



East Herts Council
Performance, Audit and Governance Scrutiny
Committee

31 July 2019

Shared Internal Audit Service –
Progress Report

Recommendation

Members are recommended to:

- a) Note the Internal Audit Progress Report
- b) Note the Status of Critical and High Priority Recommendations

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1 Introduction and Background

Purpose of Report

- 1.1 To provide Members with:
- a) The progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's 2019/20 Internal Audit Plan as at 12 July 2019.
 - b) The findings for the period 1 April 2019 to 12 July 2019.
 - c) The proposed amendments required to the approved Internal Audit Plan.
 - d) The implementation status of previously agreed audit recommendations.
 - e) An update on performance management information as at 12 July 2019.

Background

- 1.2 Internal Audit's Annual Plan for 2019/20 was approved by the Audit Committee at its meeting on 12 March 2019. The Audit Committee receive periodic updates against the Annual Internal Audit Plan.
- 1.3 The work of Internal Audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit function is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed Annual Internal Audit Plan.

2 Audit Plan Update

Delivery of Audit Plan and Key Audit Findings

- 2.1 As at 12 July 2019, 22% of the 2019/20 Audit Plan days have been delivered (the calculation excludes contingency days that have not yet been allocated).
- 2.2 The following 2019/20 final reports and assignments have been issued for audits from the 2019/20 Audit Plan:

Audit Title	Date of Issue	Assurance Level	Number of Recommendations
Insurance	June 2019	Satisfactory	One Medium, One Low / Advisory
Health and Safety	June 2019	Satisfactory	Three Medium, One Low / Advisory
Business Continuity	July 2019	Satisfactory	Four Medium, Three Low / Advisory

- 2.3 The following 2018/19 final reports and assignments have also been issued in the period since the last Audit Committee on 12 March 2019:

Audit Title	Date of Issue	Assurance Level	Number of Recommendations
Creditors	March 2019	Good	None
Debtors	March 2019	Good	None
Main Accounting	March 2019	Good	None
Payroll	March 2019	Good	One Low / Advisory
Treasury Management	March 2019	Good	None
Homelessness Reduction Act	March 2019	Satisfactory	One Medium, One Low / Advisory
TSS Improvement Plan – Governance	March 2019	Limited	Two High, Three Medium
Cyber Security (follow up)	April 2019	NA	Two High, One Medium, Two Low / Advisory
Incident Management (follow up)	April 2019	NA	Three High, One Medium
Digital East Herts	April 2019	Limited	Two High, One Medium
Asset Management	May 2019	Satisfactory	One Medium, One Low / Advisory
Joint Waste Contract	July 2019	Limited	One High, Three Medium

2.4 The table below summarises the position with regard to 2019/20 projects as at 12 July 2019. Appendix A provides a status update on each individual project within the 2019/20 Internal Audit Plan. Details of indicative start dates for the individual projects are shown in Appendix C.

Status	No. of Audits at this Stage	% of Total Audits
Final Report Issued	3	9%
Draft Report Issued	2	6%
In Fieldwork/Quality Review	2	6%
In Planning/Terms of Reference Issued	3	9%
Allocated	9	29%
Not Yet Allocated	12	38%
Deferred/Cancelled	1	3%
Total	32	100%

Proposed Audit Plan Amendments

- 2.5 Audit work associated with checking the annual payroll pension certificate has been cancelled and carried out by Finance staff instead. The audit day associated with this work has been returned to contingency.

Critical and High Priority Recommendations

- 2.6 Members will be aware that a Final Audit Report is issued when it has been agreed (“signed off”) by management; this includes an agreement to implement the recommendations that have been made.
- 2.7 The schedule attached at Appendix B details any outstanding Critical and High priority audit recommendations.

Performance Management

- 2.8 The 2019/20 annual performance indicators were approved at the SIAS Board meeting in March 2019. Targets were also agreed by the SIAS Board for the majority of the performance indicators.
- 2.9 The actual performance for East Herts Council against the targets that can be monitored in year is set out in the table below:

Performance Indicator	Annual Target	Profiled Target	Actual to 12 July 2019
1. Planned Days – percentage of actual billable days against planned chargeable days completed	95%	19% (62/329 days)	22% (74/329 days)
2. Planned Projects – percentage of actual completed projects to draft report stage against planned completed projects	95%	16% (5/32 projects)	16% (5/32 projects)
3. Client Satisfaction – percentage of client satisfaction questionnaires returned at ‘satisfactory’ level	100%	100%	100% (1 received) Note (1)
4. Number of Critical and High Priority Audit Recommendations agreed	95%	95%	None made at the time of writing this report

Note (1) – the 1 received in 2019/20 relate to 2018/19 projects.

APPENDIX A - PROGRESS AGAINST THE 2019/20 AUDIT PLAN

2019/20 SIAS Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Key Financial Systems – 74 days									
Main Accounting System (General Ledger)						10	No	0	Not yet allocated
Debtors						10	No	0	Not yet allocated
Creditors						10	No	0	Not yet allocated
Treasury Management						6	No	0	Not yet allocated
Payroll						10	No	0	Not yet allocated
Council Tax						6	No	0	Not yet allocated
NDR						6	No	0	Not yet allocated
Housing Benefits						6	No	0	Not yet allocated
Asset Management						10	No	0	Not yet allocated
Payroll Pension Certificate						0	No	0	Cancelled
Operational Audits – 108 days									
Health and Safety	Satisfactory	0	0	3	1	10	Yes	10	Final report issued
Recruitment Process						10	No	0	Not yet allocated
Land Charges						10	Yes	6.5	In fieldwork
Members Allowances and Expenses						8	Yes	0.5	In planning
Recycling						10	No	0	Not yet allocated
Homeless Reduction Act / Temp Accom.						10	No	0	Not yet allocated
Community Grants Programme / Lottery						8	Yes	0	Allocated
Herts Home Improvement Agency						2	No	0	Allocated
Consultation and Engagement						10	Yes	4	In fieldwork
Business Continuity Planning	Satisfactory	0	0	4	3	10	Yes	10	Final report issued
Budgetary Control						10	Yes	0	Allocated
Complaints Policy and Procedure						10	Yes	9.5	Draft report issued

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AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Procurement, Contract Management and Project Management – 20 days									
Procurement						10	Yes	0	Allocated
Contract Management						10	Yes	1	In planning
Risk Management and Governance – 16 days									
Insurance	Satisfactory	0	0	1	1	8	Yes	8	Final report issued
Risk Management						8	Yes	7.5	Draft report issued
IT Audits – 24 days									
IT Service Shared Service Agreement						6	Yes	0	Allocated
Cyber Security Follow-up						6	Yes	0	Allocated
Information Management						6	Yes	0	Allocated
Project Management						6	Yes	0	Allocated
Shared Learning and Joint Reviews – 10 days									
Shared Learning						4	No	0	Through year
Joint Reviews – tbd						6	No	0	Through year
Counter Fraud – 3 days									
Counter Fraud – matters arising						3	No	0	Through year
Ad Hoc Advice – 1 days									
Ad Hoc Advice						1	No	0.5	Through year
Follow-up Audits – 7 days									
S106 Spend Arrangements						6	Yes	0.5	In planning
CCTV – joint review						1	Yes	0	Allocated
Completion of 18/19 Projects – 10 days									
Various						10	Yes	0	In progress
Contingency – 11 days									
Contingency						11	No	0	Not yet allocated
Strategic Support – 56 days									

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AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Annual Report and Head of Internal Audit Opinion 2018/19						5	Yes	5.0	Complete
Audit Committee						12	Yes	2.5	Through year
Follow Up of Audit Recommendations						4	Yes	0.5	Through year
Client Liaison						10	Yes	1	Through year
Liaison with External Audit						1	Yes	0.5	Through year
Plan Monitoring						9	Yes	1.5	Through year
SIAS Development						5	Yes	5.0	Through year
2020/21 Audit Planning						10	Yes	0	Allocated
SBC TOTAL		0	0	8	5	340		74	

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
1.	<p>CCTV - joint review led by Stevenage Borough Council (2018/19) - <i>These recommendations and their implementation status are overseen and monitored by Stevenage Borough Council as the lead authority but are included here for Member information.</i></p>	<p>We recommend that the governance framework for the overall CCTV Partnership is reviewed and confirmed as being fit for purpose, or changed as necessary, and is clearly understood by all parties, including the respective roles and responsibilities of the relevant Members and Officers.</p>	<p>We will draft a governance framework for the overall CCTV arrangements to include:</p> <ul style="list-style-type: none"> - Governance for Hertfordshire CCTV Partnership - Governance for Hertfordshire CCTV Partnership Ltd. - Governance lines between the Partnership and the Company - Member roles and responsibilities - Officer roles and responsibilities <p>These will be consulted on and agreed by the CCTV Joint Executive and the Company Board of Directors.</p>	<p>CCTV Joint Executive and Company Board of Directors.</p>	<p>1 December 2018. Revised to 31 May 2019.</p>	<p><u>January 2019.</u> Recommended to the CCTV Joint Executive on 22 January 2019 that a detailed options paper will be put the CCTV Executive Group at its meeting on 10 April 2019.</p> <p><u>March 2019.</u> On track.</p> <p><u>July 2019.</u> The Joint Executive did not meet as planned on 10 April 2019. The Draft Framework was presented to the Joint Executive on 5 June 2019.</p>	<p>Implemented.</p>
2.	<p>CCTV - joint review (2018/19) - <i>As above.</i></p>	<p>We recommend that an appropriate new Partnership Agreement between the current four CCTV Partner Authorities is drawn up and executed. It should</p>	<p>We will prepare an updated CCTV Partnership Agreement drafted through the CCTV Officer Management Board to be signed by all four Partner</p>	<p>CCTV Officer Management Board.</p>	<p>31 March 2019. Revised to 30 September 2019.</p>	<p><u>January 2019.</u> On track.</p> <p><u>March 2019.</u> On track.</p>	<p>Not yet implemented – continue to monitor.</p>

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		clearly include the specific roles and responsibilities of the Partner Authorities. It should also clearly state the relationship the Partner Authorities have with Hertfordshire CCTV Partnership Ltd. and the function of that company in respect of the overall CCTV Partnership.	Authorities.			<u>July 2019.</u> In progress.	
3.	CCTV - joint review (2018/19) - <i>As above.</i>	We recommend that the current Shareholders' Agreement for the Company is reviewed to ascertain if it remains fit for purpose and, if so, that the terms are fully complied with.	The Company Directors' will consider this recommendation through their Shareholder Representatives in light of future considerations relating to the future of Hertfordshire CCTV Partnership Ltd.	Company Board of Directors.	31 March 2019.	<u>January 2019.</u> On track. <u>March 2019.</u> On track. <u>July 2019.</u> A review of the shareholder agreement has been undertaken and was presented to the Joint Executive on 5 June 2019.	Implemented.
4.	CCTV - joint review (2018/19) - <i>As above.</i>	We recommend that appropriate revised / new Terms of Reference for the CCTV Joint Executive and the CCTV Officer Management Board are drawn up and	Terms of Reference will be updated for the CCTV Joint Executive and a Terms of Reference will be created for the CCTV Officer Management Board.	CCTV Joint Executive and CCTV Officer Management Board.	31 March 2019.	<u>January 2019.</u> On track. <u>March 2019.</u> On track.	Implemented.

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		formally agreed.				<p><u>July 2019.</u> Draft Revised Terms of Reference presented at the Joint Executive on 5 June 2019.</p>	
5.	CCTV - joint review (2018/19) - <i>As above.</i>	We recommend that, once agreed, the revised/new Terms of Reference for the CCTV Joint Executive and the CCTV Officer Management Board are revised / added in the Constitutions for each of the four Partner Authorities, together with the updated Member/Officer representation for both groups.	New Terms of Reference will be submitted for formal incorporation into constitutional arrangements for the four Partner Authorities.	Each of the four Partner Authorities.	31 July 2019.	<p><u>January 2019.</u> On track.</p> <p><u>March 2019.</u> On track.</p> <p><u>July 2019.</u> On track following approval at the Joint Executive on 5 June 2019.</p>	Implemented.
6.	CCTV - joint review (2018/19) - <i>As above.</i>	We recommend that a new five-year Business Plan for the overall CCTV Partnership is drawn up and agreed. As a minimum, the plan should be monitored on a monthly basis in terms of achievements against projections and it should be the subject of a full review and refresh annually to cover the next five	We will develop a new five-year rolling Business Plan (with monthly monitoring and full annual reviews) for the overall Hertfordshire CCTV Partnership based on decisions about the future direction of Hertfordshire CCTV Partnership Ltd.	CCTV Joint Executive and Company Board of Directors.	31 July 2019.	<p><u>January 2019.</u> On track.</p> <p><u>March 2019.</u> On track.</p> <p><u>July 2019.</u> Stevenage BC has allocated a new accountant to support the CCTV Partnership - a recharge schedule has been produced and</p>	Implemented.

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		years ahead on a rolling basis. Besides financial projections, it should include non-financial aims and targets that should be monitored, reviewed and refreshed on the same basis.				<p>agreed by the CCTV Officer Management Board</p> <ul style="list-style-type: none"> - In-year budget forecasts for the CCTV budget are now being produced by Stevenage BC and shared with the partnership authorities - the ownership and status of each camera has been established to inform budget setting for 2019/20 and the legal review - CCTV company is revising its 5-year business plan <p>Following future member decisions on the company and status of various cameras, the CCTV Officer Management Board will ensure that from 2019/20 onwards, detailed annual budgets will be drawn up within the context of an overall direction of travel for the CCTV Partnership for the coming five years.</p>	
7.	CCTV - joint review (2018/19) -	We recommend that all reporting arrangements for the	Authority reporting arrangements to be included as part of a	CCTV Joint Executive, CCTV Officer	31 July 2019.	<u>January 2019.</u> On track.	Not yet implemented – continue to monitor.

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	<i>As above.</i>	Partner Authorities are formally reassessed, agreed and documented to ensure there is complete clarity and transparency of expectations and understanding across all interested parties regarding the need, responsibility, frequency, timing, content, format and distribution of each report required.	revised Partnership Agreement, Shareholder Agreement and Terms of Reference as necessary.	Management Board and Company Board of Directors as appropriate.	Revised to 30 September 2019.	<p><u>March 2019.</u> On track.</p> <p><u>July 2019.</u> This will be captured as part of the partnership agreement. Revised deadline is 30 September 2019.</p>	
8.	Cyber Security (2017/18).	<p>The Council must define its position regarding its ability to identify and manage devices that are connecting to its IT network.</p> <p>A solution must be able to manage devices that have physically connected to the Councils' IT networks.</p> <p>Devices that have connected to the network should be reviewed and, where they are found to have not been authorised, they should be removed. The solution</p>	This will be resolved with the correct solution not only for devices but also for ports on all devices that need to be restricted.	Strategic ICT Partnership Manager.	31 March 2019.	<p><u>January 2019.</u> This is a new addition and the management response opposite is therefore the latest comment.</p> <p><u>March 2019.</u> On track.</p> <p><u>July 2019.</u> The Intune solution which is part of Microsoft 365 will be implemented this year and used to control mobile devices.</p> <p>Network solutions are</p>	Superseded by No.12 (page 16).

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		<p>should include the use of personal devices to connect to the IT network.</p> <p>Furthermore, management should put arrangements in place to monitor network access on a regular basis.</p>				<p>being investigated by the security & network team.</p>	
9.	Cyber Security (2017/18).	<p>Management should perform a full review of the Councils' perimeter firewall rules and, where necessary, remove inactive or unnecessary rules unless explicitly required. The 'Any' rules should be replaced with port object groups that contain an explicit set of ports as required for the rule.</p> <p>Management should also ensure that all users that have access and can make changes to any of the Councils' external firewall rules have individual accounts and should put arrangements in place for monitoring all configuration changes.</p>	<p>The majority of the council's firewalls need replacing and part of that work will require the correct configuration and management. ICT Partnership Manager has been tasked to restructure the ICT department and as part of that to have dedicated security and network staff to resolve and maintain control of these areas.</p>	Strategic ICT Partnership Manager.	31 March 2019.	<p><u>January 2019.</u> This is a new addition and the management response opposite is therefore the latest comment.</p> <p><u>March 2019.</u> On track.</p> <p><u>July 2019.</u> Replacement of Firewalls will take place following procurement from April 2020. Firewalls are being evaluated and recorded by the Security & network team.</p>	Superseded by No.13 (page 17).

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		Furthermore, management should establish a record of how all firewalls, both internal and external, have been configured and should review the rules for appropriateness on a routine basis.					
10.	TSS Improvement Plan – Governance (2018/19).	Management should complete the review of the IT policies and tailor them to the needs of both Councils. The purchased IT policy software should be deployed without any further delay and the policies should be made available to all members of staff. Management should track and monitor staff attestation and responses. Furthermore, management should review and, where necessary, revise the Service’s IT procedures so that they are consistent across both Councils. The procedures should be documented and	Meta - compliance must be fully implemented first to assure acceptance and compliance from staff and this cannot be rolled out till Azure-AD project is finalized. This project has been assigned to Project Manager Roxanne Owedele. Time-line as follows: Azure AD - end of May Implementation of Meta - Compliance – end of July Deployment of polices as written on intranet - as completed Deployment of policies via Meta-Compliance two a month – Final	ICT Strategic Partnership Manager.	Creation - April to August 2019 Deployment – November 2019	July 2019. This is a new addition and the management response opposite is therefore the latest comment.	Not yet implemented – continue to monitor.

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		communicated to all members of staff.	completion November During that period policies will be confirmed and placed on the intranet, with a number that must be written or amended. To get staff fully compliant will require roll-out of Meta - Compliance. There are two classifications, policies and protocols; policies are documents which all staff need to adhere to and protocols are internal polices for ICT staff only. Policies: Acceptable Usage Policy – Written and gone to HR for consultation Data Protection Policy – Completed and on intranet Mobile Device Policy – In draft security team to approve ICT Monitoring Policy - Security team to write ICT Remote Working Policy - Security				

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
			team/MGT team to write Social Media Policy – Completed and on intranet Data sharing policy (Contractors) - Security team to write Protocols: Security Breach response Protocol - Security team to write Change Control Protocol – In draft				
11.	TSS Improvement Plan – Governance (2018/19).	Representatives from both Councils should agree a shared set of expectations for how technology will be used to achieve their respective strategic objectives. These expectations should form the basis for a defined IT Strategy for the Shared IT Service, which should include as a minimum: The expectations for the levels of service to be provided The metrics for monitoring the performance of the	ICT strategy & Roadmap are being written in collaboration with Microsoft Navigator consultancy project.	ICT Strategic Partnership Manager.	August 2019.	<u>July 2019.</u> This is a new addition and the management response opposite is therefore the latest comment.	Not yet implemented – continue to monitor.

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		<p>Shared IT Service.</p> <p>The performance of the Service should be reviewed on a routine basis by the ICT Partnership Board and measured against the defined metrics and key performance indicators.</p>					
12.	Cyber Security follow up (2018/19).	<p>Management should establish a network access control to block unknown or unauthorised devices from connecting to the Council's IT network. This should include restricting the ability to physically connect to the IT network.</p> <p>Where there is a demonstrable need for a device to connect to the IT network, the Service should require:</p> <p>The purpose for the connection has been recorded</p> <p>Appropriate security controls have been enabled on the device connecting to the IT network</p> <p>The period of time that the device will require</p>	<p>The Council has created a Security & Network Team who has been tasked to look at security / network tools. There is also a planned upgraded Office 365 and in particular Intune to manage all mobile (non-network connected) devices. The plan is to ensure that only known devices are allowed to access Council systems.</p>	ICT Strategic Partnership Manager.	<p>Network Tools July 2019.</p> <p>Intune October 2019.</p>	<p><u>July 2019.</u></p> <p>This is a new addition and the management response opposite is therefore the latest comment.</p>	Not yet implemented – continue to monitor.

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		<p>the connection All connections are approved before being allowed to proceed. Devices connected to the IT network should be reviewed on a routine basis.</p>					
13.	Cyber Security follow up (2018/19).	<p>There should be a record of the configuration of the Council's firewalls, which includes but is not limited to: The purpose of all of the rules The expected configuration and activity for each rule The member of staff that requested and approved the rule The configuration of the firewall should be reviewed on a routine basis. The Service should develop a Firewall rule policy to provide the list of controls that are required to secure firewall implementations to an approved level of</p>	<p>The Council has created a Security & Network Team who have been tasked to look at replacing the entire Firewall (and switch) estate. As part of this work all firewall configurations will need to be reviewed and recorded.</p>	<p>ICT Strategic Partnership Manager.</p>	<p>November 2019.</p>	<p><u>July 2019.</u> This is a new addition and the management response opposite is therefore the latest comment.</p>	<p>Not yet implemented – continue to monitor.</p>

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		security.					
14.	Incident Management follow up (2018/19).	<p>Management should update the Council's IT disaster recovery plan to include the procedure for establishing all IT services at a single data centre.</p> <p>A complete IT Disaster Recovery scenario test on all applications and systems should take place to provide assurance that recovery could happen within the expected time frame.</p> <p>The Service should document the results of the test to determine the further actions required to improve the efficacy of the plan.</p>	<p>We have started a project to install a secondary Microwave link between our data centres. This will give us a resilient link where either can be down, and connectivity remains.</p> <p>Also, with our upgrade to horizon VDI, we are installing hardware which will allow either site to run 100% of capacity allowing the complete downing of one site for upgrade work but will of course allow for full capacity in the event on one data centre being of offline.</p>	ICT Strategic Partnership Manager.	August 2019 – Microwave Link. October 2019 - VDI upgrade.	<p><u>July 2019.</u> This is a new addition and the management response opposite is therefore the latest comment.</p>	Not yet implemented – continue to monitor.
15.	Incident Management follow up (2018/19).	<p>Management should update the Council's IT disaster recovery plan to include the procedure for establishing all IT services at a single data centre.</p> <p>A complete IT Disaster Recovery scenario test</p>	<p>Also, with our upgrade to horizon VDI, we are installing hardware which will allow either site to run 100% of capacity allowing the complete downing of one site for upgrade work but will of course allow</p>	ICT Strategic Partnership Manager.	August 2019 – DR review. October 2019 - VDI upgrade.	<p><u>July 2019.</u> This is a new addition and the management response opposite is therefore the latest comment.</p>	Not yet implemented – continue to monitor.

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		<p>on all applications and systems should take place to provide assurance that recovery could happen within the expected time frame.</p> <p>The Service should document the results of the test to determine the further actions required to improve the efficacy of the plan.</p>	<p>for full capacity in the event on one data centre being of offline.</p>				
16.	Incident Management follow up (2018/19).	<p>Management should define the processing capacity threshold at which it is no longer possible for a data centre to operate as the single data centre. This should be monitored and, where exceeded, appropriate action should be taken.</p>	<p>The UPS provision has been designed to cover the servers in the data centre only during the small time period required for the generator to kick into action. Staff will lose access to their monitor for that period but due to the VDI provision will not lose any work. This has been tested as normal, but we also had a recent small power outage which caused the generator to kick in and was shown to work as configured.</p>	ICT Strategic Partnership Manager.	Completed.	<p><u>July 2019.</u></p> <p>This is a new addition and the management response opposite is therefore the latest comment.</p>	Implemented.

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
17.	S106 Spend Arrangements (2018/19).	Record keeping of S106 contributions, the spend arrangements and associated timeframes be reviewed to confirm fitness for purpose. An effective master record is adopted for monitoring and reporting purposes.	There currently exist a number of records relating to different areas of Section 106. These include our planning system – Uniform, our finance system – Advanced and a further Excel based database. It is recognised that there exists some gaps in these and a full audit of contained data has commenced and a single harmonised database will be established to provide monitoring triggers, fund allocation and reporting.	Deputy Chief Executive Officer.	April 2019.	<p><u>February 2019</u> On track.</p> <p><u>July 2019.</u> S106 Officer appointed in April and consolidation of records has taken place. The officer has identified some missing information which is being added to the records.</p>	Implemented.
18.	S106 Spend Arrangements (2018/19).	The Council establish a sound legal position in respect of any time expired contributions. Contributions due to expire in the near future are subject to urgent consideration and remedial action where required.	All mentioned funding had already been highlighted internally and work on the pertinent contributions is ongoing to ensure application. Before any final allocation any project would be scrutinised by our legal team to ensure complicity with all relevant contractual requirements and stipulations. A S106	Deputy Chief Executive Officer.	February 2019.	<p><u>February 2019</u> On track.</p> <p><u>July 2019.</u> The S106 officer has developed a strong working relationship with the Legal team and is prioritising funding initiatives where expiry is approaching.</p>	Implemented.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
			Officer group has also been established to oversee allocation.				
19.	Digital East Herts (2018/19).	<p>We recommend that management should conduct a robust review of active projects at risk, or likely to become at risk, to determine if strategic intervention is needed by Leadership Team. This should include making sure the financial savings targets set are actually viable and likely to be met by the deadline of 31 March 2020. Any projects identified as highly likely not to produce the minimum financial savings expected should be escalated to Leadership Team so that remedial action to adjust or re-assign targets can be taken in a timely manner.</p> <p>We also recommend that management should develop a new list of potential digital projects for Leadership Team to consider, as a way to find solutions to</p>	<p>Issue in most cases is that project delivery (in terms of outputs) is on track. However, the cashable savings linked to the project are at risk of not materialising.</p> <p>For example, where new systems have been implemented the work has been completed however no direct savings have been realised. In some projects also, savings are being discussed as part of a review of shared budgets between East Herts and Stevenage.</p> <p>As part of the year end close down process, each Head of Service will be discussing their 18/19 and 19/20 budgets. Savings will be validated at this point. A wider piece of work will also take place afterwards looking at efficiency targets for</p>	Head of Communications, Strategy and Policy.	September 2019.	<p><u>July 2019</u></p> <p>This is a new addition and the management response opposite is therefore the latest comment.</p>	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		cover the £50,000 shortfall presently being forecast.	19/20 where the remaining shortfall will be identified.				
20.	Joint Waste Contract (2018/19).	<p>The four performance indicators in place have a significant weighting within the PMR and therefore measuring these allows management to assess service delivery. We recommend that management undertake an exercise of prioritising the remaining indicators and determine which the next most important service measurement indicators are. This should be part of the project currently underway.</p> <p>In addition, we recommend that priority is given to formally agreeing the service failure types to be measured. A clear and defined record of all adjustments to the PMR should be maintained and appropriate approval</p>	<p>A clear structure including timescales for the full implementation of PMR criteria was in place at the time of audit and since close of audit this has continued to be worked upon.</p> <p>We are currently carrying out works on the remaining categories and anticipate these to be fully implemented for end of August 19.</p>	Joint Waste Services Manager.	30 August 2019.	<p><u>July 2019</u> This is a new addition and the management response opposite is therefore the latest comment.</p>	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS





No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (12 July 2019)
		<p>retained.</p> <p>A contract variation notice should be raised to formalise any locally agreed changes to performance criteria, with the support of the Legal Commercial Team Manager.</p>					

APPENDIX C – AUDIT PLAN ITEMS (APRIL 2019 TO MARCH 2020) – INDICATIVE START DATES AGREED WITH MANAGEMENT

Apr	May	Jun	July	Aug	Sept
2018/19 Projects Requiring Completion	Complaints Policy and Procedures (Draft Report Issued)	IT Shared Service Agreement (b/f from Sept) (Allocated)	Land Charges (In Fieldwork)	CCTV (follow up) (Allocated)	Budgetary Control (Allocated)
Payroll Annual Pension Certificate (Cancelled)	Insurance (Final Report Issued)	S106 (follow up) (In Planning)	Business Continuity Planning (Final Report Issued)	Community Grants/Lottery (Allocated)	Herts Home Improvement Agency (Not Yet Allocated)
Health and Safety (Final Report Issued)		Consultation and Engagement (In Fieldwork)	Members Allowances and Expenses (In Planning)	Procurement (Allocated)	
		IT Information Management (b/f from Nov) (Allocated)	Risk Management (b/f from Jan) (Draft Report Issued)	Contract Management (In Planning)	
Oct	Nov	Dec	Jan	Feb	Mar
Recruitment Process (Not Yet Allocated)	Council Tax (Not Yet Allocated)	Payroll (Not Yet Allocated)	Main Accounting (Not Yet Allocated)	IT Cyber Security (follow up) (Allocated)	
Recycling (Not Yet Allocated)	Business Rates (Not Yet Allocated)	Debtors (Not Yet Allocated)	Homelessness/Temporary Accommodation (Not Yet Allocated)	Asset Management (Not Yet Allocated)	
	Housing Benefits (Not Yet Allocated)	Creditors (Not Yet Allocated)		IT Project Management (c/f from June) (Allocated)	
	IT Information Management (Allocated)	Treasury Management (Not Yet Allocated)			

APPENDIX D – ASSURANCE / PRIORITY LEVELS

Assurance Level	Definition
Good	The design and operation of the internal control framework is effective, thereby ensuring that the key risks in scope are being well managed and core objectives will likely be achieved. There are minor reportable audit findings.
Satisfactory	The internal control framework is largely working well in managing the key risks in scope, with some audit findings related to the current arrangements.
Limited	The system of internal control is only partially effective, with important audit findings in key areas. Improvement in the design and/or operation of the control environment is necessary to gain assurance risks are being managed to an acceptable level, and core objectives will be achieved.
No	The system of internal control has serious gaps, and controls are not effective in managing the key risks in scope. It is highly unlikely that core objectives will be met without urgent management intervention.

Priority Level			Definition
Corporate	Critical		Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
Service	High		Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
	Medium		Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low / Advisory		Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.