

For publication

Summary of Internal Audit Reports Issued 2018/19

Meeting:	Standards and Audit Committee
Date:	24th April 2019
Cabinet portfolio:	Governance
Report by:	Internal Audit Consortium Manager

For publication

1.0 **Purpose of report**

- 1.1 To present for members' information a summary of Internal Audit Reports issued during the period 19th January 2019 to 1st March 2019 in respect of reports issued relating to the 2018/19 internal audit plan.

2.0 **Recommendation**

- 2.1 That the report be noted.

3.0 **Report details**

- 3.1 The Public Sector Internal Audit Standards require that the Internal Audit Consortium Manager reports periodically to the Standards and Audit Committee in respect of performance against the audit plan. Significant risk and control issues should also be reported.

- 3.2 Attached, as Appendix A, is a summary of reports issued covering the period 19th January 2019 to 1st March 2019, for audits included in the 2018/19 internal audit plan. This period 4 reports have been issued 3 with reasonable assurance and 1 with Limited assurance (laptops and other removable media). As previously agreed members have received a copy of the “Limited Assurance “report and a summary of the points arising are included at Appendix B.
- 3.3 Appendix A shows for each report a summary of the scope and objectives of the audit, the overall conclusion of the audit and the number of recommendations made / agreed where a full response has been received.
- 3.4 The conclusion column of Appendix A gives an overall assessment of the assurance that can be given in terms of the controls in place and the system’s ability to meet its objectives and manage risk in line with the definitions below.

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

- 3.5 In respect of the audits being reported, it is confirmed that there were no issues arising relating to fraud that need to be brought to the Committees attention.
- 3.6 The production of this report ensures that Members charged with governance are aware of any internal control weaknesses or fraud identified by internal audit.

4 Alternative options and reasons for rejection

- 4.1 The report is for information.

5 Recommendation

- 5.1 That the report be noted.

6 Reasons for recommendation

- 6.1 To inform Members of the internal audit reports issued in order that the strength of the internal controls in place can be assessed.

Decision information

Key decision number	N/A
Wards affected	All
Links to Council Plan priorities	This report links to the Council's priority to provide value for money services.

Document information

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Background documents	

These are unpublished works which have been relied on to a material extent when the report was prepared.

Appendices to the report

Appendix A	Summary of Internal Audit Reports Issued
Appendix B	Summary of points arising in relation to the laptops and other removable media audit
Appendix C	Laptops and other removable media internal audit report

Chesterfield Borough Council – Internal Audit Consortium**Report to Standards and Audit Committee****Summary of Internal Audit Reports Issued 2018/19– Period 19th January 2019 to 1st March 2019**

Report Ref No.	Report Title	Scope & Objectives	Assurance Level	Date			Number of Recommendations	
				Report Issued	Response Due	Response Received	Made	Accepted
20	Accounts Payable	To ensure that invoices are paid promptly and accurately and are supported by official orders.	Reasonable	16/01/19	6/2/19	6/2/19	7 (1M 6L)	7
21	Laptops and other Removable Media	To review the security of laptops and other removable media	Limited	23/01/19	13/02/19	8/2/19	19 (14M 5L)	18
22	Payroll	To ensure that all staff are paid promptly and accurately	Reasonable	25/01/19	18/3/19	18/3/19	3 (1M 2L)	3
23	Payroll Client Officer	To review the Payroll Client Officer Function	Reasonable	25/01/19	18/3/19	1/4/19	4 (1H 1M 2L)	4

Note 1 Response not due at time of writing report

Laptops and Other Removable Media – Main points arising

- The primary database for recording laptops and other removable media was not up to date
- Appropriate documentation for the issue or transfer of laptops and other removable media is not always being completed
- When an employee leaves equipment is not always returned promptly by departments or is transferred to another employee without IT being made aware
- Lost/stolen media is not always being reported to Internal Audit or the Police
- There was no report being produced from the Sophos system to check if all devices are connecting to the network so that virus protection software can be updated
- The insurance section were not being informed regarding new purchases so the insurance schedule was out of date
- Responsibility for 4G MiFi devices was unclear
- Mobile phones and tablets were being purchased without a valid order having being raised
- Former CBC employees were shown as still having SIM/Phone allocations to them
- Business transformation have not kept any records of the phones and tablets that they have sent for disposal
- 25 mobile phones of the sample tested had not been used for 3 months indicating that the Council is paying for phones that are not required
- ICT were not always involved in the purchase of devices therefore cannot ensure that they are set up in line with IT policy before usage
- The passwords for the elections tablets were weak and the tablets had not been set up with internet access restrictions in place

These weaknesses mean that the systems in place are open to theft, fraud, misappropriation and abuse.