



central midlands audit partnership

Ashfield District Council – Audit Progress Report

Audit Committee: 30th September 2019



Contents

Page

AUDIT DASHBOARD	3
AUDIT PLAN	4
AUDIT COVERAGE	5
RECOMMENDATION TRACKING	8
STATUS OF PREVIOUS AUDIT RECOMMENDATIONS	12

Our Vision

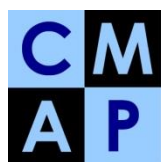
Through continuous improvement, the central midlands audit partnership will strive to provide cost effective, high quality internal audit services that meet the needs and expectations of all its partners.

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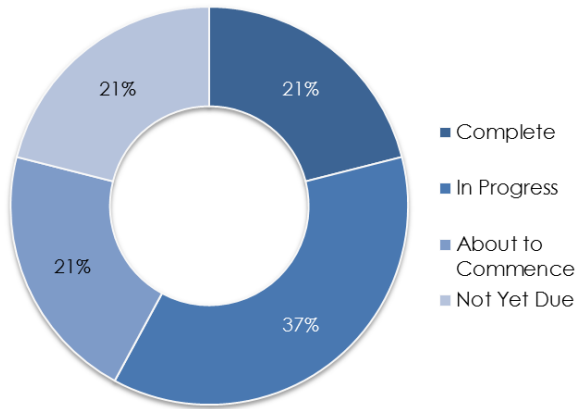


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Ashfield District Council – Audit Progress Report

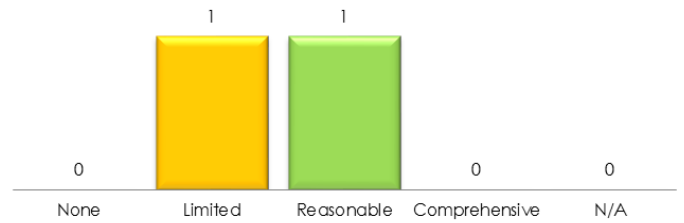
AUDIT DASHBOARD

Plan Progress



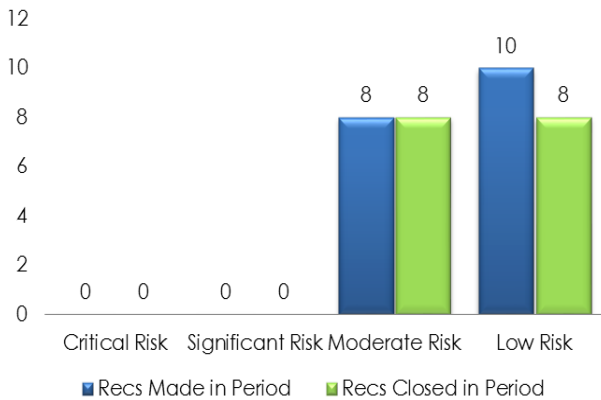
Assurance Ratings

Control Assurance Ratings Issued During Period



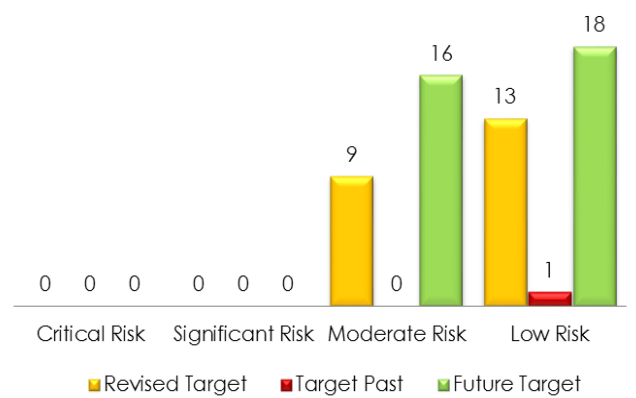
Recommendations

Movement During Period



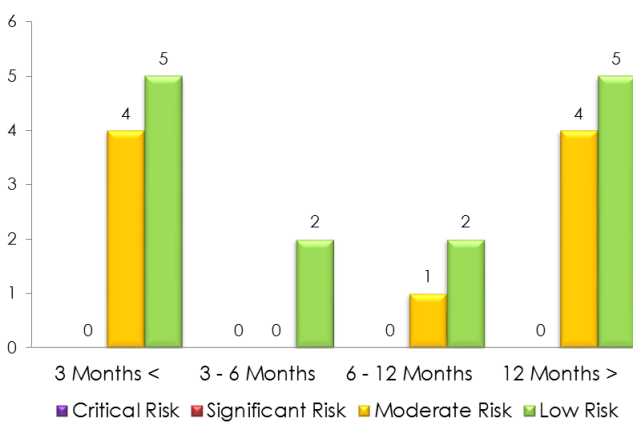
Recommendations

Recommendations Currently Open



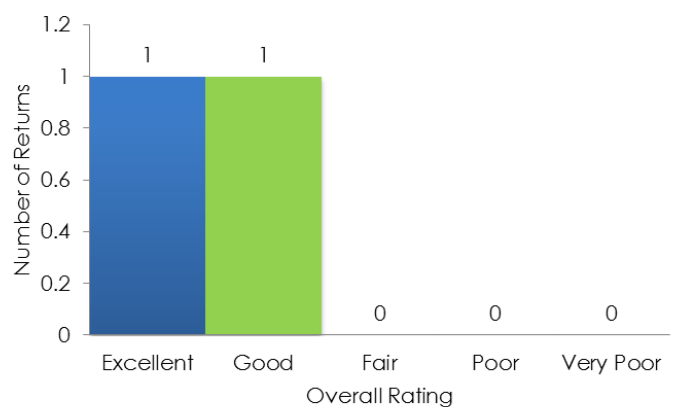
Recommendations

Overdue Recommendations



Customer Satisfaction

Returns Between April 19 & Sept 19



Ashfield District Council – Audit Progress Report

AUDIT PLAN

Progress on Audit Assignments

The following table provides the Committee with information on how audit assignments were progressing as at 18th September 2019.

2019-20 Jobs	Status	% Complete	Assurance Rating
Anti-Fraud & Corruption 2019-20	In Progress	40%	
Information Governance	In Progress	75%	
Main Accounting Systems	Not Allocated	0%	
Creditors (Purchase Cards)	Not Allocated	0%	
IT Policy Compliance	Final Report	100%	Limited
IT Consultancy	Not Allocated	0%	
Corporate Improvement/Transformation	Allocated	0%	
Data Quality & Performance Management	Draft Report	95%	
Procurement	Draft Report	95%	
NDR	Allocated	5%	
Customer Services/E-Payment	Allocated	5%	
People Management	Allocated	0%	
Anti-Social Behaviour	Draft Report	95%	
Fire Safety	Final Report	100%	Reasonable
Homelessness	Not Allocated	0%	
Asset Management - Door Access	Draft Report	95%	
B/Fwd Jobs	Status	% Complete	Assurance Rating
Anti-Fraud	Draft Report	95%	
Universal Credit	Final Report	100%	Comprehensive
Commercial Property Management	Final Report	100%	Reasonable

Audit Plan Changes

No changes to report.

Ashfield District Council – Audit Progress Report

AUDIT COVERAGE

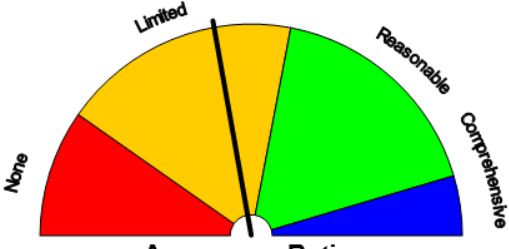
Completed Audit Assignments

Between 9th July 2019 and 18th September 2019, the following audit assignments have been finalised since the last progress update was given to the Audit Committee.

Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Fire Safety	Reasonable	0	0	3	2	0%
IT Policy Compliance	Limited	0	0	5	8	23%
TOTALS		0	0	8	10	17%

Fire Safety					
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls	
The audit will seek to ensure that the Council has adequate control measures in place for fire safety within its residential properties.	11	6	2	3	
TOTALS	11	6	2	3	
Summary of Weakness		Risk Rating	Agreed Action Date		
The Risk Management Officer could not be certain of the materials used in the construction of the property in eight of the nine Fire Safety Risk Assessments tested.		Low Risk	31/08/2020		
The Fire Safety Risk Assessments for flats that were used to temporarily house the homeless had traditionally been the responsibility of the Building Control Section, however since February 2019 the qualified officer had left the Council and the Section did not have any resource to undertake these Assessments.		Moderate Risk	31/10/2019		
There was no formal definition of priority ratings and timescales for issues and actions noted through the Fire Safety Risk Assessments. This led to Medium priority rated actions being carried forward for a number years.		Moderate Risk	30/09/2019		
The Fire Safety guidance booklet was out of date and was not being provided to tenants.		Low Risk	31/12/2019		
Not all entrance doors to flats comply with Fire Safety Regulations.		Moderate Risk	31/03/2020		

Ashfield District Council – Audit Progress Report

IT Policy Compliance	 <p style="text-align: center;">Assurance Rating</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Ensure processes are in place for enforcing or monitoring for compliance against the Council's ICT Acceptable Usage policy.	27	11	0	16
Ensure processes are in place for enforcing or monitoring for compliance against the Council's Mobile Working & Removable Media policy.	4	2	0	2
TOTALS	31	13	0	18
Summary of Weakness		Risk Rating	Agreed Action Date	
Encrypted/password protected office documents were found on the S:\ drive, which was a violation of the ICT Acceptable Usage policy.		Low Risk	01/11/2019	
U:\ drives were being used by employees to store non-work related personal files, such as personal photographs, or backup archives of C:\ drive folders, which breached the ICT Acceptable Usage policy.		Low Risk	01/11/2019	
U:\ drives relating to former employees had not been removed from the file server, and the ICT starters and leaver's policy did not address U:\ drives.		Low Risk	01/02/2020	
Employees were not complying with the file management requirements of the ICT Acceptable Usage policy specific to the storage of video and large image files.		Low Risk	01/11/2019	
Document scanning directories were not always being used as temporary storage in line with the ICT Acceptable Usage policy. Furthermore, permissions on certain scan directories granted access to the Everyone group which was not appropriate as the scans contained personal data.		Moderate Risk	01/11/2019	
Some users and sections were not adhering to the usage of descriptive folder name principle of the file management section of the ICT Acceptable Usage policy.		Low Risk	01/11/2019	
A significant amount of duplicate files were found across the S:\ drive (totalling over 150 GB of data), raising concerns around departments housekeeping, records management and filing structures.		Moderate Risk	01/11/2019	
Employees were not required to 'digitally accept' the ICT Acceptable Usage policy annually. This was primarily because the policy had not been subject to significant change for a number of years.		Low Risk	01/02/2020	

Ashfield District Council – Audit Progress Report

<p>Unused accounts and accounts relating to former employees were not always being promptly disabled in line with the ICT Starters and Leaver's policy.</p>	<p>Low Risk</p>	<p>01/11/2019</p>
<p>Departments were not adhering to the general housekeeping file management requirements of the ICT Acceptable Usage policy. The Auditor identified that over 1.7 million documents on the file servers had not been accessed by anyone since 2015 or earlier.</p>	<p>Moderate Risk</p>	<p>01/11/2019</p>
<p>Authorisation emails could not be provided for a number of recently whitelisted USB devices, which breached the ICT Acceptable Usage policy. Managers and IT officers were also allowed to self-authorise the usage of USB devices.</p>	<p>Moderate Risk</p>	<p>Implemented</p>
<p>Access to amend the authorised USB users/devices configuration file had not been appropriately restricted.</p>	<p>Low Risk</p>	<p>Implemented</p>
<p>Users were not complying with the ICT Acceptable Usage Policy specific to use of the G:\. This had exposed personal data extracts to all user access, breaching data protection principles.</p>	<p>Moderate Risk</p>	<p>Implemented</p>

Ashfield District Council – Audit Progress Report

RECOMMENDATION TRACKING

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
31-Oct-16	Main Accounting (MTPF)	Reasonable	-	1	-
02-Aug-17	Responsive Maintenance/Voids	Comprehensive	-	2	-
11-Jan-18	Anti-Fraud & Corruption	Reasonable	-	1	-
09-Mar-18	Gas Safety 2017-18	Reasonable	-	1	-
27-Mar-18	Rent Arrears	Comprehensive	-	-	1
28-Mar-18	ECINS Security Assessment	Limited	-	3	-
24-Apr-18	ICT Performance Management	Reasonable	-	2	-
27-Apr-18	Capital Accounting	Comprehensive	-	1	-
08-Jun-18	Whistleblowing - Pest Control	Limited	-	1	-
22-Jun-18	Health & Safety	Comprehensive	-	1	-
03-Jan-19	Waste Management/Whitespace	Reasonable	-	2	-
10-Jan-19	Depot Investigation	Limited	-	1	7
30-Jan-19	Licensing	Reasonable	-	-	1
14-Feb-19	Risk Registers	Reasonable	1	2	2
12-Mar-19	Treasury Management & Banking Services	Reasonable	-	-	2
15-Mar-19	Fleetwave	Limited	-	4	-
29-Mar-19	Safeguarding	Reasonable	-	-	2
25-Jun-19	Commercial Property Management	Reasonable	-	-	4
16-Aug-19	Fire Safety	Reasonable	-	-	5
18-Sep-19	IT Policy Compliance	Limited	-	-	10
		Totals	1	22	34

Action Due = The agreed actions are due, but Internal Audit has been unable to ascertain any progress information from the responsible officer.

Being Implemented = The original action date has now passed and the agreed actions have yet to be completed. Internal Audit has obtained status update comments from the responsible officer and a revised action date.

Future Action = The agreed actions are not yet due, so Internal Audit has not followed the matter up.

Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
Main Accounting (MTPF)	-	-	-	-	-	1
Responsive Maintenance/Voids	-	-	-	-	-	2
Anti-Fraud & Corruption	-	-	-	-	-	1
Gas Safety 2017-18	-	-	-	-	1	-
ECINS Security Assessment	-	-	-	-	2	1
ICT Performance Management	-	-	-	-	2	-
Capital Accounting	-	-	-	-	-	1
Whistleblowing - Pest Control	-	-	-	-	-	1
Health & Safety	-	-	-	-	-	1
Waste Management/Whitespace	-	-	-	-	-	2
Depot Investigation	-	-	-	-	-	1
Risk Registers	-	-	1	-	1	1
Fleetwave	-	-	-	-	3	1
TOTALS	-	-	1	-	9	13

Ashfield District Council – Audit Progress Report

Highlighted Recommendations

The following significant or moderate risk rated recommendations, that have not yet been implemented, are detailed for Committee's scrutiny.

Being Implemented Recommendations

Gas Safety	Rec No. 4
Summary of Weakness / Recommendation	Risk Rating
<p>The Senior Operations Manager has concerns that the pay grade of the Senior Technical Officer (Gas) post would not attract and retain appropriately skilled and experienced applicants should the current post holder leave.</p> <p>We recommend that management complete a formal bench marking process to ascertain how the Senior Technical Officer (Gas) post compares with comparable organisations in terms of salary and duties. The results of the benchmarking should be discussed with the Directors and Corporate Leadership Team to ensure that adequate succession planning is in place.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>I am currently investigating similar posts within other Authorities and how the current Senior Technical Officer (Gas Compliance) role compares in terms of duties, responsibilities and remuneration etc.</p> <p>Based on the current service reviews and the repair and maintenance of the Council's gas assets/appliances in Public Buildings etc. that currently fall under the Asset Management Section, I would consider that based on the specialist nature of these works, it would be prudent from a risk perspective for these to be transferred under the Senior Technical Officer (Gas Compliance), which in turn would impact on his current duties.</p> <p>Once sourced, an update will be provided to Paul Parkinson in the first instance to establish how this fits in with the broader service review and longer term succession planning.</p>	30/06/2018
Status Update Comments	Revised Date
<p>This post is part of a significant service review that will involve changes to IT, service delivery and restructures. The service review is underway but not likely to be completed for some time.</p> <p>The Job Evaluation process is now coming to a conclusion, it is anticipated that the gas roles responsibility and high level of specialism will be reflected in the salary grading.</p>	31/03/2020

ECINS Security Assessment	Rec No. 2
Summary of Weakness / Recommendation	Risk Rating
<p>There were no IP restrictions or two-factor authentication (2FA) process in place for Ashfield DC user access to the e-Cins system.</p> <p>We recommend that the Council raises a formal feature request for the introduction of 2-factor authentication in future releases of the system, or looks to restrict access to an authorised IP range. An acceptable usage policy should be defined for accessing the system outside the Council's private network.</p>	Moderate Risk

Ashfield District Council – Audit Progress Report

Management Response/Action Details	Action Date
Police objected to this during early discussions with the Council and IT. To address these officers will be required to remote desk top into the Council's IT and access Ecins from here. Training and signing a MOU will ensure all officers understand the requirement moving forwards. To liaise with system provider to establish if there is an audit trail of IP address (these should all be one IP address).	30/06/2018
Status Update Comments	Revised Date
<p>Ecins have stated that it can be done from the users action logs, however when tested this information was not available. The ECINS webpage whilst accessible to those that know the address is not accessible through any google search or similar.</p> <p>The PCC hold the contract with the service supplier and pay for the system on behalf of the County. There is a countywide Ecins meeting with the programme manager (appointed by the OPCC) as well as local meetings between ADC and the programme manager and all audit recommendations have been raised.</p> <p>With regards to two factor authentication, whilst recommended as best practice for remote access/Cloud systems TFA also presents draw back in terms of immediate access. Other organisations within the Notts programme have also raised the same issue but have accepted the risk in light of this fact and have instead chosen to focus on developing internal user policies that offer assurance around use of the system by staff to offset the risks. ADC will do the same and is working with Nottingham City Council, which is developing a set of conventions.</p>	30/10/2019

ECINS Security Assessment	Rec No. 10
Summary of Weakness / Recommendation	Risk Rating
<p>Current administrators of the system did not appear to have been sufficiently trained on the accessibility and whereabouts of security related reports that would need to be utilised for effective systems and security management.</p> <p>We recommend that management defines, documents and implements comprehensive security based training to all users granted organisation admin rights to allow them to effectively manage the security of the system and its users.</p>	Moderate Risk
Management Response/Action Details	Action Date
This will be raised to the project lead (PCC office) as per audit recommendations for this to be included in training for persons with organisation admin rights. The Ecins lead for the Council will prepare documents with project lead for review and sign off.	30/09/2018
Status Update Comments	Revised Date
<p>The PCC hold the contract with the service supplier and pay for the system on behalf of the County. There is a countywide Ecins meeting with the programme manager (appointed by the OPCC) as well as local meetings between ADC and the programme manager and all audit recommendations have been raised.</p> <p>ECINS does provide reporting that can highlight the volume of access by users in terms of when it was last accessed, by who, how much data they have added to the system etc. It would be up to ADC to set regulations and conventions around what policies they would like to see enforced against this data, e.g. users who have not logged on for thirty days or more get access suspended. These functions are all available through the stats and lists function of ECINS.</p> <p>Nottingham City Council are developing a number of guidelines/conventions and best practice approaches which upon completion will be shared across the programme. The Ecins Manager is happy to discuss at the next local delivery group what might be a good approach at ADC. The Ecins Manager is in the process of finalising an organisational best practice guide.</p>	30/10/2019

Ashfield District Council – Audit Progress Report

The training provided by the programme at present is basic user training reflecting the agreed usage conventions for the system across the county (now echoed across the east midlands). The idea for a more advanced organisation admin training is a good one and something which the Ecins manager is looking into.

ICT Performance Management	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>Despite commitment to performance management in the Councils latest Technology Strategy, we could not find any documented performance management metrics and goals to support this. Similarly, performance metrics for IT did not appear to be subject to annual review, or agreed or monitored by the Council.</p> <p>We recommend that Management defines performance management metrics for the IT service, and implements policies and procedures for monitoring and reporting compliance. Metrics, goals and targets should also be subject to annual review.</p>	Moderate Risk
Management Response/Action Details	Action Date
There is a review of the ICT Helpdesk due shortly where performance metrics will be defined and agreed.	01/09/2018
Status Update Comments	Revised Date
This action will fall in line with the new service desk application.	29/11/2019

ICT Performance Management	Rec No. 2
Summary of Weakness / Recommendation	Risk Rating
<p>Reviews of the team's performance in relation to the resolution of incidents and service requests did not appear to comply with a formal schedule, and evidence of previous reviews could not be provided as the actions/discussions were not documented in minutes.</p> <p>We recommend that Management defines a schedule for reviewing performance of incident and request resolution times, and ensures any agreed actions are documented in minutes which are retained.</p>	Moderate Risk
Management Response/Action Details	Action Date
There is a review of the ICT Helpdesk due shortly where performance metrics will be defined and agreed.	01/09/2018
Status Update Comments	Revised Date
This action will fall in line with the new service desk application.	29/11/2019

Ashfield District Council – Audit Progress Report

STATUS OF PREVIOUS AUDIT RECOMMENDATIONS

Recommendations Not Implemented

There were a number of Audit Recommendations that were issued and agreed prior to Ashfield District Council joining the Central Midlands Audit Partnership. One legacy recommendation remains outstanding relating to Ashfield Homes Ltd. This will continue to be monitored and details are provided below.

Ashfield Homes Ltd – Outstanding Recommendations

Report	Recommendation	Responsible officer	Due date	Update
C Housing Maintenance 15/16-10	The full review of the in-house Schedule of Rates is given an end target date, and progress is monitored and reported to SMT.	Responsive and Voids Maintenance Manager & Support Services Manager	31/03/20	<p>A full programme is in place to complete the review of the schedule of rates. Progress of this will be monitored through Senior Management Team</p> <p>Update 16/11/2016 Potentially looking at buy off the shelf paperless system and therefore changing the system altogether.</p> <p>Update 01/02/2017 – No further updates. Any action has been put on hold as there is a service review underway.</p> <p>Update 10/07/2017 – The full review of in-house Schedule of Rates is now in progress.</p> <p>Update 10/07/2018 - This recommendation is now tied in to a significant service review that will involve changes to IT, service delivery and restructures. As part of the service review both in-house and national Schedule of Rates are being considered.</p> <p>Update 28/06/2019 – The Schedule of Rates review programme stalled when the Officer allocated this work left for another department. An Administration Officer, assisted by a Technical Officer, has since picked up a lot of this work. Progress has started to increase and IT orders are being placed.</p>