INTERNAL AUDIT ANNUAL REPORT 2018/19

1   PURPOSE OF REPORT

1.1   To provide the Chief Audit Executive's annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control during 2018/19.

2   BACKGROUND

2.1   The Accounts and Audit Regulations 2015 require the Council to maintain an adequate and effective internal audit service in accordance with proper practices. For this purpose, proper practices are deemed to be the UK Public Sector Internal Audit Standards.

2.2   The UK Public Sector Internal Audit Standards require that the Chief Audit Executive must give an annual internal audit opinion and provide a report that can be used by the Council to inform its Annual Governance Statement(AGS).

2.3   Whilst the work of Internal Audit is a key element in informing the AGS, there are also several other sources within the Council from which the Section 151 Officer and Members should gain assurance, for example, service assurance statements and other reviews by external bodies including external audit.

3   INTERNAL AUDIT COVERAGE AND OUPUT

3.1   The Audit Committee approved the 2018/19 audit plan in April 2018. The Audit Committee has received progress updates on the delivery of the audit plan and the results of individual audits throughout the year.

3.2   Work has been planned and performed to obtain sufficient information and explanation considered necessary in order to provide evidence to give reasonable assurance that the internal control system is operating effectively. The Committee was informed that owing to a lack of audit resource the audit plan would not be delivered in full, those audits designated a priority 1 would be completed in order to facilitate provision of an annual audit opinion. The resourcing problem has now been addressed following the successful appointment to the post of Internal Auditor, from October 2018.

3.3   Appendix 1 summarises the Internal Audit work completed in 2018/19 and the assurance opinions given. Since the February 2019 Audit Committee, we have completed a further 8 audit reviews. The opinion given and main points arising from these completed audit engagements is summarised at Appendices 2 and 3; the latter relating to audit work that provides a light touch or overview of the processes examined.

3.4   Recommendations arising from completed audit engagements are shown in Appendix 4. This also details the current status of whether the recommendation is implemented or when it is due to be implemented.

4   CHIEF AUDIT EXECUTIVE OPINION

4.1   My audit opinion is based upon, and restricted to, the work that has been performed during the year; including assessments of the:

- design and operation of the underpinning assurance framework and supporting processes, including reliance on other assurance providers where appropriate;

- range of individual opinions arising from our risk-based audit assignments contained within the internal audit risk-based plan that has been reported throughout the year; and

- the relative materiality of the areas reviewed and management's progress in respect of addressing control weaknesses identified.

4.2   The opinion does not imply that Internal Audit has reviewed and commented on all risks and assurances relating to the Council. It should be stated that it is not expected that all Council activities will be subject to Internal Audit coverage in any one year.

4.3   The Council has continued to implement a major project to migrate operational systems to a cloud-based structure and this is still progressing. The Council does not currently hold Public Sector Network (PSN) accreditation, although this has lately been applied for taking into consideration the migration process and work done on potentially vulnerable servers. The Council's ICT contractor, Eduserv, and the Azure Cloud operator, Microsoft, hold appropriate data management and security accreditation.

4.4   Internal Audit's work in relation to ICT during 2018/19 was based on security, access and resilience. Such work was non-technical and has relied on physical records, discussion with relevant staff and questionnaires relating to data security management by the Council's ICT contractor at their own data centre and at the Azure Cloud. The work also considered a cyber security self-assessment carried out (as required by the Local Government Association) and progress made in implementing recommendations following a penetration test by an external contractor at the start of 2018/19. There were no significant issues identified as a result of the audit work although resilience in respect of the Council's IT infrastructure requires addressing. This latter aspect was known to management who commissioned work from another Authority to review and report back with appropriate recommendations for improvement. This report is still outstanding but does not impact on our assessment of the ICT audit engagement.

4.5   One audit review from 2018/19's work received a "Limited" assurance opinion. This was the Insurance Administration Audit, which was reported to this

Committee in February 2019. This is balanced against a further 12 reviews that received an adequate or good rating. There were 4 light touch reviews where no assessment is made, but recommendations may still have been made to address control issues. No significant concerns were highlighted in respect of audits of the Council's key financial systems that are fundamental to the robustness of the Council's overall control environment.

4.6   I am satisfied that sufficient work has been undertaken during 2018/19 to draw a reasonable conclusion on the adequacy and effectiveness of the Council's arrangements. Based on the work performed during 2018/19 and other sources of assurance I am of the opinion that adequate assurance can be taken that the Council's risk management, internal control and governance processes, in operation during the year to 31 March 2019, generally accord with proper practice and are fundamentally sound, although there are opportunities to improve the arrangements to enhance the Council's governance framework.

5   COUNTER FRAUD ACTIVITY

5.1   Local authorities need to remain ever vigilant to the threat of fraud and, through strong internal controls, look to prevent such activity. That said, not all fraud can be prevented and therefore appropriate arrangements need to be in place for identification of such activity. The National Fraud Initiative and Pan Essex Data Hub provide the means for the Council to identify potential fraud through data matching, followed by subsequent investigation and recovery where relevant.

5.2   Internal Audit work considers the risk of fraud in planning all individual audits and has supported service departments as part of a wider more strategic approach to counter fraud arrangements in risk identification and the development of controls to mitigate identified risks. For example, by improving the vetting of staff before they are employed, potential fraud may be prevented and reputational damage reduced.

5.3   Work is underway on developing an up to date counter fraud strategy. As part of this process, work is under way to develop a fraud risk register. This is at first draft stage with work also being undertaken to update the Whistle Blowing Policy and a review of the Council's money laundering procedures in line with legislative changes

6   EFFECTIVENESS OF INTERNAL AUDIT

6.1   Internal audit within the public sector in the United Kingdom is governed by the Public Sector Internal Audit Standards (PSIAS), which have been in place since 1 April 2013 (revised 2016 and 2017) and the code of ethics for internal auditors. The standards require periodic self-assessments and an assessment by an external person at least every five years.

6.2   An External Quality Assessment of the Council's Internal Audit function was completed in January 2018 to establish the degree of conformance with the Public Sector Internal Audit Standards (PSIAS). Internal Audit was assessed as Generally Conforms to the Standards. Good progress has been made during 2018/19 in addressing the recommendations made as part of this review; ensuring that we comply with to the requirements of the Public Sector Internal Audit Standards. A copy of the action plan, together with progress made, is provided at Appendix 5.

7   ISSUES FOR THE ANNUAL GOVERNANCE STATEMENT

7.1   No issues, other than those already disclosed, have come to the attention of the Chief Audit Executive that need to be disclosed in the Annual Governance Statement.

8   RISK IMPLICATIONS

8.1   Failure to operate a robust assurance process (which incorporates the internal audit function) increases the risk that weaknesses in the Council's governance, risk management and internal control framework may not be promptly identified and remedied. Failure to do so may mean the Council does not achieve its vision and objectives.

9   RESOURCE IMPLICATIONS

9.1   The current level and make up of in-house and other available third-party internal audit resource is considered sufficient at present.

10   LEGAL IMPLICATIONS

10.1   The Accounts and Audit Regulations 2015 (section 5) require the Council to undertake an effective programme of internal auditing to evaluate the effectiveness of its risk management, control and governance processes, taking into account relevant public sector internal auditing standards or guidance.

11   EQUALITY AND DIVERSITY IMPLICATIONS

11.1   An Equality Impact Assessment has not been completed as no decision is being made.

12   RECOMMENDATION

It is proposed that the Committee **RESOLVES**

That the Chief Audit Executive's opinion on the overall adequacy and effectiveness of the Council systems of governance, risk management and internal control be noted.

Naomi Lucas

Section 151 Officer

Background Papers: -

None.

For further information please contact Mike Porter (Chief Audit Executive) on:

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COMPLETED AUDIT ENGAGEMENTS SUMMARY – APPENDIX 1

AUDIT ENGAGEMENT	CORE ELEMENT OF PLAN	ASSURANCE RATING	REPORTED TO AUDIT COMMITTEE	RECOMMENDATION CATEGORY			
				C	S	M	L
Debtors ** Report 15 – 2017/18	Failure to ensure good governance of the Council's activities and delivery of its priorities	Limited	24 July 2018	-	1	13	3
Procurement ** Report 17 – 2017/18	The Council could fail to provide consistent value for money (VFM) across all services or to obtain VFM in its procurement	Limited	24 July 2018	-	1	2	-
Street Cleaning Contract Report 2 - 2018/19	The Council could fail to provide consistent value for money (VFM) across all services or to obtain VFM in its procurement	Adequate	27 November 2018	-	-	3	1
Applications Review Payroll and Revenues & Benefits Systems) Report 4 – 2018/19	Council data is lost, disclosed or misused to detriment of individuals or organisations as a result of inadequate protection.	N/A	27 November 2018	-	-	-	1
Creditors Report 5 – 2018/19	Failure to ensure good governance of the Council's activities and delivery of its priorities	Good	27 November 2018	-	-	1	1

AUDIT ENGAGEMENT	CORE ELEMENT OF PLAN	ASSURANCE RATING	REPORTED TO AUDIT COMMITTEE	RECOMMENDATION CATEGORY			
				C	S	M	L
Leisure Contract Report 1 – 2018/19	The Council could fail to provide consistent Value for Money (VFM) across all services or obtain VFM in its procurement	Adequate	26 February 2019	-	1	2	-
Insurance Administration Report 6 – 2018/19	Failure to ensure good governance of the Council's activities and delivery of its priorities.	Limited	26 February 2019	-	2	8	-
Treasury Management Report 7 – 2018/19	Failure to ensure good governance of the Council's activities and delivery of its priorities.	Good	26 February 2019	-	-	-	-
Counter-fraud Work Report 8 – 2018/19	Failure to ensure good governance of the Council's activities and delivery of its priorities	Adequate	26 February 2019	-	-	1	1
Applications Review (Finance System) Report 9 – 2018/19	Council data is lost, disclosed or misused to detriment of individuals or organisations as a result of inadequate protection.	N/A	26 February 2019	-	-	-	3
Main Accounting Report 10 – 2018/19	Failure to ensure good governance of the Council's activities and delivery of its priorities. Data is lost, disclosed or misused to the detriment of individuals or organisations	Good	26 February 2019	-	-	1	1
Budget Monitoring Report 11 – 2018/19	Failure to ensure good governance of the Council's activities and delivery of its priorities	Good	21 May 2019	-	-	2	-

AUDIT ENGAGEMENT	CORE ELEMENT OF PLAN	ASSURANCE RATING	REPORTED TO AUDIT COMMITTEE	RECOMMENDATION CATEGORY			
				C	S	M	L
Asset Maintenance Contract Report 12 – 2018/19	The Council could fail to provide consistent Value for Money (VFM) across all services or obtain VFM in its procurement	Adequate	21 May 2019	-	-	1	-
Empty Property Management Report 13 – 2018/19	Failure to deliver the objectives of the Council's Business Plan on terms of measurable outcomes	N/A	21 May 2019	-	-	-	-
Procurement Report 14 – 2018/19	The Council could fail to provide consistent value for money (VFM) across all services or to obtain VFM in its procurement	Adequate	21 May 2019	-	-	3	1
Risk Management Report 15 – 2018/19	Failure to ensure good governance of the Council's activities and delivery of its priorities	Adequate	21 May 2019	-	-	2	-
Project Management Office Report 16 – 2018/19	Failure to ensure good governance of the Council's activities and delivery of its priorities	N/A	21 May 2019	-	-	-	-
General Data Protection Regulations Implementation Report 17 – 2018/19	Council data is lost, disclosed or misused to detriment of individuals or organisations as a result of inadequate protection.	Adequate	21 May 2019	-	1	3	-
ICT Security & Access Report 18 – 2018/19	Council data is lost, disclosed or misused to detriment of individuals or organisations as a result of inadequate protection.	Adequate	21 May 2019	-	-	2	1

** The documentation for these two audits was presented to this Committee in July 218. The outcomes of these audits were, however, included in the 2017/18 Audit Opinion in the report to this Committee in May 2018 and in the Annual Governance Statement for 2017/18.

OTHER WORK UNDERTAKEN		
AUDIT AREA	**NATURE OF WORK**	**REPORTED TO AUDIT COMMITTEE**
Housing Benefit Subsidy (Report 3 – 2018/19)	An in-depth review of 39 benefit cases across 2017/18 selected by and on behalf of EY, the external auditor. This is a major piece of work taking in excess of 25 audit days and feeds into EY's own work on Grants Certification. As a result, no Audit Opinion is given.	24 July 2018
DEFRA Grant Audit	An Internal Audit / Managing Director Sign-off was required for DEFRA, as at the 31st March 2019, in respect of a grant relating to a cycleway at Basildon Borough Council and procurement and installation of electric vehicle charging points at various locations through Basildon and Rochford. This Council is the lead authority for this grant. This accounted for 2 days	21 May 2019
Supporting Human Resources	Support was given to Human Resources in carrying out one conduct investigation. This accounted for 8 days.	21 May 2019

AUDIT ENGAGEMENTS COMPLETED SINCE FEBRUARY 2019 AUDIT COMMITTEE

BUDGET SETTING AND MONITORING
Report 11- 2018/19

Audit objective

To review procedures used for the setting and monitoring of the Council's budget.

Corporate links

This audit contributes to the assurance available regarding the following Business Plan objectives and risks identified on the corporate risk register:

Business Plan objective	• Maximise our assets
	• Become financially self-sufficient
Corporate risk	• Failure to produce and meet a balanced budget and MTFS that allow for the successful delivery of the priorities contained in the Business Plan or to adequately plan, fund and monitor the Council's Capital Programme

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council's activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:

Higher level of assurance

Good	**Adequate**	**Limited**	**None**
✔			
Audit testing has evidenced a rigorous annual budget setting and monitoring process with regular scrutiny through budget monitoring and reporting to relevant audiences within the Authority.			

The monthly Budget Monitoring Spreadsheet produced by Accountancy provides budget holders with details of variances against profiled year to date and forecast year end positions. Commentary explains significant potential overspends and underspends and how they will be dealt with.

The use of reserves appears justified and fully documented. However, sample testing found that reserves are not always approved at the appropriate level in line with the Mid-Term Financial Strategy. RDC Financial Regulations do not specify who can approve transfers to and from reserves.

Our opinion is expressed as a level of assurance as set out in the table below. We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:

Risk area	Assurance Level	No. of Recommendations
Failure to produce and meet a balanced budget and MTFS that allow for the successful delivery of the priorities contained in the Business Plan or to adequately plan, fund and monitor the Councils Capital Programme.	**Good**	None
The baseline budget position is incorrectly identified resulting in a misidentification of potential budget gaps prior to the settlement figure provided by the government.	**Good**	None
The General Ledger does not accurately reflect the budget set for the financial year leading to purchase orders being raised against an incorrect budget amount and possible overspend on the accounts.	**Good**	None
Budget information is not provided to relevant audiences regularly or is provided inaccurately, incomplete or significantly out of date leading to less ineffective or inappropriate actions taken on the basis of the information.	**Good**	None
Emerging budget pressures and risks are not promptly identified, understood and dealt with.	**Good**	None
Reserves are not used appropriately, or a reduction of reserves are available due to unforeseen circumstances.	**Adequate**	2 Moderate

ASSET MAINTENANCE CONTRACT
Report 12 – 2018/19

Audit objective

To assess whether the Council's key contracts are well managed to ensure compliance and achieve required outcomes in this case for the Asset Maintenance Contract with ACL GP Limited. This contractor provides responsive building maintenance work including general building, plumbing and electrical works.

Corporate links

This audit contributes to the assurance available in regard to the following Business Plan objectives and risks identified on the corporate risk register:

Business Plan objective	Become Financially self- sufficient
	Early intervention
Corporate risk	Failure to enter into and maintain effective partnerships for the delivery of services and outcomes
	The Council could fail to provide consistent Value for Money (VFM) across all services or obtain VFM in its procurement
	Failure to ensure good governance of the Council's activities and delivery of its priorities

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council's activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:

Higher level of assurance

Good	Adequate	Limited	None
	✓		

The existing Responsive Building Maintenance Contract with ACL has been in place since April 2016. There has been no contract manager in place circa September 2018, however recruitment is taking place within the team. Measures for regular contract meetings are to be put in place in the next financial year.

7.12

Given that the works are of a responsive nature, a practical approach is taken in the day to day running of the contract and aspects of the specification appear to be used as more of a guideline.

Controls are in place to ensure the Council does not pay for a service until it has been completed to the required standard. However, there is no confirmed process for checking the accuracy of invoices.

Business Continuity and safeguarding arrangements are in place by the Council and risk assessments appear to be completed by the contractor.

Our opinion is expressed as a level of assurance as set out in the table below.
We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:

Risk area	Assurance Level	No. of Recommendations
The required service/s is not delivered or not delivered to the required standard.	**Adequate**	None
The council pays for a service that is not delivered or not delivered to the required standard.	**Adequate**	1 Moderate *(No. 1)*
The contract is varied to the detriment of the Council; either financially, operationally, or by reputational damage	N/A	None
There is business continuity failure by the contractor, which may result in reputational, operational or financial damage to the Council	**Good**	None
There is financial failure by the contractor, which may result in reputational, operational or financial damage to the council	**Adequate**	None
The contractor, when operating on behalf of the Council does not meet all required legal or other specified obligations or regulations resulting in reputational, operational or financial damage to the council.	**Good**	None

CONTRACTS PROCUREMENT AND PURCHASING
Report 14 – 2018/19

Audit objective

To assess whether the requirements of Contract Procedure Rules are complied with.

Corporate links

This audit contributes to the assurance available in regard to the following Business Plan objectives and risks identified on the corporate risk register:

Business Plan objective	Become Financially Self-sufficient
Corporate risk	The Council could fail to provide consistent value for money (VFM) across all services or fail to obtain VFM in its procurement
	Failure to provide good governance of the Council's activities and delivery of its priorities

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council's activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:

Higher level of assurance

Good	Adequate	Limited	None
	✔		
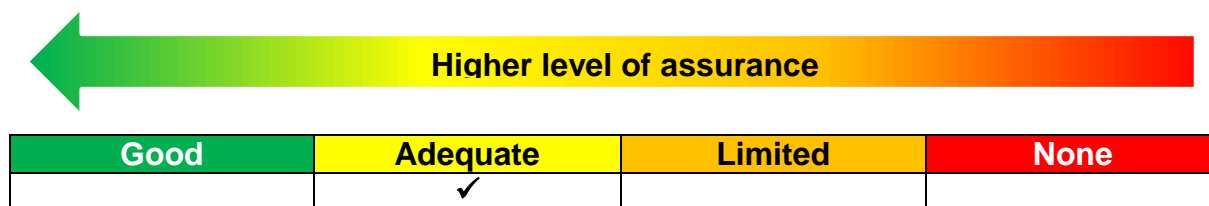
In the main Contract Procedure Rules are being satisfactorily adhered to.

The evaluation process in respect of quotes or tenders received appears both impartial and transparent. However, financial resilience checks do not always form part of the competitive tendering process. Contract Procedure Rules do not include details of safeguarding requirements or when copies of contractor's health and safety and safeguarding policy statements should be obtained, although this has been covered in the roll out of training.

Best value is not always evidenced on the e-procurement system for non-tendered items. Orders where spend could be combined into a contract to provide better value for money continue to be highlighted in the Procurement Quarterly Report to the Leadership Team.

The Procurement Team have produced comprehensive training and detailed procedure notes and a toolkit are available on the intranet. Early consideration is being given to a Procurement e-learning module.

Our opinion is expressed as a level of assurance as set out in the table below. We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:

Risk area	Assurance Level	No. of Recommendations
Procurements of goods and services is not compliant with Contract Procedure Rules, Financial Regulations and EU procurement legislation.	**Adequate**	2 Moderate *(No. 1-2)* 1 Low *(No. 3)*
Supplier and category spend are not regularly monitored to ensure economies of scale, value for money and to identify potential breaches to contract standing orders.	**Adequate**	1 Moderate *(no. 4)*
Staff are not adequately trained	**Good**	None

RISK MANAGEMENT
Report 15 - 201819

Audit objective

To provide an overview of the Councils risk management procedures

Corporate links

This audit contributes to the assurance available in regard to the following Business Plan objectives and risks identified on the corporate risk register:

Business Plan objective	All Objectives
Corporate risk	• Failure to deliver the objectives of the Council's Business Plan in terms of measurable outcomes
	• Failure to ensure good governance of the Council's activities and delivery of its priority outcomes

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council's activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:

Higher level of assurance

Good	Adequate	Limited	None
	✓		

There is a well-established Corporate Risk Management approach with regular reviews and reporting to Members. Service Area Risk Registers are generally relevant and well considered although not all registers are subject to regular, detailed reviews. This fact was also reported as part of the 2017-18 review of Risk Management.

A small number of risks and controls are out of date, stating procedures that no longer exist or are currently being reviewed. There is also a need to include GDPR/data protection risks where required.

A Risk Management e-learning package is currently being developed for all staff and facilitated workshops are being planned for Senior Management. A Strategic Risk Review has also been completed by Zurich to consider the effectiveness of the Councils risk management approach. The response was positive, and some

7.16

recommendations were identified to enhance the position.

Our opinion is expressed as a level of assurance as set out in the table below. We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:

Risk area	Assurance Level	No. of Recommendations
Corporate or operational risks are not identified	**Adequate**	1 Moderate (*No. 1*)
Stated mitigating controls do not exist or are not implemented effectively	**Adequate**	
Risk registers are not reviewed or updated in line with changing circumstances	**Adequate**	1 Moderate (*No. 2*)
Risk Management Processes are inconsistent due to a lack of clear policy, communication and training of relevant staff.	**Adequate**	None

GENERAL DATA PROTECTION REGULATIONS IMPLEMENTATION
Report 17 – 2018/19

Audit objective

Objective is to provide assurance on the level of compliance with General Data Protection Regulations (GDPR) and the Data Protection Act 2018 (DPA), by considering the effectiveness of implementation of required actions, including those relating to organisational awareness, data storage and retention, data classification and management of physical security.

Corporate links

This audit contributes to the assurance available in regard to the following Business Plan objectives and risks identified on the corporate risk register:

Business Plan objective	All Priorities in Business Plan
Corporate risk	Council held data is lost, disclosed or misused to detriment of individuals or organisations as a result of inadequate protection

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council's activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:

Higher level of assurance

Good	Adequate	Limited	None
	✓		

The assessment of "Adequate" reflects the amount of work that has been put in place to provide compliance with the General Data Protection Regulations. This included training and information for Members and officers, although only 49% officers have, at date of testing, completed related e-learning. This needs to be remedied.

There has also been the publication of new policy and procedural documents that are in the public domain to advise residents of their rights under the new regulations. Measures have been put in place to identify, categorise and report data breaches, should they occur, and to supply information to residents in the event of a Data Subject Access Request.

Although the Council has published an overarching Privacy Notice, work is still required around completing the timely publication of meaningful, concise privacy notices from all relevant services and the supporting Information Asset Registers.

7.18

This work will be followed up in 2019/20 financial year to review ongoing compliance with the regulations.

Our opinion is expressed as a level of assurance as set out in the table below. We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following areas identified from a checklist produced by the Information Commissioner's Office (ICO):

Risk area	Assurance Level	No. of Recommendations
1 Awareness; implementation process, communications, training	**Adequate**	1 Moderate *(No .1)*
2 Information Held; Asset information registers, record of processing activities, gap analysis, disposal of date, Document Retention Policy & procedures	**Adequate**	2 Moderate *(Nos. 2 & 3)*
3 Communicating Privacy Information; privacy notices, publicity re privacy notices, data protection policy	**Limited**	1 Significant *(No. 4)*
4 Rights of Individuals; to be informed, access, rectification, erasure, restriction of processing, data portability, objections and automated decisions	**Adequate**	None
5 Subject Access Requests; time restrictions, procedures, recording, training	**Good**	None
6 Lawful Basis for Processing Personal data; establishment of legal basis for each processing activity, Links to Steps 2 & 3.	**Adequate**	None
7 Consent; identification of when consent is required, positive process, ability to withdraw consent, compliance with specially regulated data processing	**Adequate**	None
8 Children; processes update when dealing with children, consent according to age, relevant notices	**Adequate**	None
9 Data Breaches; reporting to ICO within defined timescale if required, security controls and breach reporting procedures, recording procedures, staff training if breach identified,	**Good**	None
10 Data Protection by Design and Data Protection Impact Assessments (DPIA); data protection by design as a norm, DPO involvement in new projects where data processing is concerned, DPIA procedures, compliance reviews of control measures	**Adequate**	None
11 Data Protection Officer; meets technical ability requirements, communication of role	**Good**	None

Risk area	Assurance Level	No. of Recommendations
to all staff, ability to resource role effectively		
12 International; meeting requirements if data sent outside of EU / EEA or third countries with agreed adequate level of protection, identification if these need to be addressed	**N/A**	RDC Data is not exported outside EU or EEA.

7.20

ICT SECURITY & ACCESS
Report 18 – 2018/19

Audit objective

To provide a non-technical overview of the access and security arrangements around the Council's ICT Network. This is based upon questionnaires sent to EduServ the Council's ICT provider, discussions with Rochford based staff and other available information.

Corporate links

This audit contributes to the assurance available regarding the following Business Plan objectives and risks identified on the corporate risk register:

Business Plan objective	Effective use of ICT underpins all the Council's objectives
Corporate risk	Failure to ensure Rochford's ICT Estate supports achievement of Business Objectives. Council held data is lost, disclosed or misused to detriment of individuals as result of inadequate protection

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council's activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:

Higher level of assurance

Good	Adequate	Limited	None
	✓		

This review is focused on the access and security of the Councils ICT.

The Council is not compliant with the Public Sector Network (PSN) standard. This is no change from the position reported in 2017/18 but significant work has been carried out to remedy the position. Guidance from the Cabinet Office has directed Councils to make use of Cloud solutions and use of secure communications such as Office 365. The Council is still in the process of migrating operations to Cloud providers or hosted web-based services and this work has significantly advanced, although not yet completed. Members and many staff can now access applications using Microsoft Office 365 and this roll-out is also progressing.

Issues identified in penetration testing at the start of 2018/19, relating to older servers are also being progressed but closure is dependent on completing the migration. The position overall has improved to the point that the Council has re-

applied for PSN accreditation.

As a result of network downtime in August 2018 it was recognised that the business continuity / resumption arrangements required hardening. An in-house infrastructure audit by another local authority was commissioned to identify weaknesses and make correcting recommendations. This report is still awaited as at the date of this review but there is doubt that it will be received. An alternate approach is under consideration. As this is a known problem, and steps are being taken to address, there is no specific recommendation required although this infrastructure audit must be carried out.

Issues have been raised about the number of users with no apparent need appearing on the Active Directory List. The majority of these have been disabled or classified as dormant and accordingly little risk exists from a security standpoint. However, as a safeguard, these should be deleted, and recommendations have been accepted accordingly.

Our opinion is expressed as a level of assurance as set out in the table below. We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:

Risk area	Assurance Level	No. of Recommendations
Policies and procedures for use of ICT are not accurate or effective	Adequate	1 Low *(Rec No 1)*
Staff are not aware of risks and nature of potential cyber attacks	Good	None
There are ineffective controls over who has access to the RDC Network and how access is made	Adequate	2 Moderate *(Recs 2 & 3)*
Back-up routines of RDC data are not effective	Adequate	None
Firewalls & malware protection systems are not effective	Adequate	None
Data security of RDC or third-party organisations where RDC data is domiciled is not effective	Adequate	None
RDC or contractor business continuity / resumption arrangements are not robust	Limited	None *(See Audit Opinion)*

LIGHT TOUCH AUDIT ENGAGEMENTS COMPLETED SINCE FEBRUARY 2019 AUDIT COMMITTEE

EMPTY PROPERTY MANAGEMENT
Report 13 – 2018/19

The Council has a scheme to encourage property owners to repair an empty property, with a grant, and bring it back to use subject to the Council having nomination rights to that property for two years. There is a small budget for the scheme.

The scheme is detailed on the Council's website, as is a reporting process to notify the Council if a property is empty. A promotional campaign was launched late in 2018, which included discussions on local radio. Take up of the scheme is low with none in 2018/19 to date, although some properties have returned to use as a result of the campaign.

There were 84 properties, at the time of testing, that have been empty for 5 years or more. Of these 51 are empty due to status or exemptions, such as registered as second homes or owners in long-term care etc. The Revenues Team monitor the status of empty properties across the District, based on Council Tax records, and a letter campaign to owners was carried out in 2017/18 with several properties being occupied after contact.

Testing has shown that empty properties are correctly billed for council tax, including premium rates in qualifying properties. Council, on 19th February 2019, approved an increase to empty property premiums with effect from April 2019. The opportunity to include a letter drop similar to that of 2017/18 will be taken in communication that is planned for owners of long-term empty properties in advance of the 2019/20 Council Tax bills.

PROJECT MANAGEMENT OFFICE
Report 16 – 2018/19

Project Management was included in the 2018/19 Annual Audit Plan and initial scoping work was carried out. The Strategic Director has requested that detailed work be deferred to 2019/20 as several planned projects are to commence in that period. This will be included in the 2019/20 Audit Plan.

As part of the initial scoping, the approach to project management was discussed with officers involved in the Project Management Office (PMO), and the planned methodology of the PMO was reviewed, in line with reports to the Investment Board of 17th January 2018 and 14th March 2018.

Internal Audit is of the opinion that the approach of the PMO appears appropriate and the relevant officers have a good understanding of the process to support and challenge project managers in delivery of their projects.

PROGRESS OF AUDIT RECOMMENDATIONS – APPENDIX 4

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
6 2016/17	Debtors	5	S	The Corporate Debt Policy will be re-written to clarify ownership, scope, usage (including escalation processes), procedure and Legal requirements dependant on the nature of the debt. It should be in-line with the Council's Constitution and the scheme of financial delegation, along with the Local Government Ombudsman and be available for use by internal staff to ensure adherence to all debt recovery matters.	Agreed Implementation Date 31/7/2017 Included in Finance BPR which is a work in progress. Revised 31/10/17. A project to reconstruct the Corporate Debt Policy will commence and is expected to complete June 2018. This will be monitored via project management. Review for progression 31/1/18. Project end date anticipated to be by 31/7/18 Draft policy in place but to be adopted as part of Constitution Review. Some procedures arising from review are in place Revised end date 31/3/19 Implemented DELETE
10 2016/17	Compliance with Contract Procedure	1	S	Submit a request for an exemption for the procurement of emergency accommodation for the homeless based on rule 3.4.	All options are being re-considered to effectively deal with provision of

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
	Rules			Arrangements to provide ongoing, non-emergency accommodation needs to be awarded through an appropriate procurement procedure in line with CPR given total contract value.	temporary accommodation following implementation of homeless reduction legislation. Guidance is being sought as to the most effective means to deal with this aspect of procurement. In line with schemes being put into place to deal with temporary accommodation there may be a requirement for a framework arrangement. The position will be clearer by the New Year and any required procurement will start in January 2019. Review date 31/1/19 CPR are currently under review with exceptional business cases being exempted. The emergency accommodation arrangements would qualify under the new rules. No timelines are available for this review, therefore, a new framework for nightly lets is now being considered, through an appropriate procurement procedure in line with the current CPR. Revised end date 31/10/19 CPR review ongoing. Revised end

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
					date 31/12/19 The function that is covered here will form the rewrite of part of the CPR review. This will now be monitored through recommendation no 3. of the Procurement audit. DELETE
10 2016/17	Compliance with Contract Procedure Rules	7	M	As part of the next review of CPR, review the following to ensure exemptions are used in an appropriate manner but also supports the delivery of business objectives: • threshold for exemptions • criteria for exemptions provides sufficient clarity on the principles of when exemptions are appropriate	Agreed Implementation Date 30/11/17 The Contract Procedure Rules were last updated early in 2016 and are still considered fit for purpose at this time. There are no immediate plans to update the CPR; however, the recommendation will be fully considered in the next review, which is likely to take place in 2018/19 Revised end date 31/3/19 CPR review ongoing. Revised end date 31/12/19 The function that is covered here will form the rewrite of part of the CPR review. This will now be monitored through recommendation no 3. of the Procurement audit. DELETE

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
17 2016/17	Business Continuity	3	M	Contracts with hosted software will be reviewed to ensure there are specific Recovery Point and Recovery Time objectives within them which can influence continuity planning	Agreed Implementation Date 31/10/17. Under review as part of the ICT Migration Project. Revised to 31/1/18 To take to new system administrator group with first meeting scheduled in May. Will include as an action point arising. To be included in planned August meeting. Review position 24/8/18 Progress being made in identifying hosted applications and requests are being made for the required data. Work in progress. Review 31/12/18 Progressing. Volume of hosted systems i.e. non-Cloud is low. Review 15/3/19. Responses now held for all known hosted systems Implemented DELETE
2 2017/18	Performance & Risk Management	3	M	Level-appropriate training will be provided to those with responsibility for maintaining operational risk registers	Agreed Implementation Date 31/12/17 Training to be delivered in January. Revised to 31/1/18. January training related to contract

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
					risks. Wider training to be provided. Revised end date 31/8/18 Much work is under way in relation to risk. A strategic risk review has been undertaken by one of the Council's insurers. Training will be provided to the Leadership Team and awareness training will be carried out with those with responsibility for organising events etc. Revised end date 31/1/19 E-learning under course of development followed by facilitated AD training planned mid-June. Revised end date 14/06/19

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
7 2017/18	Environmental Health	1	S	*The Council's Enforcement Policy, Environmental Services will be reviewed and published in relevant pages on the Council's website*	*Agreed Implementation date 30/4/18* ***Implemented*** Agreed Implementation date 30/6/18. Work still to be progressed in line with structure of Environmental Services Policy. Revised to 30/9/18 Full re-write underway but not completed. Task is bigger than anticipated and there will be close alignment to Environmental Services Policy above. Revised to be implemented by 31/03/19
				Relevant Policy and procedures will be produced for Environmental Health, which was originally part of Environmental Services and included in old version of Enforcement Policy	Since accepting the recommendation, the officer in charge has been tasked with coordinating a full Corporate Enforcement Policy. This will be incorporating the original recommendation. To include creation and adoption, revised end date is 30/09/19.
7 2017/18	Environmental Health	4	S	Management will consider improving expertise and obtaining support from software provider to make more effective use of the UniForm environmental	Agreed implementation date 30/4/18 Update to relevant system due in June 2018 with training for key

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
				health system	officers. Update for progress Revised to 13/7/18. Revised version not yet in place. Training to be sought shortly after. Revised 30/9/18 Awaiting corporate decision to upgrade at which time recommendation will be addressed. Review 30/6/19
9 2017/18	Waste Management Contract	3	L	Formal Contract Management training opportunities will be researched and if appropriate, attended, in order to support existing staff in their roles	Agreed Implementation Date 31/7/18 Priority given to Health & Safety Training. It is anticipated that courses will be available to attend by 31/3/19. Implemented DELETE
11 2017/18	Cash & Banking	3	M	A detailed format / procedure will be developed to ensure effective bank account reconciliation is in place by year end.	Agreed Implementation date 30/4/18. Procedures may change with removal of kiosks and agreed mark forward for review at that time. Revised end date 30/6/18 Difficulties are still occurring relating to timings of transactions. A full review of requirements and procedures will be undertaken.

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
					Revised end date 31/10/18. Partially completed. Further work is being undertaken alongside system changes. Revised end date 31/3/19 Work still ongoing. Revised end date 30/08/19.
11 2017/18	Cash & Banking	4	L	The system administrator for Cash Receipting will determine procedures for changing password parameters and for deleting users that no longer require access.	Agreed Implementation date 30/6/18 Cash Receipting update has been deferred until October at which time these issues will be fully addressed. Meeting to be held (September) with software provider to resolve matters. Revised 31/10/18 Work still ongoing to upgrade system, which should occur by end of year. Review 31/12/18 Testing of new system is due to start early February with sign-off programmed for Mid-March. Revised 25/3/19. Testing still ongoing. Revised 30/04/19 Implemented DELETE

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
13 2017/18	Health & Safety	1	M	Enable review of all leases and management agreements to confirm responsibilities for risk assessments, and ensure all parties are aware of respective responsibilities	Agreed Implementation Date 1/6/18 Procedures are now in place and reviews are under way. Procedures are not yet documented but it is intended they will be included in new Asset Management software that should go live in near future Revised date 30/9/18 Officer with responsibility has left the Council. The post is being recruited to and this will be picked up. Revised 31/3/19 The function here will be monitored through recommendation 1 of the Insurance Audit. DELETE
15 2017/18	Debtors	1	M	Staffing arrangements relating to invoicing for waste and recycling to Essex County Council will be reviewed to build resilience and enable prompt issue of invoices for this high value income source	Agreed Implementation Date 30/4/19 Implemented DELETE
15 2017/18	Debtors	5	M	Customer Services and Finance will review the various sources of published land charges fees to harmonise the information	Agreed Implementation date 31/7/18. When work under Rec 4 completed this will follow through Expected date of completion 31/10/18. To be reviewed as part of

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
					budget process. Revised to 30/04/19 Implemented DELETE
15 2017/18	Debtors	9b	M	Benchmarking will be used relating to charges and recovery protocols to develop a debt management policy for housing related debts	Agreed end date 30/4/19
17 2017/18	Procurement Addendum	2	M	The introduction of one point of control for central management for all agency spend	HR to act as point of control. Framework arrangement to be developed End Date 28/2/19 HR advised working on a preferred Supplier List and in the meantime ensuring we get three quotes for each assignment. Revised end date 01/04/19. Partially completed. HR is now the central point of contact for all agency recruitment and spend. However, Framework is a work in progress. Revised end date 30/09/19.
17 2017/18	Procurement	3a	M	Contract Procedure Rules and Procurement Guidance will be updated (a)	Agreed Implementation Date 31/3/19

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
					CPR review ongoing. Revised end date 31/12/19
2 2018/19	Street Cleaning Contract	1	M	For consistency and future planning, the work of the Street Scene Officers involved in monitoring the contract will be documented in a set of operational procedures.	Agreed Implementation date 1/4/19 Outcomes are being negotiated with Contractor. Revised end date 30/06/19
2 2018/19	Street Cleaning Contract	4	M	The merits of acquiring from the contractor method statements that support S8.1 and S9.4 of the General Specifications relating to environmental protection and air quality will be considered. It is acknowledged this would be relevant to all current contracts, not just street cleaning	Agreed Implementation date 1/4/19 Implemented　　　　　　　　DELETE
5 2018/19	Creditors	1	L	New Supplier Forms will be amended for the originator to be identified.	Agreed implementation date 30/11/18 Form with ICT Team for development. Revised to 30/04/19. Implementation of online dashboard under development. Revised implementation 9/8/19
1 2018/19	Leisure Contract	1	M	A detailed contract risk analysis will be carried out to accurately document the risks inherent in carrying out the Leisure Contract and the controls that are in place to mitigate such risks	Agreed implementation date 31/3/19 Implemented　　　　　　　　DELETE

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Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
1 2018/19	Leisure Contract	3	S	Procedures will be reviewed to ensure an appropriate and effective monitoring system is implemented for recommended works carried out by the contractor, particularly those relating to health and safety, following external assessments or inspections.	Agreed implementation date 28/2/19 Implemented DELETE
6 2018/19	Insurance Arrangements	1	M	A project team will be established to consider an approach to produce, ideally, to produce a single asset register and to work on a solution. Matter raised during the audit will be reviewed and reflected in the 2018/19 balance sheet	Agreed implementation date 31/12/19
6 2018/19	Insurance Arrangements	3	M	Insurance schedules will be looked at as part of an annual insurance requirements review to ensure cover is still relevant and asset is properly described	Agreed implementation date 31/8/19
6 2018/19	Insurance Arrangements	6	M	An approach will be made to the Council's Insurer to determine the nature of an inspection regime for properties that may have periods of un-occupancy but are not considered as Void properties.	Work initiated Agreed implementation date 30/4/19
6 2018/19	Insurance Arrangements	7	M	The disposition of fire marshals will be reviewed and updated to maintain coverage in all operational buildings and tested as required in a fire drill. This will be subject to future periodic reviews to monitor for staff turnover and office moves. The requirement for the weekly checks will be restated and reinforced.	Agreed implementation date 31/5/19

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
6 2018/19	Insurance Arrangements	9	M	A Home Parking Assessment will be carried out for all relevant officers to enable them to park Council owned vehicles at their place of residence overnight, in line with the Driving at Work Policy	Agreed Implementation date 28/2/19 Implemented DELETE
8 2018/19	Counter-Fraud	1	L	The Whistle-blowing policy will be included in the suite of policy documents available to the public on the Council's website	Agreed implementation date 31/5/19
8 2018/19	Counter-Fraud	2	M	A process will be agreed for where officers are required to take cash payments in exceptional circumstances	Agreed implementation date 30/6/19
11 2018/19	Budget Setting and Monitoring	1	M	Use of reserves will be approved by S151 Officer as stated in the Mid Term Financial Strategy and if S151 Officer is not available, by Head of Finance or another appropriate officer.	Agreed implementation date 01/04/19 Implemented DELETE
11 2018/19	Budget Setting and Monitoring	2	M	RDC Financial Regulations will be reviewed to include appropriate controls of transfers to and from Reserves as stated in the Medium-Term Financial Strategy. To be considered as part of overall review of Financial Regs during 2019/20.	Agreed implementation date 31/03/20
12 2018/19	Contract Management-Asset Maintenance (ACL)	1	M	Clarification will be sought with the Contractor over the price methodology on invoices.	Agreed implementation date 30/04/19 Implemented DELETE

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
14 2018/19	Contracts Procurement and Purchasing	1	M	The Contract Register will be updated and maintained to include all awarded contracts. The 'Selling to the Council' page on the RDC website will also be brought up to date.	Agreed implementation date 31/08/19
14 2018/19	Contracts Procurement and Purchasing	2	M	Finance resilience checks will form part of the competitive process for fully tendered purchases for high value, high risk contracts, in order for the Council to be aware of the financial health of a supplier before entering into business with them. Contract Procedure Rules will be amended to include this detail.	Agreed implementation date 31/12/19
14 2018/19	Contracts Procurement and Purchasing	3	L	CPR will be amended to include safeguarding requirements and whether copies of contractor's policy statements should be included in all appropriate contracts.	Agreed implementation date 31/12/19
14 2018/19	Contracts Procurement and Purchasing	4	M	Sample checks will take place on a small number of FocalPoint Orders between £500-£10,000 to ensure best value is evidenced and procedures are being complied with.	Agreed implementation date 31/08/19
15 2018/19	Risk Management	1	M	Service Area Risk Registers will include GDPR / data protection risks and controls relating to the secure storage of non-electronic records, where appropriate.	Agreed Implementation date 31/07/19

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
15 2018/19	Risk Management	2	M	Service Area Risk Registers that are overdue for a detailed review will be brought up to date. This review and subsequent reviews for all Service Area Risk Registers will detail current controls and an accurate re-assessment of likelihood, impact and residual risk will be carried out to accurately describe current circumstances.	Agreed Implementation date 31/07/19
17 2018/19	GDPR Implementation	1	M	The GDPR E-learning module will be completed by all staff	Agreed Implementation Date 31/5/19
17 2018/19	GDPR Implementation	2	M	A review will be carried out to determine if services currently without an Asset Information Register actually require one and, if so, one will be completed	Agreed Implementation Date 30/9/19
17 2018/19	GDPR Implementation	3	M	Services will carry out a periodic review of data held to confirm that all data held is accurately considered and recorded in the Information Asset Register; the type of data, the lawful basis for holding it, security arrangements and retention periods should be detailed.	Agreed Implementation Date 30/9/19
17 2018/19	GDPR Implementation	4	S	The process of publishing service area privacy notices will be completed in a manner that ensures residents have a full understanding of the nature and use of data provided for all relevant services.	Agreed Implementation Date 31/8/19
18 2018/19	ICT Security & Access	1	L	The link on the Intranet on the Corporate Information Security Policies and Procedures page will be retitled to read Information Management Document (2018) and not the Corporate	Agreed End Date 5/5/19 Implemented DELETE

Report No	Report Title	Rec No	Risk	Recommendation	Implementation progress
				Information Security Policy	
18 2018/19	ICT Security & Access	2	M	Those users recorded on the Active Directory List that have no apparent need to be there will be deleted.	Agreed End Date 1/9/19
18 2018/19	ICT Security & Access	3	M	The process for removing officers from Network access swill be reviewed to minimise the use of requests to extend access. If used, however, there will be an automatic cut-off where that account would be closed	Agreed End Date 1/9/19

ACTION PLAN ARISING FROM PSIAS EXTERNAL QUALITY ASSESSMENT

No	Recommendations	Response	Responsible Officer	Due Date
R1	Obtain additional audit resources to cover the vacant post. In the short term, this can be achieved by buying in audit resources from Basildon Borough Council and / or one of the framework contracts that are in operation. A Longer-term solution will be to embark on a recruitment exercise; however, this will take time and there is a recognised shortage of good calibre and qualified internal auditors in London and the home counties.	Interviews are being held to fill the Senior Auditor post w/c 5/3/18 and w/c 12/3/18. Basildon continues to support delivery of the 2017/18 audit plan **3/1/19** **Trainee Auditor appointed October 2018**	Mike Porter, Chief Audit Executive	April 2018 **Complete**
R2	The Service should revise its operational procedure documents to ensure they cover both assurance and consulting assignments, providing assurance for external organisations, releasing documents to external organisations, and reflect the way the Service currently operates.	These will be examined, and the relevant changes made. **3/1/19 Deferred in light of resources until vacant post filled.** **Now under review taking into consideration Pentana software (use of electronic working papers) provided via Basildon w.e.f 2019/20**	Mike Porter, Chief Audit Executive	September 2018 **Revised June 2019**

R3	The Internal Audit Service should enter into formal arrangements with the external organisations that the Council is providing payroll services to, and then report the outcome of the audits to the respective organisations.	This has been addressed by the 2018/19 audit plan. **22/3/19** **This was a Priority 2 engagement for 2018/19 and was not completed due to delay in filling the vacant audit post.**	Mike Porter, Chief Audit Executive	During 2018/19 **Revised to 2019/20 Audit Plan**
R4	Reference should be included in the audit charter and the CAE's annual report to the Service's compliance with the core principles of internal audit, and the code of ethics for internal auditors.	This is done.	Mike Porter, Chief Audit Executive	June 2018 **Complete**
	Suggestion	**Response**	**Responsible Officer**	**Due Date**
S1	A paragraph should be added to the revised antifraud and corruption policy stating that the Chief Audit executive should be informed of all frauds against the Council.	On review of the policy this will be added. **3/1/19** **This point has been passed to Fraud Champion to consider in policy / strategy updates. This is included in draft version. Not under responsibility of Internal Audit.**	Mike Porter, Chief Audit Executive	September 2018 **Revised June 2019**
S2	It is suggested the Audit Committee undertakes a review of its remit and effectiveness using the check list in the CIPFA guide for Audit Committees at its earliest convenience.	CAE to discuss this with the Chair of the Audit Committee. **3/1/19** **Still to be addressed with Chairman of the Audit Committee.**	Mike Porter, Chief Audit Executive	Tbc **During 2019/20**
S3	Introduce a specific declaration form for	This will be introduced.	Mike Porter,	April 2018

			Chief Audit Executive	**Complete**
	Internal Audit Staff covering their understanding and compliance with the PSIAS, the Core Principles for Internal Auditors, the Code of Ethics for Internal Auditors and the seven Principles of Public Life.	**Now completed**		
S4	It is suggested that the Internal Audit Service finds a suitable IT audit partner to deliver a programme of in-depth IT audits.	This will be examined. The potential to appoint an IT Auditor, to be shared amongst Essex Audit Group members will also be explored. **22/3/19** **Still under review as RDC migration nears completion although Cloud arrangements require a different approach. Arrangements made with Southend on Sea to review in-house infrastructure & resilience. Awaiting final report at time of completion.**	Mike Porter, Chief Audit Executive	During 2018/19 **Approach to be reviewed for 2019/20**
S5	Add a paragraph to the Chief Audit Executive's annual report once all the key actions set out in the Services quality assurance and improvement programme and the issues identified during this external quality assessment have been implemented.	This will be done. **3/1/19** **Included**	Mike Porter, Chief Audit Executive	June 2018 **Complete**
S6	It is suggested that the Chief Audit Executive consults with the Senior	A discussion will be had	Mike Porter, Chief	September 2018

Management Team and the Audit Committee to identify any further performance indicators that they would like to see the Service produce on a regular basis.	**The key performance measure for Internal Audit is progress toward completion of the Audit Plan. This is reported through the year to the Audit Committee**	Audit Executive	**Complete**