ITEM No …6…………..

REPORT TO: SCRUTINY COMMITTEE – 26 JUNE 2019

REPORT ON: INTERNAL AUDIT REPORTS

REPORT BY: SENIOR MANAGER – INTERNAL AUDIT

REPORT NO: 220-2019

1.0   PURPOSE OF REPORT

To submit to Members of the Scrutiny Committee a summary of the Internal Audit Reports finalised since the last Scrutiny Committee.

2.0   RECOMMENDATIONS

Members of the Committee are asked to note the information contained within this report.

3.0   FINANCIAL IMPLICATIONS

None

4.0   MAIN TEXT

4.1   The day-to-day activity of the Internal Audit Service is primarily driven by the reviews included within the Internal Audit Plan. Broadly, on the completion of a specific review, a report which details the audit findings and recommendations is prepared and issued to management for a formal response and submission of management's proposed action plan to take the recommendations forward. Any follow-up work subsequently undertaken will examine the implementation of the action plan submitted by management.

4.2   Executive Summaries for the reviews which have been finalised in terms of paragraph 4.1 above are provided at Appendix A. Within each Executive Summary the prime aim is to provide both Elected Members and management with key information which includes the reason for undertaking the review, a summary of financial data and statistics, the areas encompassed within the review and specific areas which were excluded, the principal audit objectives, an audit opinion on the adequacy of the systems and control framework of the area reviewed, the key conclusions based on the audit findings and recommendations and a summary of management's response to the audit report. The full reports are available to Elected Members on request.

5.0   POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6.0   CONSULTATIONS

The Chief Executive, Executive Director of Corporate Services, Head of Corporate Finance and Head of Democratic and Legal Services have been consulted on the content of this report.

7.0   BACKGROUND PAPERS

None

Pamela Redpath, Senior Manager – Internal Audit   DATE: 26 June 2019

Client	**Children and Families Service**
Subject	**Out of Hours Service**

Introduction

A review of the arrangements in place for the operation of the Out of Hours Service within the Children and Families Service was part of the planned internal audit work.

The Out of Hours Service is managed by Dundee City Council's Children and Families Service but provides a social work service for children and adults outwith normal working hours to both Dundee City and Angus councils as part of a joint agreement between the two local authorities. The Out of Hours Service works in collaboration with other out of hours services such as health agencies, Police Scotland, Department of Work and Pensions, housing and community alarm / home care and as a contact point for access to a Mental Health Officer.

The service operates on weekdays from 4.30pm to 8.30am, all weekend and on a 24 hour basis for public holidays.

The Council is due to open a new Safety and Alarm Response Centre (SARC) facility within the city in the spring which will provide additional support to Council services including the Out of Hours Service.

There has been an increasing demand on the service in recent years, with of the order of 16,000 telephone calls and 2,800 visits being dealt with during the 2017/18 financial year and 17,300 telephone calls and 2,000 visits for 2018/19.

Scope and Objectives

Review to assess the effectiveness of the Out of Hours Service currently working within the Children and Families Service from a business continuity perspective.

Conclusion

The principal conclusion drawn from this review is that there are weaknesses in the system which should be addressed.

The main areas highlighted in the report are as follows:

- A review of the structure and staffing of the Out of Hours Service should be undertaken in light of the increasing volume of work, proposed additions to management responsibilities and operational difficulties encountered under the current arrangements. The areas where staff regularly encounter operational difficulties should be reviewed with a view, in the first instance, to addressing these through training and improvements in communications. In addition, more formalised arrangements for out of hours management support from services should be put in place and the potential for further delegation of responsibilities should be explored by management. Responsibilities delegated to the Service should be documented in a scheme of delegation and communicated to all relevant parties.
- The Team Manager should ensure that a business continuity plan is in place for the Service, made available to appropriate officers, regularly tested and updated.
- The Team Manager should arrange for her staff to have access to Dundee City Council's corporate Potentially Violent Persons Database (PVPD) and ensure that procedures are put in place instructing them to consult the database as part of the risk assessment process when organising visits. In addition, the Team Manager should liaise with relevant staff in Angus Council to ensure that her team also has access to all relevant sources of information maintained on potentially violent persons there. A procedure should be developed to notify the Community Alarm Service when the night-time Co-ordinator makes a visit alone.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Executive Director of Children and Families and appropriate action agreed to address the matters raised.

ii) INTERNAL AUDIT REPORT 2017/29

Client	**Children and Families Service**
Subject	**Pupil Equity Funding**

Introduction
Nationally, £120 million of Pupil Equity Funding (PEF) has been provided to help raise attainment with a focus on supporting those children and young people who face barriers to their learning owing to the impact of poverty.
PEF is part of the Scottish Government's Primary Attainment Challenge, which started in Dundee in September 2015. The Council expects PEF to be used to continue to support the delivery of objectives established under that Challenge, while targeting areas of deprivation and children with the most need.
PEF is allocated based on the number of children and young people registered for Free School Meals from P1 to S3 in each primary, secondary and special school in Scotland and was first available for the financial year 2017-18. It is expected to continue to be available on an annual basis until at least 2021-22.
The Council's schools were allocated PEF funding of £4.97 million for 2017/18, £4.98 million for 2018/19 and £5.04 million for 2019/20. Head Teachers are responsible for determining how the funding is utilised, in accordance with National Operational Guidance and local guidance. The Council requires Head Teachers to prepare spending plans, based on self-evaluation and application of available guidance, for submission to Education Managers, outlining the proposed use of PEF funding. Education Managers provide central support for the administration of spending, including procurement and financial monitoring arrangements.
PEF may be used for staff costs, resources or services but cannot be used for capital expenditure. It must also provide additionality to core service delivery in new or enhanced activity.
The Council has recently been subject to an inspection by Education Scotland and Audit Scotland as one of the designated nine Challenge authorities in Scotland undertaking the Scottish Attainment Challenge. This inspection included elements of the PEF. The PEF audit is being carried out reflecting the work of Education Scotland and Audit Scotland to avoid duplication.

Scope and Objectives
Review of the framework in place to administer the new PEF and ensure that it is being utilised in line with the new National Operational Guidance. The scope of this review does not include an assessment of the impact of PEF.

Conclusion
The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.
The main areas commented upon in the report are as follows:
• The Council's Guidance in respect of PEF is well aligned with the Scottish Government Pupil Equity Funding - National Operational Guidance and includes a number of aspects of good practice. However, it could be enhanced by incorporating examples of well completed Spending Plans to be used consistently by schools on an annual basis. The quality and completeness of the sample Spending Plans reviewed varied and steps should be taken to improve this, however, our testing of a sample of expenditure confirmed it to be in line with Government and Council Guidance and appropriately procured (where applicable).
• Training and central support is available to Head Teachers and other school staff with good levels of local and central oversight and monitoring. However, in order to support the effective and timely use of PEF, completion of an agreed minimum level of training for accountable staff such as Head Teachers should be provided and made mandatory.

Management Response to the Audit Report
The audit findings and recommendations were formally reported to the Executive Director of Children and Families and appropriate action agreed to address the matters raised.

iii) INTERNAL AUDIT REPORT 2018/04

Client	Corporate
Subject	Housing Capital Plan

Introduction

The Council has met the Scottish Government's Social Housing Quality Standard ("SHQS") and work is ongoing to enhance properties to ensure they meet the Energy Efficiency in Social Housing Standard ("EESSH") target by 2020. In addition to investment in existing properties, the Council is developing new build projects during 2018/19, including Derby Street in partnership with Hillcrest Housing Association. The Council also undertakes planned and responsive maintenance of properties and responds to changes in legislation and public expectations, for example in respect of fire safety.

The Council is required by the Housing (Scotland) Act 2001 to prepare a local housing strategy. The Scottish Government produced Local Housing Strategy guidance for local authorities in August 2014 which includes the approach to development plans and the strategic role of councils in directing investment in housing. The Council's Local Housing Strategy 2013-2018 is currently being updated.

A five year Capital Plan is prepared and approved each year, providing an updated position, year on year, in line with the Council's ten year Capital Investment Strategy. This details the expenditure on creating, purchasing or upgrading the fixed assets which are used in delivering the Council's services and includes the plan in respect of the Housing Revenue Account (HRA) and investment in social housing properties.

During the year reports are prepared monitoring both the revenue and capital spend against budget. These are discussed with the Council Management Team and presented to the Policy and Resources Committee. The Capital Plan 2018-2023 reports anticipated expenditure for 2018/19 of more than £43m.

Scope and Objectives

To assess the planning, monitoring and reporting arrangements in place for the programme of capital works contained within the approved Housing Capital Budget.

Conclusion

The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.

The main areas commented upon in the report are as follows:

• In order to reduce the potential risk of errors and omissions in the Housing Capital Plan and reduce reliance on key individuals who are experienced in the process, comprehensive documented procedures should be developed for the budget setting and monitoring processes. The procedures should be approved by management and regularly reviewed and updated.

• In order to reduce the risk of inaccurate information being used to prepare the Housing Capital Plan budget and its monthly phasing, the summary of relevant sources used in its preparation should be supported by document control and version management arrangements with a clear process maintained for storing and controlling access to final versions. An audit trail should be maintained.

• In order to reduce the risk of the HRA budget being under / overspent, the content and format of the budget monitoring reports submitted to the Policy & Resources Committee should be reviewed with a view to including comparison of original approved budget, year to date expenditure and full year forecast. Significant variances in excess of an agreed threshold should be commented upon, together with identification of actions in progress or recommended.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Executive Director of Neighbourhood Services and the Executive Director of Corporate Services and appropriate action agreed to address the matters raised.

iv) INTERNAL AUDIT REPORT 2018/06

Client	Corporate
Subject	General Data Protection Regulation (GDPR)

Introduction
In order for the Council to deliver services, meet legal obligations and protect public funds it needs to collect, store, use, share and dispose of personal information. The Council also uses personal information to maintain records, verify identities where required and make contact with individuals by post, email or telephone. The Council has a legislative duty to only store the personal information necessary for its activities or where it has the individual's permission to do so. The Council also receives and shares information with third parties such as HMRC, Police Scotland and the NHS.

On 25 May 2018, two new pieces of legislation came into force that set out how the Council should handle and process personal data, and helped inform the corresponding significant policy and procedural developments required. They are the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 (DPA).

GDPR provides various rights for individuals, including the right of / to:

- be informed;
- access;
- rectification;
- erasure / be forgotten;
- restrict processing;
- data portability;
- object to marketing; and
- object to automated decision making.

Failure to comply with GDPR could result in a monetary penalty being levied on an organisation by the Information Commissioner. For serious breaches the fines could be up to €20 million or four per cent of an organisation's global turnover (whichever is greater) and for less significant failings in compliance a fine of up to €10 million or two per cent of an organisation's global turnover (whichever is greater) could be imposed.

The Council's Information Governance Manager (new in post from August 2017), who is also the Data Protection Officer (DPO) for the organisation and related Arm's Length External Organisations, provides advice and guidance on data protection, arranges for the provision of training for Elected Members and employees and co-ordinates responses to Subject Access Requests and also oversees Freedom of Information. Executive Directors and Heads of Service are responsible for all aspects of compliance with the regulation within their service areas, ensuring that adequate procedures are in place for records management, back up and storage, management of personal data and, where appropriate, its destruction. Each service area appoints a data protection representative both at a strategic and local level to co-ordinate compliance with the regulation, including security, Subject Access Requests and employee awareness.

Scope and Objectives
High level review of the Council's approach to implementing the requirements of the GDPR, with a view to ensuring its duties to protect personal data are effectively discharged.

Conclusion

The principal conclusion drawn from this review is that there are weaknesses in the system which should be addressed.

The main areas highlighted in the report are as follows:

- **GDPR Action Plan (Design, Content, Governance and Deployment):** The Council's GDPR action plan is based on guidance published by the Information Commissioner's Office. To enhance

the action plan a formal gap analysis should be carried out, comparing it against GDPR requirements to identify specific tasks / actions that require to be taken forward to help ensure compliance. A risk-based approach to the implementation of tasks should be defined, along with a detailed list of actions to be completed for each task, specific timelines for completion and estimated resourcing requirements. A formal process should be put in place to track progress made towards implementing the action plan.

- **Personal Data Inventory:** The personal data inventory should be completed and validated using a single template. A process also should be established to ensure the ongoing accuracy of the inventory.

- **Roles and Responsibilities:** Three levels of Privacy Governance Groups have been formed to oversee GDPR actions. To strengthen the governance arrangements, Terms of Reference for each group should be clearly defined, documented and communicated. Privacy roles and responsibilities also should be defined and communicated across Strategic Services. The Council should review whether those appointed to an Information Compliance Representative role are the most appropriate individuals for the role.

- **Privacy Policies, Notices and Consent:** External privacy notices and an internal-facing privacy policy have been formed. There are, however, areas for enhancement surrounding both to ensure they capture the relevant information (e.g. the lawful bases for data processing and general requirements for personal data handling applicable to Council staff). External-facing GDPR privacy statements that have been drafted but yet to be published, should be submitted to the DPO for review and, thereafter, published. In addition, the Council's GDPR Action Plan should be updated to incorporate the requirement to perform a review of personal data capture points within Strategic Services in order to identify and address gaps in privacy policies, notices and consent mechanisms. A formal process for maintaining an effective audit trail of consents should be created.

- **Data Protection Impact Assessment (DPIA):** At the time of the audit fieldwork, areas for improvement on the DPIA process were identified around defining roles and responsibilities for each stage of the process and establishing a process to monitor actions arising from the DPIA. In addition, there were two draft DPIA guidance documents, which required to be reviewed and consolidated. The question set (initial assessment) to help staff determine whether a DPIA is required should be revised to provide guidance on how to answer each question and to explain the steps to be taken where it is identified that a DPIA is required.

- **Data Breach Management:** A draft Data Breach Management Policy and Procedure have been developed. These documents should be finalised and communicated to staff as soon as possible. The requirements for breach detection should be defined and a process established to monitor the completion of post-breach remediation actions.

- **Subject Access Requests (SAR):** A SAR checklist has been developed, which sets out how to complete a SAR. The checklist should be used as a starting point to develop a formal SAR response process which should include internal deadlines for completing a SAR and criteria for valid ID and fee charging. Currently some services manage their own SARs and it is recommended that this approach is reviewed with a view to developing a solution that will ensure consistency of approach and deliver an appropriate level of central oversight.

- **Training and Awareness:** A mandatory general data protection e-learning training course has been developed and Privacy 'toolbox talks' (face-to-face presentations) and access to hardcopies of Council's GDPR handbook have been provided to staff without computer access, however, there is no specific completion deadline for the e-learning training. To reduce the potential risk of staff not having completed the training and being unaware of their responsibilities in relation to personal data handling, a completion deadline should be set for mid-2019 with completion rates tracked centrally by the DPO. The development and roll out of role-specific privacy training also should be prioritised.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Executive Director of Corporate Services and appropriate action agreed to address the matters raised.

v) INTERNAL AUDIT REPORT 2018/12

Client	Corporate
Subject	Communication Strategy

Introduction
The Council's Communications Service provides a professional communications service to all Council service areas and some partner agencies. The Communications Service is available to assist with design, public relations, marketing, internal communications, digital publishing services and providing bespoke advice or consultancy services drawing on the team's extensive experience, knowledge and contacts.

The Communications Service is responsible for producing and ensuring the delivery of the Council's corporate Communication Strategy. The current Communication Strategy, which was approved by the Council's Policy and Resources Committee in April 2018, covers the three year period April 2018 – March 2021. The Strategy is supported by an Operational Action Plan, which is used to focus activities during the year and is updated annually. The vision of the Strategy is to "deliver a modern, multi-channel communications that support the strategic priorities of the council".

It is important that the Council is able to communicate what it does, why it does it and how it does it, to internal and external stakeholders. This includes how the Council communicates with its employees, the public and external organisations, including partners, such as, Leisure and Culture Dundee, NHS Tayside and other local authorities in the Tayside area and beyond.

The Communication Strategy links closely to the Council's Digital Strategy, which includes as part of its key focus to deliver a "Digital Dundee", and the requirement to embrace social media as a tool for engagement and communication, both internally and externally.

Scope and Objectives
Review to assess the effectiveness of the implementation of the Council's new corporate communication strategy, including how it helps manage reputational risk within the organisation.

Conclusion

The principal conclusion drawn from this review is that there is a sound system of control designed to achieve the system objectives and that the controls are being consistently applied.

Good practice points highlighted during the review are as follows:

- The Communication Strategy contains a number of highlighted "We will…" statements along with others which are not specifically highlighted but which, taken together, comprise the objectives that the Council aims to achieve by 2021. These are appropriate and aligned with the overall vision of the Communication Strategy. The Communication Strategy contains the elements Internal Audit would expect and compares well with other local authorities. It is also supported by a Social Media Handbook which has been finalised and is to be disseminated to provide clear guidance on the expectations for staff.

Management Response to the Audit Report
The audit findings and recommendations were formally reported to the Chief Executive and appropriate action agreed to address the matters raised.

vi) INTERNAL AUDIT REPORT 2018/19

Client	Corporate Services
Subject	Internal Financial Controls

Introduction

The Executive Director of Corporate Services, as the Council's Section 95 Officer, is responsible for ensuring appropriate advice is given to the Council on all financial matters, keeping proper financial records and accounts and maintaining an effective system of internal financial control under the terms of the Financial Regulations.

Over the period 2009 - 2016 a significant fraud was perpetrated at the Council. The Council's co-source internal audit provider at the time, PwC, reviewed the circumstances which enabled the fraud to take place. It issued two reports, dated October 2016 and June 2017, identifying control weaknesses and making recommendations for improvement. The first report, which included six recommendations, was the primary output. The second, which was commissioned by the Council to supplement and enhance the initial review, focussed specifically on the processes and controls for the Construction / DCS System and made five additional recommendations to further improve the Council's control environment.

Officers have made progress in the implementation of recommendations, reporting progress to both Scrutiny Committee in December 2017 and full Council in April 2018, following a further review by the Accounts Commission. Internal Audit has also conducted focussed reviews in respect of areas of weakness identified by PwC, including BACS and User Access Levels, making further recommendations for enhancement in internal financial controls. It is of fundamental importance that the recommendations for improvement have been implemented to ensure that the control weaknesses, which enabled the fraud to take place, no longer exist.

Scope and Objectives

Review to determine progress made by the Council towards implementing the recommendations made by PwC in two reports following the serious fraud incident. The review specifically incorporated:

- Identification and testing of the design and implementation of controls established by management to prevent or detect and correct the risk of error within the financial controls based on the six recommendations made by PwC as reported to the Scrutiny Committee on 13 December 2017 – being based on the recommendations in PwC report dated 26 October 2016.
- Identification and testing of the design and implementation of controls established by management to prevent or detect and correct the risk of error within the financial controls based on the five additional recommendations made by PwC, referred to in the report to Council on 23 April 2018 – which makes reference to the further recommendations in PwC report dated 1 June 2017.
- Testing the operating effectiveness of the key financial controls implemented as above.

Conclusion

The principal conclusion drawn from the follow-up work undertaken is that progress has been made to strengthen the control weaknesses highlighted in the two original reports. However, there are some areas where further improvement could be made

The 11 recommendations for improvement raised in the original reports, primarily related to the need to perform reconciliations for general ledger accounts, perform interface reconciliations, implement supplier statement reconciliations, restrict privileged user access for IT systems and enhance segregation of duties within those systems.

Corporate Services has significantly enhanced the control environment in each of the areas covered in the two reports. Key progress relates to:
- A process for daily and monthly reconciliations has been established, for general ledger accounts and key system interfaces. A repository of reconciliations is used to track completion and enable senior review. These reconciliations include the Construction / DCS System and Tranman.
- Supplier statement reconciliations are now performed monthly, with a risk based selection criteria.

Conclusion (Cont'd)

The areas where further improvements should be made, and have been agreed with Corporate Services management, are:
- While a reconciliation process has been implemented and reconciliations are completed, documentation of the reconciliation or evidence of senior review is not always retained. It is important that all reconciliations are evidenced along with the senior review.
- Documentation of key systems, processes and accounting pathways has not been completed to date, but is being compiled as new systems are introduced.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Executive Director of Corporate Services and appropriate action agreed to address the matters raised.

vii) INTERNAL AUDIT REPORT 2018/20

Client	Corporate
Subject	Risk Management Arrangements

Introduction

Effective risk management is an important part of the Council's governance framework and is fundamental to ensuring that significant risks are appropriately mitigated. The Council's risk management arrangements are intended to support the identification, documentation, scrutiny and management of both current and emerging risks. The range and extent of services provided by the Council results in a varied and complex risk profile. It is, therefore, important that there are sound risk management arrangements in place to capture all risks and manage and escalate these appropriately.

In early 2018, KPMG, the Council's co-sourcing partner for internal audit services, supported the Council Management Team in holding a risk management workshop which facilitated the preparation of an updated Corporate Risk Register. The Corporate Risk Register has since been reviewed, with the most recent version being approved by the Policy and Resources Committee at its meeting in December 2018.

The Council's Risk Management Strategy was last reviewed in 2013, and did not include a Policy Statement or Risk Appetite. A revised Risk Management Policy and Strategy (RMPS) document has been formed and now incorporates a Risk Appetite and Risk Assessment Matrices which have been developed by members of the Council Management Team through a new Corporate Risk Management Working Group (CRMWG) and subsequently approved by the Policy and Resources Committee in December 2018.

An audit report on risk management was issued in January 2018 which has led to the development of a Risk Management Improvement Plan, being taken forward by the Council to address the internal audit recommendations. Progress towards completion of the Risk Management Improvement Plan (RMIP) has been monitored throughout the year by the Council Management Team, Policy & Resources Committee and Scrutiny Committee.

The Executive Director of Corporate Services is the Council's Senior Responsible Officer for risk management, although it is the collective responsibility of all Members and officers. To enable risk management to be further embedded within the Council, a process of developing Service Risk Registers which support the Corporate Risk Register is being progressed in line with a formal roll-out plan by a new Corporate Risk Management Co-ordinator (CRMC). Risk management procedures and an eLearning package are currently being prepared to support that process.

The Corporate Risk Register has been recorded within the risk module of Pentana, the Council's Corporate Performance and Risk Management system, in order to support effective ongoing control, monitoring and reporting. Pentana will also be used to record Service Risk Registers, and associated controls and actions, as they are developed.

Scope and Objectives

Review of the progress made towards improving the Council's risk management arrangements at a corporate and service level against recognised good practice.

Conclusion

The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.

Significant progress has been made in enhancing the risk management arrangements at the Council. Key areas of progress are:

- Enhanced governance arrangements are now embedded, including the formation and implementation of a quarterly CRMWG chaired by the Executive Director of Corporate Services as Senior Responsible Officer and attended by Risk Champions, nominated by each Service, as well as Leisure and Culture Dundee and Dundee Health and Social Care Partnership (DH&SCP).

- A revised RMPS has been approved, which includes a standardised approach to scoring risk aligned to the Pentana risk matrix, and a newly defined risk appetite methodology to support strategic decision making.
- A CRMC was appointed in July 2018, responsible for driving forward and co-ordinating implementation of the RMIP. At the time of the Internal Audit fieldwork, 10 out of the 21 actions on the RMIP were validated as complete through the internal audit, with the remaining 11 on track.
- The CRMC is facilitating risk management workshops with each Service which will include specific sessions for Pentana training and assurance mapping. The workshops for Corporate Services have taken place and positive feedback was received from the attendees.
- Following a review of the Corporate Risk Register, the DH&SCP has been considered as an individual risk in its own right, given the potential impact it could have on Council operations. Formerly it was considered under a consolidated risk of "DCC002: Effectiveness of Partnerships" which encompassed wider and more generic risks in relation to Partnerships. By treating DH&SCP individually as a specific risk, it demonstrates that the enhanced risk management processes are leading to improved and more focused actions.

The main areas commented upon in the report, which in this instance are routine findings, are as follows:

- With risk management being an important part of the Council's governance framework, the CRMC is a critical role in respect of progressing the Council's RMIP. The potential business continuity solution that management is already seeking should be progressed as soon as possible.
- The action on the RMIP in relation to the e-learning modules should be expanded to include consideration of whether to make the modules mandatory for all staff, and whether further e-learning modules will be specifically required for senior management.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Executive Director of Corporate Services and appropriate action agreed to address the matters raised.

viii) INTERNAL AUDIT REPORT 2018/22

Client	Corporate
Subject	**Follow-up Review of Revenue Monitoring**

Introduction
As part of the planned internal audit work, a follow-up review of Internal Audit Report 2016/21, Revenue Monitoring, was undertaken. The original internal audit report concluded that there were weaknesses in the system which should be addressed. The main areas highlighted in the report were as follows: • To assist with business continuity and ensuring a consistent approach going forward, the Revenue Budget Control Manual should be reviewed and revised to reflect the Council's current revenue monitoring process, including updated roles and responsibilities. • To ensure that there is sufficient time available to enable adequate scrutiny at all stages of the revenue monitoring process, management should review the timetable in place. • The revenue monitoring report submitted to the Policy and Resources Committee should be expanded to include, as appropriate, a section detailing remedial actions already taken and / or high level plans in place to address any significant net overspends reported.

Scope and Objectives
To assess whether or not each of the recommendations agreed by management in the Internal Audit Report 2016/21 have been implemented within the given timescales. The follow-up review was restricted to areas included in the original report.

Conclusion
The principal conclusion drawn from the follow-up work undertaken is that whilst some action has been taken to strengthen the control weaknesses highlighted in the original review there is one recommendation which has not yet been fully implemented by management. The main area where actions agreed by management is still outstanding is as follows: • The Revenue Budget Control Manual has been updated to incorporate the recommendations from the original report, however one of the recommendations is "partly implemented" and further action is required. More specifically, the revenue monitoring process should be enhanced to include defined thresholds for the reporting of budget variances and remedial plans / actions within the revenue monitoring reports.

Management Response to the Audit Report
The audit findings and recommendations were formally reported to the Executive Director of Corporate Services and appropriate action agreed to address the matters raised.

ix) INTERNAL AUDIT REPORT 2018/23

Client	Corporate Services
Subject	Follow-Up Review of Financial Systems

Introduction
As part of the planned internal audit work, a follow-up review of Internal Audit Report 2015/06, Financial Systems, has been undertaken. The original internal audit report concluded that there were weaknesses in the system which should be addressed. The main areas highlighted in the report were as follows: • Whilst reconciliations are being undertaken, in some cases insufficient evidence was available to demonstrate that they had been performed appropriately and that reconciling items had been considered, investigated and resolved. In addition, specific areas for improvement were identified in a small number of reconciliations reviewed and steps should be taken to ensure that these matters are resolved within a reasonable timeframe to ensure they are fully effective. • A summary of key systems and corresponding reconciliations has been drafted, however, before a Reconciliation Framework can be fully established, further work is required surrounding the identification of other key systems and corresponding reconciliations as well as the development of guidance for staff that includes a definition of a reconciliation, how they should be performed, how the independent review process should work in practice and what supporting evidence should be retained for both the reconciliation itself and the review.

Scope and Objectives
To assess whether or not each of the recommendations agreed by management in Internal Audit Report 2015/06 have been implemented within the given timescales. The follow-up review was restricted to areas included in the original report.

Conclusion
The principal conclusion drawn from the follow up work undertaken is that progress has been made to strengthen the control weaknesses highlighted in the original report. There are some areas where further improvement could be made. The main area where further improvement could be made is as follows: • Although a Reconciliation Framework has been implemented and reconciliations are completed, documentation of the reconciliation or evidence of senior review is not always retained. It is important that all reconciliations are evidenced along with the senior review to ensure the Framework is used consistently and the benefits of the Framework are realised.

Management Response to the Audit Report
The audit findings and recommendations were formally reported to the Executive Director of Corporate Services and appropriate action agreed to address the matters raised.

x) INTERNAL AUDIT REPORT 2018/24

Client	Corporate
Subject	Follow up Review of ICT Risk Management

Introduction
As part of the planned internal audit work, a follow-up review of Internal Audit Report 2016/10, ICT Risk Management was undertaken.

The original internal audit report concluded that there were weaknesses in the system which should be addressed. The main areas highlighted in the report were as follows:

• To assist the IT Service with the implementation of formal risk management arrangements, an ICT risk register was drafted in consultation with management following a number of workshops. To facilitate ongoing management of ICT risks, the IT Service should adopt and finalise the draft risk register and introduce formal procedures to ensure that it is continuously reviewed and, where appropriate, updated. During each review process, the risk evaluations should be re-assessed. The ICT risk landscape as well as the internal controls in place to mitigate each risk on the register should also be considered as part of that exercise. Going forward, to ensure that the risk register remains aligned to key internal and external ICT threats, steps should be taken to make sure that any new/evolving risks are identified and incorporated timeously into the risk register where appropriate.

Scope and Objectives
To assess whether or not each of the recommendations agreed by management in Internal Audit Report 2016/10 have been implemented within the given timescales. The follow-up review was restricted to areas included in the original report.

Conclusion
The principal conclusion drawn from the follow-up work undertaken is that the actions taken by management have addressed the control weaknesses highlighted in the original review.

xi) INTERNAL AUDIT REPORT 2018/29

Client	Corporate
Subject	Follow-up Review of Information Governance

Introduction

As part of the planned internal audit work, a follow-up review of Internal Audit Report 2016/13, Information Governance was undertaken.

The original internal audit report concluded that there were weaknesses in the system which should be addressed. The main areas highlighted in the report were as follows:

- To improve co-ordination, achieve a consistent approach to Information Governance throughout the Council and assist with ensuring compliance with legislative and regulatory requirements, a formal Information Governance framework should be developed. As part of the framework, roles and responsibilities should be clearly assigned, an overarching Information Governance Policy developed, with links to up-to-date associated policy documents, and a Steering Group introduced to co-ordinate the work required within the Council. In addition, a review of existing groups with Information Governance responsibilities should be undertaken.

- Executive Directors, in conjunction with Legal Services, should review whether or not the arrangements in place within their service, including the allocation of roles and responsibilities, ensure compliance with Information Governance legislative and regulatory requirements.

- To ensure that the Records Management Plan is submitted by the June 2017 deadline, senior management should ensure that the actions contained within the action plan, developed to assist with timeous submission, are progressed as intended in line with target implementation dates.

Scope and Objectives

To assess whether or not each of the recommendations agreed by management in Internal Audit Report 2016/13 had been implemented within the given timescales. The follow-up review was restricted to areas included in the original report.

Conclusion

The principal conclusion drawn from the follow-up work undertaken is that whilst some action has been taken to strengthen the control weaknesses highlighted in the original review there are still some recommendations which require to be implemented by management.

The main areas where actions agreed by management are still outstanding are as follows:

- A formal Information Governance framework and an overarching Information Governance policy have not yet been fully developed. In addition, privacy roles and responsibilities have not been formally documented and communicated. Some Information Governance-related policy, procedure and guidance documentation is, however, in draft form.
- Service level reviews (including Leisure & Culture Dundee and Dundee Health and Social Care Partnership) to establish whether or not Information Governance arrangements in place locally ensure compliance with relevant legislative and regulatory requirements have not been carried out. In an effort to raise awareness of Information Governance across the Council, a mandatory general data protection e-learning training course has been distributed to staff. However, there is no specific completion deadline and consequently it may not yet have been completed by all relevant staff. The level of seniority of some Information Compliance Representatives may impact their ability to fulfil their role effectively.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Executive Director of Corporate Services and appropriate action agreed to address the matters raised.