

TELFORD & WREKIN COUNCIL**AUDIT COMMITTEE 2 OCTOBER 2018****2018-19 INTERNAL AUDIT & INFORMATION GOVERNANCE UPDATE REPORT****REPORT OF THE AUDIT & GOVERNANCE TEAM LEADER****1 PURPOSE**

- 1.1 To update members on the work of Internal Audit for the period 30 June 2018 to 7 September 2018 and the work of Information Governance.

2 RECOMMENDATIONS

- 2.1 That members of the Audit Committee note the information contained in this report in respect to Internal Audit work between 30 June 2018 to 7 September 2018 and Information Governance work.

3 SUMMARY

- 3.1 The terms of reference of the Audit Committee include:
“The approval (but not direction) of and monitoring of progress against, the Internal Audit Charter and Plan”. The Audit Committee receives regular updates on the work of Internal Audit. This report provides the update for 2018/19 in respect to audit reports between 30/6/18–7/9/18.

4 PREVIOUS MINUTES

Audit Committee: 31 January 2017
 27 June 2017
 19 September 2017
 30 January 2018
 29 May 2018
 24 July 2018

5 INTERNAL AUDIT UPDATE

- 5.1 This report provides information on the work of Internal Audit from 30 June 2018 to 7 September 2018 and provides an update on the progress of previous audit reports issued (March 2017 – July 2018).
- 5.2 The key focus for the team during this period was the completion of the audit plan including the fundamental systems audits.
- 5.3 The following internal audit update report appendices are attached:
- i) **Appendix 1** – List of final reports issued this period with our grading – red, amber, yellow or green. This report also includes budgeted time, actual time and percentage variance.
 - ii) **Appendix 2** – List of all work undertaken this period of 1 day or more.

- iii) **Appendix 3** - Previous graded reports from March 2017 to June 2018 with their current status. (Members should note that once reports have reached a green status and have been reported to members they are excluded from future reports).

5.4 Appendix 1 shows 5 reports were issued this period. For the final reports issued the time taken for the areas shown in the table below varied from the allocated time by more than +/- 10%.

Area	Variance (> +/- 10%)	Reason
Review Procedures Services to Schools (Commercial Projects)	+68%	New audit areas and lots of compliance testing
John Randall Primary School	-15%	Well organised school with documentation ready for the audit
Planning Income	+81%	Assistant Director: Finance & HR requested additional work

The reasons for the variances are as explained above and the scopes and time allocations for 2018/19 audits will be informed by this information and will be closely monitored.

5.5 From Appendix 1 there were no amber or red reports issued during this period.

5.6 Areas of more than 10 days from Appendix 2 are explained below:

Audit Area	Days	Explanation
Council Tax & NNDR (2018-19)	17	There are 38 days budgeted for this audit on the annual plan therefore no concerns that 17 days have currently been taken.

5.7 From Appendix 3 there are 0 reports which remain Red/Amber after a follow up has been undertaken.

5.8 All other areas reported on in this update report but not highlighted to members are either improving or the follow ups are in progress or planned. Internal Audit is confident and has been assured by management that controls have and will continue to improve in all areas where recommendations have been made. There are no other issues to bring to the attention of the Committee at this time.

Quality Assurance and Improvement Programme

5.9 The Audit & Governance Team Leader has continued to undertake quarterly spot checks of audit files to review compliance to the PSIAS alongside the normal quality review process applied to all audit assignments. No issues were identified during this period.

6 INFORMATION GOVERNANCE UPDATE – April to end of August

6.1 The IG work programme for 2018/19 was presented and approved at the June 2018 Audit Committee. Appendix 3 of this report details each task on the programme and a summary of the progress to date on completing each of these. IG has made good progress in respect to completing agreed tasks to date. The majority of tasks that were due for completion have either been completed on time or are within acceptable extended timescales. IG is confident that the remaining tasks on the work programme will be completed in full by the end of 18/19.

- 6.2 The Council has received 634 FOI requests in this period. Out of 518 requests responded to (the remaining 116 requests were not due to be responded to in this period), 434 (84%) have been responded to within the 20 working day statutory period; this is against the Information Commissioners benchmark of 90%. It takes on average 12 days to respond to each request we receive.
- 6.3 The Council has also received 6 EIR requests in the same period. Out of 6 requests responded to, all (100%) have been responded to within the 20 working day statutory period; this is against the Information Commissioners benchmark of 90%. It takes on average 6 days to respond to each request we receive
- 6.4 For the same period we had received 16 Subject Access Requests (SARs) under the Data Protection Act 2018. Out of 5 requests responded to (the remaining 11 were not due to be responded to in this period) 4 (80%) responses were completed within the one calendar month statutory period (compared to the Information Commissioners benchmark of 90%).
- 6.5 Also in this period we have received and responded to 10 appeals from requestors who was not satisfied with the response they received to their information request. Out of these 10 appeals, 2 were withdrawn, 2 were not upheld and the remaining 6 are currently being processed. In our responses to information requests we provide requestors with details on how they can make an appeal in compliance with relevant information rights legislation.
- 6.6 The Council takes its responsibility for protecting personal and sensitive information very seriously and therefore encourages an open culture where employees are encouraged to report all actual and potential data breaches in order that we can put measures in place to reduce potential issues in future. In this period we identified 6 data breaches. One of these met the Information Commissioners rationale for reporting serious breaches to them. We are awaiting communications from the Information Commissioner on this incident. IG is continuing to work with all service areas where breaches have occurred to ensure they improve procedures and that disciplinary action is taken where appropriate. The table below shows a summary by type of the confirmed data breaches and the number of subsequent formal complaints received.

Category/Type	Number of cases (%)	Number of Formal Complaints received from Data Subjects
Information accidentally sent/made available to the incorrect recipient	6 (100 %)	1

- 6.7 The Information Governance Team continue to support Council services in complying with the General Data Protection Regulations (GDPR) / Data Protection Act 2018. To date over 1,300 staff have completed over 10,000 online training modules relating to data protection.

7 OTHER CONSIDERATIONS

AREA	COMMENTS
Equal Opportunities	All members of the Audit Team have attended equal opportunities/ diversity training. If any such issues arose during any work the appropriate manager would be notified.
Environmental Impact	All members of the Audit Team are environmentally aware and if any issues were identified they would be notified to the appropriate manager.
Legal Implications	The Accounts and Audit Regulations 2015 (Part 2, paragraph 5) state that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account

	<p>public sector internal auditing standards or guidance. The information set out in this report illustrates the work that has been undertaken to meet the appropriate statutory requirements.</p> <p>In the event that an audit reveals a legal issue or concern this is referred to the Council's Legal Services Team and/or the Council's Monitoring Officer for further advice and assistance.</p>
Links with Corporate Priorities	All aspects of the Audit teams work support good governance which underpins the achievement of the Council's objectives and priorities.
Risks and Opportunities	All aspects of the Audit teams work supports managers and the Council to identify and manage their risks and opportunities.
Financial Implications	Financial monitoring is currently showing that Audit, IG, Insurance & Investigations are operating within budget for 2018/19. There are therefore no financial implications arising from adopting the recommendations of this report.
Ward Implications	The work of the Audit team encompasses all the Council's activities across the Borough and therefore it operates within all Council Wards.

BACKGROUND PAPERS

Annual Audit Plan 2018/19 and Charter

Public Sector Internal Audit Standards – Applying the IIA International Standards to the UK

Public Sector 2013 and updated January 2017

CIPFA Local Government Application Note – April 2013

Accounts and Audit Regulations – 2015

Report by: Tracey Drummond Principal Auditor. Telephone 383105

Rob Montgomery Audit & Governance Team Leader. Telephone 383103

FINAL REPORTS ISSUED 30 JUNE 2018 – 7 SEPTEMBER 2018

Audit Area	Opinion	Follow Up Due	Days allocated	Days Taken	Variance %
Review Procedures Services to Schools (Commercial Projects)	Yellow	January 2019	6	10.1	+68%
John Randall Primary School	Yellow	January 2019	8.25	7.04	-15%
Planning Income	Green	Not Applicable	8	14.49	+81%
Treasury Management	Green	Not Applicable	10	9.11	-9%
Ladygrove Primary school	Yellow	March 2019	8.25	7.57	-8%

**AUDIT WORK UNDERTAKEN FOR THIS PERIOD (30/6/18) - 7/9/18) FOR A PERIOD OF 1 DAY
OR MORE**

AUDIT AREA	DAYS
Advice & Consultancy including org change	6
Cash Collection (2018-19)	3
Council Tax & NNDR (2018-19)	17
Direct Payments	8
Electronic Case File Audit (Care first)	3
Follow ups	2
HR/Payroll (2018-19)	3
My Options (Young Peoples Services)	8
Ombudsman Complaints	2
Permit Scheme for working on highways	2
Queenswood Primary School	2
Sir Alexander Fleming Primary School	1
Southall School	1
Strengthening Families Grant	2
Treasury Management (2018-19)	8

Information Governance (IG) Work/Compliance Programme 2018/19

No	Task	Completion date	Progress as at 31/8/18
1	Administer FOI/EIR/DPA requests, appeals and associated correspondence from the ICO.	Ongoing	Ongoing – response rates detailed in this report.
2	Continue the provision and promotion of additional services to schools within and outside the area to generate agreed income.	Ongoing	Ongoing. Income generation progressing well.
3	Investigate instances of possible data breaches and ensure appropriate improvements within services and processes are made.	Ongoing	Ongoing – statistics on data breaches included in this report.
4	Support service areas to address any information security risks that arise.	Ongoing	Ongoing.
5	Support information sharing/production of sharing agreements.	Ongoing	Ongoing. Revised Information Sharing Policy in place.
6	Support service areas in the completion of Data Protection Impact Assessments for new systems/applications and those for priority existing applications.	Ongoing	New DPIA documents guides / templates produced and available on intranet.
7	GDPR Compliance	Ongoing	Ongoing
8	Review of IG training and awareness	October 2018	Many online training modules have been converted to comply with GDPR.
9	Review and update the Corporate Information Security Policy (CISP)	End of March 2019	TBC
10	Complete N3 connection assessment for central government.	End of March 2019	TBC