



MALDON DISTRICT COUNCIL

INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS

AUGUST 2018

Summary

Audit	Total Recs	H	M	L	To follow up	Complete		In Progress		Not Due		Overdue		% Complete
						H	M	H	M	H	M	H	M	
15/16. Risk Management - High Level Review	5	1	4	-	5	-	4	-	1	-	-	-	-	80%
16/17. Cyber Crime	7	-	7	-	7	7	-	-	-	-	-	-	-	100%
16/17. Financial Systems	3	-	3	-	3	-	2	-	-	-	-	-	1	67%
16/17. Channel Shift	7	-	7	-	7	-	1	-	-	-	-	-	6	14%
16/17. Information Governance PCI/DSS	4	1	3	-	4	-	3	-	-	-	-	1	-	75%
16/17. Planning	4	-	4	-	4	-	3	-	1	-	-	-	-	75%
16/17. Flooding	5	-	5	-	5	-	4	-	1	-	-	-	-	80%
16/17. Payment and Creditors	4	-	4	-	4	-	2	-	2	-	-	-	-	50%
17/18. Main Financial Systems	3	-	1	2	1	-	-	-	-	-	-	-	1	0%
17/18. Economic Development/ Business Rate Growth	4	-	4	-	4	-	-	-	-	-	4	-	-	0%
17/18. Partnership Working	3	-	1	2	1	-	1	-	-	-	-	-	-	100%
17/18. Disaster Recovery and Business Continuity	6	-	5	1	5	-	1	-	4	-	-	-	-	20%
17/18. Contract Procurement Management and Purchasing	6	-	3	3	3	-	1	-	2	-	-	-	-	33%
17/18. Attendance Management	2	-	1	1	1	-	-	-	-	-	-	-	1	0%
17/18. Elections Improvement Plan	6	-	3	3	3	-	-	-	-	-	-	-	3	0%
17/18. Business Resilience	5	-	3	2	3	-	1	-	-	-	1	-	1	33%
17/18. Budget Setting	1	-	1	-	1	-	-	-	-	-	1	-	-	0%
Total	75	2	59	14	61	7	17	-	11	-	6	1	13	

Summary

Introduction

We regularly follow up progress with the implementation of recommendations raised by Internal Audit and bi-annually we report to the Audit Committee. We request commentary by responsible officers on the progress towards implementation of our recommendations and for high and medium priority recommendations we verify the progress to source evidence and conclude either that the recommendation is complete or incomplete. This report represents the status of all internal audit recommendations as at 31st August 2018.

2015/16 Recommendations

19 high and medium priority recommendations were made in 2015/16, of which 18 were confirmed to have been implemented by March 2018 and previously reported. We identified that 1 medium priority recommendation was still in progress but there is a plan in place to implement that recommendation. The remaining recommendations have been implemented. We continue to review outstanding recommendations until they are implemented.

2016/17 Recommendations

For 2016/17 we raised a total of 34 high and medium priority recommendations. From this we note:

- 21 recommendations have been implemented
- 5 recommendations are in the process of being implemented
- 8 are overdue

2017/18 Recommendations

22 high and medium recommendations were raised in 2017/18. The current position of these recommendations is as follows:

- 4 (medium priority) are considered implemented relating to Partnership Working, Procurement & Contract Procurement Management and Purchasing, Business Resilience and Disaster Recovery and Business Continuity
- 6 (medium priority) are in progress, 4 relating to Disaster Recovery and Business Continuity and 2 relating to Contract Procurement Management and Purchasing
- 6 are overdue. These related to:
 - Main Financial Systems (1 medium recommendation)
 - Attendance Management (1 medium recommendation)
 - Elections Improvement Plan (3 medium recommendations). No update was provided for these recommendations.
 - Business Resilience (1 medium recommendation)
- 6 are not yet due for follow up relating to Economic Development/Business Rate Growth (4 medium recommendations), Business Resilience (one medium priority recommendation) and Budget Setting- one medium priority recommendation)

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
16/17 - Cyber Crime				
Undertake a cyber security training needs assessment to determine the training needs	Medium	Simon Mitchell, IT Team Leader	March 2018	MetaPhish is an email phishing simulator that has been purchased by EOLP. Maldon have access to this and have already ran the 1st exercise increasing all staff and members awareness of the potential risks from phishing emails and attachments. This will be continually run up until June 2018 when the contract expires. IT Management will also approach EOLP to see what other training is used across Essex and once suitable training is found it will role this out. Once complete an annual training plan will be put in place so that training (online, email and course based) will be carried out throughout the year. We are going to publicise, with the help of comms, NCSC's staff awareness and training material to staff and members during 2018. A training resource is being used to carry out staff training over 2018.
Determine the baselines for normal network activity	Medium	Simon Mitchell, IT Team Leader	March 2018	Mutiny network monitoring has been purchased and deployed. We have an intrusion detection system in place that alerts ICT when there is any suspect behaviour. There is a record of IPs that can connect to the council's network in the WatchGuard perimeter firewall. There is documentation on what normal network activity is including the tolerances and notification processes used.
16/17 - Planning				
Record/analyse statistical/qualitative information to establish effectiveness of improvements made	Medium	Matt Leigh, Group Manager Planning Services	March 2018	Performance with applications has improved and the performance for 2017/18 is above 90% for 'major', 'minor' and 'other' applications
16/17 - Flooding				
Provide information for Members to clarify flooding roles/responsibilities and different organisations' responsibilities	Medium	Shirley Hall	October 2017	Members have been provided with information relating to clarify flooding responsibilities. Further training will be considered in 2018/19.
Update website to provide information/to clarify matters to be reported to MDC and reporting mechanisms				We confirmed this is complete with information uploaded to website.

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
Develop action plan to record flood risks, incidents, actions, responsibility and progress	Medium	Shirley Hall	October 2017	Action plan complete although feedback from referrals to ECC is not forthcoming. This matter is being addressed with the appropriate officers at ECC.
17.18 Business Resilience				
The Council's existing Business Continuity Plans should be reviewed and, where necessary, revised/updated to contain all relevant information, including an assigned plan approver, plan manager and plan owner. The Plans should be provided to the Community Safety Officer and reviewed on a routine basis.	Medium	Karen Buttress (Community Safety Officer - Community Resilience)	May 2018	All plan tests have been carried out within the financial year of 17/18 - all completed by April 2018. A further testing schedule has been drawn up for the coming year to ensure that all plans are tested in line with annual testing.
17/18. Contract Procurement Managing and Purchasing				
Following the review of high value expenditure with suppliers, and then on an ongoing basis, ensure the Contracts Register is complete and remains up to date.	Medium	David Rust, Facilities and Asset Manager	July 2018	The Contracts Register is now up-to-date, and contracts for renewal are being actioned, with assistance from the Procurement Hub in the majority of cases.
17/18. Partnerships				
A) The Performance and Risk Officer should ensure that the 'Managing Partnerships Effectively Toolkit' is updated to include guidance relating to the partnership approval process. B) All Partnership Leads should review their 'Significant Partnership Assessment Forms and ensure that they include details of when and where (Committee meeting and date) partnerships were approved. If approval has not been obtained for any of the partnerships, such partnerships should be reviewed at the relevant committee to assess whether the Council should continue with these partnerships.	Medium	Julia Bawden	June 2018 September 2018	We confirmed with the Performance & Risk Officer that this has now been completed.

Recommendations: COMPLETED

APPENDIX 1

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
17/18. Business Continuity and Disaster Recovery				
Management should develop an appropriate training programme, or a table top exercise, for disaster recovery arrangements based upon the requirements of the officers that are involved in recovery planning, so that they fully understand their roles, responsibilities and what is expected of them. This recommendation was raised as part of the previous audit report.	Medium	Community Safety Officer - Community Resilience (CCC), Phillip Cowles - Interim ICT Manager	September 2018	A full council test has been carried out in terms of disaster recovery which allowed all relevant staff to pick up training needs etc.

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
15/16 - Risk Management				
Risk Management Survey The risk management survey should be re-performed and the results summarised and reported to a round table session with the Corporate Leadership Team and Level 2 Managers	Medium	Julia Bawden, Performance and Risk Officer	Nov-17 Jun-18 Tbc - Future Council <u>Oct 2018</u>	The Council only approved the Risk Policy in May 2018. Managers were advised of the changes at a Managers' Forum in May. It was therefore agreed that time would be given for this to be embedded before the survey was undertaken again and was rescheduled for September 2018.
16/17 - Planning				
Determine priorities for Uniform system development and utilisation	Medium	Matt Leigh, Group Manager Planning Services	March 2018 Tbc - Future Council <u>Completed</u> <u>TBC by BDO LLP</u>	<u>The new IT strategy has been produced as part of the Ignite Future Council Business Case.</u> <u>Priorities for the Uniform system development are included within this.</u> The major change has been put on hold due to Ignite /Future Council. Small 'quick fixes' have been implemented.
16/17 - Flooding				
Consider the appropriateness of the current allocation of the various flooding responsibilities and reporting lines for both officers and committees, to identify if there are opportunities to increase alignment for flooding related matters. Ensure the Members and officers understand the allocation of responsibilities and reporting lines for the different aspects of flooding related matters and the rationale for those allocations.	Medium	Emma Foy, Director of Resources	TBC <u>Completed</u> <u>TBC by BDO LLP</u>	The Terms of Reference of the Programme Committees are being reviewed to align with CLT as part of the Future Council work. <u>Responsibilities and allocation has been moved to Service Delivery Directorate.</u>

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
Introduce a CIL scheme to support flood risk mitigation in the District Ensure appropriate CIL / S106 obligations / planning conditions are included in all applicable developments Consider use of Land Trusts	Medium	Matt Leigh, Group Manager Planning Services	October 2019	<p>Officers negotiate the appropriate use of planning conditions and S106 agreements for all relevant planning applications.</p> <p>Consultants have updated the CIL evidence base, including a review of the Infrastructure Delivery Plan. Flood mitigation is part of this. This will set out a draft Charging Schedule for consultation.</p> <p>The draft revised NPPF identified several potential changes to developer contributions and CIL. As a result, the Council has paused the CIL work so that any changes can be taken into account following publication of the revised NPPF (expected to be July 2018).</p> <p>CIL can only be secured from new development for infrastructure, such as flood mitigation, once the CIL Charging Schedule has been approved by an Inspector at Examination - this is expected to be in early 2019.</p>
16/17. Payments and Creditors				
Instruct services on effective budgetary control Exception report non-compliance where this is not happening	Medium	Carrie Cox, Finance Manager	September 2017 July 2018 November 2018	The data is being compiled and a reporting format being created. This will be followed up as part of the upcoming Budget and Performance Management audit,

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
Identify / review spending with individual suppliers to ensure compliance with Contract Procedure Rules	Medium	Carrie Cox, Finance Manager	September 2017 July 2018 October 2018	<p>Work commenced with Finance and Procurement team to identify expenditure limits with suppliers and checking that rules and regulations have been adhered to.</p> <p>Next stage is informing Director where policies have not been followed.</p> <p>This will be followed up as part of the upcoming Main Financial Systems Review.</p>

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
17/18. Business Continuity and Disaster Recovery				
<p>Management should include Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) so that they align with the priority services mentioned within the Corporate Business Continuity Plan. Based on the defined RTO and RPO, management should prioritise the recovery of the Council's critical services and align all continuity and recovery plans to these objectives.</p> <p>The criticality and priority of the Council's service should be reviewed on a routine basis or following a significant change of circumstances.</p> <p>Define the respective RTOs and RPOs according to:</p> <ul style="list-style-type: none"> • The financial impact of the loss of the IT service on the Council • The reputational impact of the loss of the IT service • The regulatory impact of the loss of the IT service • The resources required to recover the service 	Medium	Community Safety Officer - Community Resilience (CCC), Phillip Cowles - Interim ICT Manager	August 2018 October 2018	Work is on-going to update all of the RPO and RTO's with services, initial email has gone out to all relevant staff in order for them to ensure they are correct. Council's objectives will then be updated.
<p>Management should review and, where necessary, amend the IT Disaster Recovery Plan so that is aligned to and supports the Council's business continuity arrangements. This should include, but is not be limited to:</p> <ul style="list-style-type: none"> • The RTO and RPO should be aligned with the Business Impact assessment for critical IT infrastructure, hardware, and systems • The procedures for invoking the Council's IT Disaster Recovery Plan • Step by step recovery procedures for the recovery of critical IT services. 	Medium	Phillip Cowles - Interim ICT Manager	October 2018	The intention is to build disaster recovery into the systems, infrastructure and servers. The digital transformation will provide the framework to complete this task. Once the relevant hardware and software has been implemented the plan can be completed.

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
<p>Management should define a Business Continuity Plan to include sufficient information to maintain continuity of business in the event of a business disruption. It should include, but not be limited to:</p> <ul style="list-style-type: none"> • Specific responsibilities for key individuals, including employees authorised to declare a disaster, specified responsibilities to restore IT, as well as recovery of business services • Contact information for external service providers during disaster recovery and business continuity procedures implementation • Recovery time objectives and recovery point objectives • Access arrangements to be implemented as alternate workspaces and business processes to be followed to recover normal business operation. <p>The Corporate Business continuity plan should link to the Disaster recovery plan.</p>	Medium	Community Safety Officer - Community Resilience (CCC),	September 2018	<p>A start has been made to identify individual staff roles within the Gold plan.</p> <p>Some work and responsibility will also need to be taken on by ICT in terms of disaster recovery and aligning of the DR plan to the corporate gold plan</p>
<p>An IT Disaster Recovery scenario test on critical infrastructure and applications should take place to provide assurance that recovery could happen within the expected time frame.</p> <p>Management should document the testing results to be able to provide an audit trail and determine the further actions required to address any issues on a timely basis.</p> <p>Management should continue to perform tests of its continuity and recovery plans on at least an annual basis.</p>	Medium	Phillip Cowles - Interim ICT Manager	December 2018	<p>Testing will take place once the future shape of IT at Maldon District Council is known following the future model.</p>

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
17/18. Contract Procurement Managing and Purchasing				
a) Conduct the planned review of high value expenditure to ensure compliance with Competition Requirements stated in the Contract Procedure Rules (including ensuring Contracts Finder is used for advertising contracts over £25,000, and for Invitations to Tender for contracts over £50,000)	Medium	David Rust - Facilities and Asset Manager	July 2018 September 2018	A - A review of expenditure over £25k was completed, but a further review of expenditure between £5k and £25k was also undertaken which has resulted in a small number of queries to clarify/confirm compliance with procurement regulations. These queries are currently being followed up and the action should be complete by the end of Q2 (September)
b) Strengthen training and guidance on situations where there may be a cumulative breach of the guidelines and ensure future breaches are reflected in performance appraisals and, where appropriate, disciplinary action				B - Complete
c) Deviation from Council procedures and Procurement Regulations is reported to the Finance & Corporate Services Committee.				C - Complete
a) Review the parameters identified in the Cardholder Instruction Manual to ensure they are appropriate	Medium	Carrie Cox Finance Manager	July 2018 September 2018 Completed to be confirmed by BDO LLP.	A more detailed review of the Procurement Card Guidance has been undertaken (rather than just the parameters). This will be completed by the end of Q2 (September).
b) Maintain oversight of compliance with issued instructions on Purchase Card usage, including requirements for provision of documents supporting expenditure.				

Recommendations: OVERDUE

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Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
17/18. Business Resilience				
The Council should ensure that all service functions are assigned a key officer and members of staff are informed who those individuals are	Medium	Karen Buttress (Community Safety Officer - Community Resilience)	April 2018 October 2018	CLT made aware of gaps in service areas not identifying a key officer. Still outstanding and will be followed up again <u>in line with the new Directorate areas.</u>
17/18. Main Financial Systems				
The system access controller has the opportunity to amend their own access controls, with no additional confirmation required. Staff must not amend their own system access, but obtain Manager authority and keep audit trail.	Medium	Al Morrell Customer Solutions Manager	April 2018 September 2018	This will be followed up as part of the scheduled Key Financial Systems audit scheduled for October 2018.
17/18. Elections Improvement Plan				
The council should review the plan and ensure that where it has not yet been implemented that the responsible officers complete the plan. The plan should be revised to highlight the outstanding actions and provide new deadlines for those actions to be delivered	Medium	Melissa Kelly - Legal and Democratic Services Manager	<u>Completed to be confirmed by BDO LLP31/07/18</u>	No Update <u>Report on agenda</u>
The leadership team should ensure that there is regular monitoring of the implementation of the Elections Improvement plan and all other such plans in place at the Council.	Medium	Melissa Kelly - Legal and Democratic Services Manager	<u>Completed to be confirmed by BDO LLP31/07/18</u>	<u>Report on agenda</u> No Update
The elections planning documentation should clearly define the election service business critical activities and the required resources, or substitute resources should be clearly set out to ensure that these are delivered.	Medium	Melissa Kelly - Legal and Democratic Services Manager	<u>Completed to be confirmed by BDO LLP31/07/18</u>	<u>Report on agenda</u> No Update

Recommendations: OVERDUE

APPENDIX 1

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
17/18. Attendance Management				
Staff should be reminded of the importance of timely self certification, RTW and formal meetings and that any prolonged non-compliance will be reported to the Corporate Leadership Team	Medium	Dawn Moyse - Group Manager, People, Performance and Policy	30 June 2018 <u>Completed to be confirmed by BDO LLP</u>	Managers were reminded at the May Manager's Forum and all staff were reminded in the May Corporate Agenda. Internal controls have now been put in place and compliance is being monitored. This will be reported at the Q1 F&CS Strategic HR Report (September 2018)
HR should undertake regular monitoring of compliance against the controls within the Policy with these reported to Committee and CLT to ensure that areas of poor performance are held to account				
Consideration should be given to adding expected or required timeframes into the Managing Attendance Policy, similar to the two days for RTW to be completed, to provide a baseline expectation to measure and report against.				Current timeframes include completion of return to work discussion within 2 days, <u>this will be added into the policy.</u> Consideration currently being given to adding further timeframes
16/17. Information Governance / PCI-DSS				
Senior Management should establish a plan to implement the requirements of PCI-DSS across the Council's four card payment channels. The Plan should be delivered in a timely manner and residents and customers should be provided with assurance that payments made to the Council by card are secure.	High	Phillip Cowles - Interim ICT Manager	31 July 2018	No update

Recommendations: OVERDUE

APPENDIX 1

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
16/17. Main Financial Systems				
Policies are prepared to clarify the Council approach to acquisition, transfer and maintenance of Council properties and assets	Medium	David Rust Facilities and Asset Manager	March 2018 <u>July 2018</u> <u>November 2018</u>	Not discussed at AMWG. Next AMWG 30/07/2018. <u>Report to Finance and Corporate Services Committee.</u>
16/17. Channel Shift - included as individual actions - total of 6 recommendations still outstanding				
Include actions and targets in the final Customer Strategy for each of the 8 priorities	Medium	Sue Green, Group Manager, Customers	June 2018 October 2018	Action plan is now complete and a final version has been provided to CLT and Ignite. However a final version of the Customer Strategy will need to be reviewed following the completion of the Ignite Blueprint work, to inform the final priorities and actions as the Blue print work may change the either or both priorities and action plan.
Develop new ICT Strategy to include measurable targets	Medium	Sue Green, Group Manager, Customers	June 2018 <u>Tbc - Future Council</u> <u>Completed to be confirmed by BDO LLP</u>	This plan will need revision as the Digital Transformation will have an impact on ICT strategy. The shape and type of ICT strategy will be fully known towards the end of the transformation. <u>ICT Strategy presented to Council as part of Business Case for Ignite Future Model.</u>
Include how progress will be measured/monitored in final Customer and Digital Strategies	Medium	Sue Green, Group Manager, Customers	June 2018 <u>Tbc - Future Council</u>	Action plan now completed and final version with CLT and Ignite. The final version will need to be reviewed following the Ignite Blue Print work, which may change priorities and action plan.
Identify alternative options to measure customer contact data	Medium	Sue Green, Group Manager, Customers	June 2018 <u>Tbc - Future Council</u>	Interim processes have been put in place to measure customer contact, including face to face and telephone calls. A longer term solution will be procured as part of the Ignite Future Model project, and a pre tender evaluation exercise has been undertaken.
Identify targets for online services to include in Customer Strategy	Medium	Sue Green, Group Manager, Customers	June 2018 <u>Tbc - Future Council</u>	The Ignite Future Model project will include targets, so not being taken forward separately at this time.

Develop plan for proactive customer satisfaction feedback	Medium	Sue Green, Group Manager, Customers	June 2018 Tbc - Future Council	Low cost Interim solution identified, however as this will form part of the Ignite Future Model work the solution will not be implemented at this time.
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Recommendations: OVERDUE

APPENDIX 1

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
Programme of training to include customer journey mapping, lean systems etc.	Medium	Sue Green, Group Manager, Customers	June 2018 <u>Completed to be confirmed by BDO LLP</u> Tbc - Future Council	<u>Service redesign training has taken place and includes customer journey mapping and lean systems. This will be taken forward through Ignite Future Model project.</u>
Develop targets for Customer Strategy Action plans (to be included in business plans)	Medium	Sue Green, Group Manager, Customers	June 2018 Tbc - Future Council	To be developed as part of the Ignite Future Model project
Identify and allocate resources to implement channel shift plans	Medium	Sue Green, Group Manager, Customers	June 2018 Tbc - Future Council	This work will be undertaken as part of the Ignite Future Model project
Analysis of outcomes and efficiencies for every service review	Medium	Sue Green, Group Manager, Customers	June 2018 <u>In progress</u> Tbc - Future Council	<u>Service redesign workstream has been started as part of Implementation of Full Council Transformation. Q1 18/19 - This work will be undertaken as part of the Ignite Future Model project.</u>
Develop programme of service reviews with priority on services with high volumes of customer demand	Medium	Sue Green, Group Manager, Customers	June 2018 Tbc - Future Council <u>In progress</u>	<u>Service redesign workstream has been started as part of Implementation of Full Council Transformation. This work is now being undertaken as part of the Ignite Blue Print work. A full review of all 600 processes has been undertaken and the processes prioritised for review on the basis of high volume and high opportunity.</u>
LT/Transformation Board to consider resource requirements for programme of work	Medium	Sue Green, Group Manager, Customers	June 2018 <u>Completed to be confirmed by BDO LLP</u> Tbc - Future Council	<u>This work will be taken forward as part of the Ignite Future Model project.</u> <u>Full programme Team is in place to deliver this work.</u>

FOR MORE INFORMATION:

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