief Internal Auditor as an interim arrangement. This has now been formalised with the previous post of Audit Manager re-designated as Chief Internal Auditor.

2016/17 INTERNAL AUDIT PLAN - PROGRESS REPORT

5. The 2016/17 Internal Audit Plan, which was agreed at the 13 July Audit & Governance Committee, is attached as Appendix 1 to this report. This shows current progress with each audit.

6. There have been six amendments to the plan, since the last update. Full details of the amendments to the plan are outlined in Appendix 1. The ICT audit of mobile computing has been replaced with the ICT audit of the implementation of Windows 10. The audit of PCI DSS (Payment Card Industry Data Security Standard) has been removed

from the plan due to the wholesale review of this area currently being undertaken sponsored by the Assistant Chief Finance Officer. The audit of the EE Property Contract has been removed due to the current review of the contract by senior management. The audits of main accounting and of a governance area have been removed. The audit of payments to residential and home support providers has been deferred until the 17/18 plan due to system improvements currently ongoing in this area.

7.   There have been 7 audits concluded since the last update (provided to the September meeting of the Audit and Governance Committee); summaries of findings and current status of management actions are detailed in Appendix 2. The completed audits are as follows:

Directorate	2016/17 Audits	Opinion
ICT	Website Management & Security	Amber
SCS	Mental Health	Red
CEF	Thriving Families - September Claim	n/a
Corporate Services	Treasury Management	Green
Corporate Services	Altair System (Pensions Administration I.T system)	Amber
Corporate Services	Schemes of Delegation	Amber
ICT	Office 365 Programme - stage 2 of audit	Amber

PERFORMANCE

8.   The following performance indicators are monitored on a monthly basis.

Performance Measure	Target	% Performance Achieved for 16/17 audits (as at 12/12/16)	Comments
Elapsed time between start of the audit (opening meeting) and Exit Meeting.	Target date agreed for each assignment by the Audit	70%	

	manager, stated on Terms of Reference, but should be no more than 3 X the total audit assignment days (excepting annual leave etc)		
Elapsed Time for completion of audit work (exit meeting) to issue of draft report.	15 days	84%	
Elapsed Time between issue of Draft report and issue of Final Report.	15 days	70%	

The other performance indicators are:

- % of 2016/17 planned audit activity completed by 30 April 2017 - reported at year end.

- % of management actions implemented - 67% (last update in September 2016 was 62%). Of the remaining there are 16% of actions that are overdue and 17% of actions not yet due.

- Extended Management Team satisfaction with internal audit work - reported at year end.

COUNTER-FRAUD UPDATE

9. The 2016/17 Counter-Fraud Plan, which was agreed at the 13 July Audit & Governance Committee, is attached as Appendix 3 to this report. This shows current progress.

10. Development of arrangements for working with the City Council, for Counter-Fraud continues. The arrangement is working well and they have provided excellent support to our team by undertaking several reactive fraud investigations on our behalf. This has demonstrated clear benefits of having properly trained and skilled fraud investigators and has had very successful results. The Oxford City Team is currently working on a pro-active fraud review of all Single Person Discounts across the City, with a view to rolling out the exercise across the rest of the County from the new financial year.

11. A further small theft of cash has been reported from a school, this is the third this financial year. Cash handling and security controls are being discussed with the individual schools and Internal Audit in conjunction with the CEF Finance Business will produce a one page brief for the schools newsletter to be issued reminding schools around the importance of cash security, income reconciliation, etc.

12. There have now been two schools who have reported potential misuse of a procurement card, of a couple of transactions, totalling just under £1000, at each school. The cards have been cancelled and these are being investigated further with the schools. Internal Audit in conjunction with the Procurement Team and the CEF Finance Business Partner will also produce a one page brief for the schools newsletter reminding schools around the importance of controls around procurement cards.

13. A further school has been highlighted to Internal Audit where there are potential irregular procurement card transactions. An initial analysis is currently being undertaken by Internal Audit of the transactions.

14. A whistleblowing report is currently being investigated by Internal Audit and the CEF Directorate regarding some transactions made by procurement card.

15. Following the Blue Badge pro-active pilot exercise undertaken last year, the Service are working again with the Oxford City Team to commission another pre-Christmas pro-active exercise where officers will verify blue badge use at key locations, across the County. Further work is still being undertaken by the Service to develop processes for dealing with reports of potential misuse going forward.

16. The pro-active review of travel and expenses has now been completed which is at draft report stage. Following the implementation of the IBC system in July 2015, travel and expense claims of less than £1000 per month no longer require management checking and approval. (This has recently been increased from £750). This review was undertaken in recognition of the increased fraud risk following the move to self-certification of travel and expenses, the objective of the review was to consider the sufficiency and clarity of policies and procedures in this area, adequacy and availability of management information and to complete targeted testing on a sample of 40 employees' claims to highlight any potential fraudulent activity. The review identified that the employees sampled were able to justify and support their travel and expense claims, although there was a lack of awareness of the requirement to retain fuel receipts for VAT purposes, there were also a small number of individuals that were found to have over-claimed, which are now being investigated. Risks were also identified with the availability of management information on expenses, which could lead to misuse of the system going undetected.

National Fraud Initiative (NFI)

17. All data has now been submitted for the new NFI exercise and matched data is expected to be received during February 2017. It is planned at the start of the new financial year Internal Audit will support the teams responsible for investigating the Pensions / Deceased matches and also Residential Home Payments / Deceased matches so that prompt action, including recovery where appropriate, can be taken.

RECOMMENDATION

The committee is RECOMMENDED to note the progress with the 16/17 Internal Audit Plan and 16/17 Counter Fraud Plan and the outcome of the completed audits.

Sarah Cox
Chief Internal Auditor

Background papers: None.
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APPENDIX 1 - 2016/17 INTERNAL AUDIT PLAN - PROGRESS REPORT

Directorate	Audit	Planned start	Status	Conclusion
SCS	Mental Health	Q1	Complete - Final Report	Red
SCS	Money Management	Q2/3	Fieldwork	
SCS	Pooled Budgets - Contract Management	Q2/3	Fieldwork	
SCS	Adults Safeguarding	Q3	Scoping	
SCS	Personal Budgets inc Direct Payments	Q3	Scoping	
SCS	Client Charging (including ASC debt)	Q4	Not started	
CEF	Unaccompanied Asylum Seeking Children	Q2	Fieldwork	
CEF	Thriving Families - Summer and Winter Grant Claims	Q2 & Q4	Summer Claim - Final Report	n/a
			Winter Claim - Fieldwork	
CEF	Children's Direct Payments	Q1	Complete - Final Report	Green
CEF	Early Years Payments - Follow up	Q2	Complete - Final Report	Amber
CEF	Childrens Safeguarding	Q3	Exit Meeting	
Schools	Mapping of S151 assurance	Q2	Draft Report	
Schools	Thematic Review - Schools HR contracts, combined with proactive fraud review.	Q3 & Q4	Fieldwork	
Corp / EE	Capital Programme	Q2	Fieldwork	
Corp / EE	LEP	Q4	Scoping	
EE	Highways Follow up	Q3/Q4	Scoping	
EE	S106 agreements	Q3	Scoping	
ICT	Cloud Computing - Office 365 - part 1	Q1	Complete - Final Report	Amber
ICT	Cloud Computing - Office 365 - part 2	Q3	Complete - Final Report	Amber

ICT	Cloud Computing - Office 365 - part 3	Q4	Not started	
ICT	Website Management & Security	Q1	Complete - Final Report	Amber
ICT	Windows 10 implementation	Q4	Scoping	
ICT	ICT application audit - Altair (Pensions Admin System)	Q2	Complete - Final Report	Amber
Corp	Budget Setting / Delivery of Savings	Q2	Fieldwork	
Corp	Accounts Payable	Q4	Not started	
Corp	Accounts Receivable	Q4	Not started	
Corp	Treasury Management	Q1	Complete - Final Report	Green
Corp	Payroll	Q4	Not started	
Corp	Pensions Fund	Q3	Scoping	
Corp	Pensions Admin	Q4	Fieldwork	
Corp	Scheme of Delegation Application	Q2	Complete - Final Report	Amber
Corp	BDU - monthly compliance checks on files uploaded to BDU	Ongoing	Ongoing	n/a
Corp	BDU - compliance review, visiting officers and testing upload processes	Q1	Complete - Final Report	Amber
Corp	Grant Certification (requests throughout year for CIA sign off)	Ongoing	Ongoing 3 completed to date.	n/a

Changes made to Internal Audit Plan - previously presented to the Audit & Governance Committee:

E&E / ICT	**Removed** from plan: E&E ICT Management and Operations	This audit was removed at scoping stage due to a recent organisational decision to move the management and governance of E&E ICT systems into ICT, to align with the processes for the management of systems across the rest of the organisation.
ICT	**Addition** to Plan: Website Management & Security	The audit has been added to the plan and has replaced the audit of E&E ICT Management and Operations.

Since September 2016 update to Audit & Governance Committee the following amendments have been made to the Internal Audit Plan:

Corp	**Removed** from plan: Governance area - compliance review (area to be confirmed)	This audit has been removed due to the secondment of the Compliance Officer from the Internal Audit Team to the Banking / Income Team.
Corp	**Removed** from plan: Main Accounting	This audit has been removed due to the secondment of the Compliance Officer from the Internal Audit Team to the Banking / Income Team. There were no significant weaknesses identified in the 15/16 audit and therefore planned to audit this area every two years instead of annually. Actions from 15/16 audit are being monitored for implementation. Issues around the BDU are being addressed via the Financial Control Improvement Plan.
SCS	**Removed** from plan: Residential and Home Support Payments	The audit has been removed from the plan and will be considered for early inclusion within the 17/18 plan. If has been deferred due to proposed changes within phase 2 of the implementation of LAS/Controcc and also changes due to the financial control improvement plan, for example replacement of the BDU for these payments with a direct interface, which will be implemented during quarter 4. The audit will look to test the robustness and accuracy of payments processes following the implementation of these key changes.
E&E	**Removed** from plan: Property	The audit has been removed due to current review of the contract by senior management and will be considered for early inclusion within the 17/18 plan. The audit of the Capital Programme has been retained within the plan and will provide assurance in the area of Property's capital programme.
Schools	Thematic review - **Combined** with pro-active fraud review	The days allocated to undertake schools thematic reviews have been reduced due to the secondment of the Compliance Officer from the Internal Audit Team to the Banking / Income Team. Instead there is a combined audit / pro-active fraud review now at fieldwork stage looking at Schools HR Contracts and Payments.
ICT	**Removed** from plan: Cloud Computing - Back up	ICT are still undertaking appraisals of different options and the programme for this is

	as a service	currently not at project initiation stage. It has therefore been removed from the 16/17 plan and will be considered again during audit planning for 17/18.
ICT	**Removed** from plan: Mobile Computing	The audit will be considered again for 17/18 audit planning when phase 2 of mobile device management covering non corporate devices will be implemented.
ICT	**Addition** to plan: Windows 10	This audit has replaced Mobile Computing and has been brought into the 16/17 plan as Windows 10 is now due for implementation by March 2017. The audit will review the overall governance of this programme.
ICT	**Removed** from plan: PCI DSS Compliance	This audit has been removed from the 16/17 plan as a wholesale review of PCI compliance across OCC is now being undertaken as requested by Lloyds. This has highlighted some issues which are now being dealt with by Senior Management.

APPENDIX 2 - EXECUTIVE SUMMARIES OF COMPLETED AUDITS

WEBSITE MANAGEMENT & SECURITY REVIEW 2016/17

Opinion: Amber	12 September 2016	
Total: 10	Priority 1 = 04	Priority 2 = 06
Current Status:		
Implemented	05	
Due not yet actioned	0	
Partially complete	0	
Not yet Due	05	

Overall Conclusion is Amber

The public website (www.oxfordshire.gov.uk) and a number of other OCC websites, including the Intranet and micro-sites, are all managed and maintained by the Web Services team within the Customer Service Centre. The team is led by a Web Services Manager, whose reporting line will be changing to the Deputy Director for Transformation, as the development of the corporate website and the area of online services are seen as a key component of OCC's transformation programme.

The Drupal Content Management System (CMS) is used to manage the public website and other websites. A review of the CMS identified a number of control weaknesses including the number of users with administrator role, versions of software in use and password controls.

A Web Content Policy has not been documented to provide an overall framework for managing websites.

The CMS does not have a traditional audit trail system so there is no logging of management or security events. However, it does log all changes made to content and keeps a full history so that it is possible to see who changed a web page and the details of the actual change made.

The web services team use a third-party for assessing the accessibility of websites by disabled users and there is also help for disabled users on the public website. However, a review of the latest accessibility compliance assessment found that there are a number of issues which are likely to result in a breach of the Equality Act 2010. The privacy policy used on the public website should also be reviewed to ensure it complies with the requirements of the Data Protection Act 1998. Our testing identified one website that did not have any information on the use of cookies and two without a privacy policy.

MENTAL HEALTH

Opinion: Red	22 September 2016	
Total: 24	Priority 1 = 21	Priority 2 = 3
Current Status:		
Implemented	1	
Due not yet actioned	2	
Partially complete	1	
Not yet Due	20	

Overall Conclusion is Red

Introduction

The statutory responsibility for effective delivery of mental health social care provision rests with OCC. However the delivery of these services is undertaken by Oxford Health under a S75 Agreement, and jointly governed through the Provider JMG (Joint Management Group) which oversees the £11m pooled staffing budget. The systems, processes and teams for mental health are split into Adults (18-64 year olds) and Older Adults (over 65). Adults have a fully devolved budget, managed by Oxford Health, and are governed through the Mental Health JMG, with the majority of services provided through the Outcomes Based Contract (OBC) and funded by the Mental Health Pooled Budget (which is OCCG 'hosted'). For mental health service users over 65, these are funded from the Older People Pooled Budget and although the operational teams are Oxford Health, the funding decisions are made within OCC via the LAS system and OCC Scheme of Delegation. However, for both groups, all payments are processed and made by OCC, and are subsequently invoiced back to Health. The Mental Health Pooled Budget for 2016/17 is £54m, with OCC contributing £9m, however this does not include the Older Adults mental health care packages.

There are weaknesses in the current governance and OCC assurance arrangements, resulting in the Red audit report grading.

A: Governance and Budget management

Weaknesses identified in the governance and budget management arrangements included:

- The Provider JMG (which governs the arrangements between OCC and Oxford Health to manage the staffing budget and operational performance) had not met since late 2015, although since the audit report finalisation is now taking place.
- The provider JMG S75 agreement had not been reviewed or updated since 2012.

- There was an absence of regular 1:1s between the MH Social Care Leads and OCC.
- Information on operational performance has not been reviewed due to the absence of Provider JMG meetings.
- Issues were identified with the review and authorisation of OCC procurement cards.
- There have been significant issues with the Outcomes Based Contract regarding which service users are not included in the contract.
- At the time of the audit the Commissioning Pool S75 risk share had not been agreed for 2016/17, this has since been agreed.
- Costs for Older Adults MH are not separately identifiable as subsumed within the Older People Pool reporting.

B: Assessments and Reviews

- From the sample of care packages reviewed, all had completed assessments and reviews (except one) undertaken within the last 12 months. The performance data on assessment waiting times and reviews for 2016/17 are within targets.
- Financial assessments are not being routinely completed for paper invoice service users.

C: Care package funding approvals

- For the sample of care packages reviewed, these had all been authorised correctly. However RAS calculations of indicative budgets could not be located for all of the sample of Adults cases reviewed; it was reported to Internal Audit that this should no longer be the case for new care packages.
- For OP MH care packages, these should be sourced through OCC's Placement Officers, however the audit noted a number of cases where care had been sourced directly with a provider. For Adults MH care packages, these are primarily sourced with the 5 OBC partners, however other providers are still used for capacity and capability reasons, as care packages are needs led. In cases where care is sourced directly between the MH teams and providers, prices are negotiated on a case by case basis and these providers are not subject to OCC accreditation and quality monitoring processes. Many of these are for out of county placements

D: S117 Orders

- There are significant and known issues with the inaccuracy of S117 funding eligibility status for mental health service users, which has resulted in repayments to service users and also service users not charged for care. The audit noted incorrect recording of S117 status on Care Notes, LAS and ContrOCC

E: Data Recording

- The audit identified that there is insufficient access to and use of LAS, by MH staff, LAS records are incomplete, there is no complete and up to date record downloadable from LAS of all MH social care cases and the details from MH safeguarding investigations and outcomes are only recorded in Care Notes, and not in LAS

TROUBLED FAMILIES (September 2016 Claim)

Opinion: n/a	29 September 2016	
Total: 06	Priority 1 = 03	Priority 2 = 03
Current Status:		
Implemented	03	
Due not yet actioned		
Partially complete		
Not yet Due	03	

The September 2016 Claim of families who met the Significant and Sustained Progress (SSP) criteria or who have moved into continuous employment required Internal Audit sign off prior to submission. The final submitted claim consisted of 11 families for SSP and 12 for continuous employment.

The initial SSP claim was for approximately 200 families but approximately 80% of these had to be removed from the claim following guidance from the Department for Communities and Local Government (DCLG) regarding unemployment as an eligibility factor, due to the evidence supporting those claims not being sufficient. A further 8 were then also removed as they did not have either a current whole family plan, or a plan that had been open at the point of engagement in September 2014.

Issues were also experienced with the Data Team not receiving information from partner organisations before the agreed deadlines, meaning that the Data Team had not produced a final and complete data set or undertaken their own quality checks prior to the audit.

TREASURY MANAGEMENT 2016/17

Opinion: Green	10 October 2016	
Total: 04	Priority 1 = 0	Priority 2 = 04
Current Status:		
Implemented	0	
Due not yet actioned	01	
Partially complete	0	
Not yet Due	03	

Testing undertaken during the audit confirmed that access to key Treasury Management systems and spreadsheets are well controlled and provide the information required for key treasury management processes. Although key information sources include complex, linked spreadsheets, there are a number of checks in place which would highlight errors or formula issues. There was an instance noted whereby an ex-member of staff (temporary agency worker) had not had their access removed promptly, this could be an issue in the event that the individual was employed elsewhere in the Council. A management action has been agreed to resolve this issue and prevent future recurrence.

There is a clear and comprehensive Treasury Management Strategy in place which has been approved by Cabinet and the Audit & Governance Committee. Sample testing confirmed that investments and dealing takes place in accordance with the strategy and that controls in place in relation to the dealing process are robust and effective. There is good segregation of duties between dealers, verifiers & authorisers. There was also found to be detailed reporting on Treasury Management activity to Cabinet and Audit & Governance Committee through the year as well as detailed monthly reporting to the Treasury Management Strategy Group.

Although, as no borrowing has been undertaken in the previous or current financial year to date, no detailed testing was undertaken in relation to borrowing during this audit, the controls in place were confirmed. It was noted that the Scheme of Delegation in relation to borrowing was reported to be out of date and that it is not accessible to staff via the intranet.

Testing undertaken in relation to cashflow forecasting found that cashflow is monitored and updated on a daily basis.

ALTAIR SYSTEM (Pensions Administration I.T system)

Opinion: Amber	19 October 2016	
Total: 07	Priority 1 = 01	Priority 2 = 06
Current Status:		
Implemented	01	
Due not yet actioned		
Partially complete		
Not yet Due	06	

Overall Conclusion is Amber

The Altair IT application is externally hosted and accessed over the Internet, similar to a cloud computing delivery model. There is a two stage login

process involving an initial login to a Citrix environment, which is managed by the supplier, and a secondary application login which is managed at service level. All users have their own individual accounts which are password protected and they are allowed a maximum of three failed logins before their account is locked and requires administrator intervention.

As the application can be accessed from any computer with an Internet connection and Citrix software, which can be freely downloaded, it is important that the IT infrastructure is adequately secured and protected against cyber-based attacks. No specific assurances have been sought on this area from the supplier. We also found that the length of application passwords fall short of what is generally regarded as good practice and also contravene the standards defined in OCC's ICT Access Policy.

User access is defined on the basis of 'roles', each of which gives a specific set of permissions to menu items. There are 9 roles in total and these have been allocated based on the access required by each user. However, the roles are not documented in terms of the access they provide and there has been no formal review of access rights. System administrator level access was reviewed and found to be appropriately restricted.

A wider segregation of duties issue was noted in the 2015/16 audit of Pensions Administration, whereby two senior members of the team have access to perform both administrative tasks and run the payroll function. This was reportedly necessary to correct minor payroll reconciliation errors and to ensure the payroll runs on time. This meant that essentially one individual could set up a ghost pensioner, or divert funds to a different bank account when the payroll is run, with it going unnoticed indefinitely. However, it should be noted that there were no signs of any financial irregularity in the documentation reviewed during the Pensions Administration audit and a management action to address this weakness was planned for implementation by the end of September 2016.

The application has an audit trail facility which logs all user activity, including details of any changes made to data. The information held in the audit logs cannot be amended or deleted, but can be reported upon. The ability to produce audit reports is restricted and a number of reports are generated as part of the monthly processing of pension payments.

The application uses mandatory fields, calendars and drop-down lists to help ensure the completeness and accuracy of data input. There are manual processes to upload data received from employers and reconciliations are performed to ensure it is uploaded without errors. However, the procedures for uploading data are not documented and hence may not be followed consistently.

There is a formal documented and signed supplier agreement for the application, which covers support and maintenance. The agreement was signed in January 2013 and is for a five year period, with the option of a further two year extension. A review of the agreement found that service levels do not cover the availability of the application, which is key given it is externally hosted.

All backups of data are taken by the supplier. The supplier agreement states that backups are taken on a daily basis and a copy of the tapes are held at an off-site location by a third-party storage services company. However, there is no information to confirm the security of backup tapes whilst they are in transit to the third-party company. A loss or theft of tapes could result in a breach of the Data Protection Act 1998. The supplier agreement states that they undertake regular tests of the backup media and an annual disaster recovery test, but no assurances have been sought to confirm that this work is completed.

SCHEMES OF DELEGATION 2016/17

Opinion: Amber	29 September 2016	
Total: 03	Priority 1 = 0	Priority 2 = 03
Current Status:		
Implemented		
Due not yet actioned		
Partially complete		
Not yet Due	03	

Overall Conclusion is Amber

Following the move to IBC, the Scheme of Delegation is inbuilt into SAP, with Officers allocated an authorisation Level from 0-7 and transactions automatically work flowed to the cost centre manager at the correct level. In OCC's constitution it is a requirement that Directors keep a record of sub-delegations pertaining to their directorate, with copies held also by the Chief Legal Officer.

The Finance Leadership Team (FLT) therefore agreed documented Schemes of Delegation would still be required and will be updated every 6 months. The Finance Business Partners (FBPs) lead on undertaking the 6 monthly update and reconciliation between the documented Schemes and the Authorisation Levels assigned on SAP, with any discrepancies investigated and the documented Schemes updated and signed off.

At the time of the audit, one year after the move to IBC, only two out of 6 Directorates had updated all parts of their Schemes following the move, and only one of these was updated within the previous six months. Two more were in the process of being updated at the time of the audit, but not yet completed

The HCC Policy on Substitutes available to staff on the ESS Lite portal states that authorisers can delegate their transaction authorisation levels downwards to substitutes so transactions can be authorised for example during periods of annual leave. The system allows for this to happen (e.g. for a manager to delegate their level to one of their direct reports). However it is against OCC's previous approach to allow substitutes to take on an authorisation level which is higher than their normal level, and prior to the audit this policy position had not been reviewed or amended.

From a review of the authorisation levels in SAP, the audit identified that 14 Head Teachers, Deputy Head Teachers and Bursars had been assigned the highest authorisation Level (Level 0 which is up to unlimited value), which is incorrect, as other Head Teachers, Deputies and Bursars have Level 1 authorisation (up to £0.5m).

OFFICE 365 PROGRAMME - STAGE 2 OF AUDIT 2016/17

Opinion: Amber	19 December 2016	
Total: 08	Priority 1 = 1	Priority 2 = 07
Current Status:		
Implemented	01	
Due not yet actioned		
Partially complete		
Not yet Due	07	

Overall Conclusion is Amber

The stage 1 review identified a number of key risk areas and management actions were agreed to address these. However, we have found that four of these actions have yet to be completed, including a priority one action of communicating the risks of cloud computing to Cabinet, CCMT and the corporate Information Governance Group.

The stage 1 audit also had an agreed priority one action to further review a number of security areas relating to O365 and whilst some work has been done in this area, not all the areas highlighted have been assessed. We also found that the CESG security guidance on 0365 has not been reviewed and the Privacy Impact Assessment is incomplete.

A Programme Initiation Document has been documented and approved by the Management Support Team (Programme Board). There is a high-level programme plan which is maintained by the Programme Manager and detailed project plans are developed at the discretion of each project manager. It has been agreed that the Programme Plan include all key milestones from each project PID and that the Programme Manager should determine which projects require a formal project plan. The Management Support Team (MST) meets fortnightly and receives updates on the programme via notes made on the project management system. The method of reporting to MST will improve with the introduction of a new Highlight Report which utilises a RAG status. Risks and issues logs are maintained but our testing found that they have not been tabled at MST at their last four meetings.

A Test Plan has been developed but not formally approved and test scripts exist to support the testing of products. However, the test scripts should be reviewed in advance to ensure they are fit for purpose and signed off at the

end to confirm they have been fully executed, including re-testing of any errors or issues found.

APPENDIX 3 - 2016/17 COUNTER FRAUD PLAN - PROGRESS REPORT

Activity	Status
Review of CIPFA Local Government Counter Fraud and Corruption Strategy 2016-19, identifying any gaps and required action for implementation.	Ongoing
Review and update of OCC fraud internet and intranet pages and procedures.	Complete
Review and update of fraud risk register. Identification of new fraud risk areas.	Ongoing
NFI 2015/16 work - completion of review of data matches	Complete
NFI 2016/17 - preparation for 2016 data collection including review of fair processing notices.	Complete
Reactive investigations - continued from 2015/16 plus new referrals.	Ongoing
Fraud awareness sessions.	Ongoing DP sessions are being provided with SCS
Development of arrangements with the City Council, for Counter-Fraud (to include Single Person Discount work) and also support with reactive investigations.	Ongoing
Proactive Fraud review - travel and expenses.	Draft Report
Proactive Fraud review - Schools HR contracts and payments	Fieldwork