

8. INTERNAL AUDIT – MONITORING REPORT 31 OCTOBER 2016

Report from: Audit Manager
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Wards Affected: All
Key Decision: No
Date of Meeting – 16th November 2016

1. PURPOSE OF REPORT

The purpose of this report is twofold; to update the Committee on the progress of the 2016/2017 Internal Audit Plan and to report on the progress made in implementing previously agreed recommendations.

2. SUMMARY

- 2.1 The audit plan provides for a mix of coverage of fundamental systems, IT systems and service systems, which had been identified as potential risk areas. Appendix A shows the status and types of recommendations arising from our work and Appendix B summarises the progress to date on the 2016/2017 audit plan.

3. RECOMMENDATIONS

The Committee is asked to receive this report.

4. PROGRESS AGAINST THE 2016/2017 INTERNAL AUDIT PLANS AS AT 31st OCTOBER 2016

- 4.1 Since the last report to this Committee, we have not finalised any audits but have started the Procurement audit and are continuing to investigate National Fraud Initiative (NFI) data matches for 2015/2016 and have uploaded the data for the 2016/2017 exercise.
- 4.2 All remaining work in the audit plan has been allocated and I confirm that we will complete the plan by 31st March 2017.

Progress on implementing agreed actions

- 4.2 Since the last report to this committee on 20th September 2016, a number of follow up reviews have been undertaken as follows:

Car Parking Audit 2016/2017

Insurance of Car Parking Machines and Contents

- 4.4 During the Car Parking audit that was completed in July 2016, we found that the car park collection machines and their contents were not being insured by the Council's insurance specialist from Worthing Borough Council. We were advised that items such as this in the open/street furniture would not be insured unless specified under the insurance policy, but where items are high risk in the open, such as these, the insurance would be expensive, so not generally cost effective to insure.
- 4.5 It was agreed that the Parking Services Business Unit Leader would review the insurance cover for the car park machines and their contents and ascertain if it is cost effective for the machines and their contents to be insured.
- 4.6 From discussion with the Parking Services Business Unit Leader, we have ascertained that this is being actively progressed, with the Council's requirements having been passed to their insurers. A verbal update will be provided at the meeting, on the status of this action.

CenSus Housing Benefits Audit 2015/2016

4.7 Access to the CenSus Academy System

Out of 322 users, we found that 74 were inactive. We were advised in November 2015 that System Administration had begun an exercise to remove all dormant accounts, or those of staff who had left the three Councils. The responsible officer for the implementation of this action is the CenSus Systems Administration Team Manager and it is due to be implemented by 31st December 2016.

- 4.8 I reported at the last meeting of this Committee that work has begun on this and was continuing. We have contacted CenSus who confirmed that all ex-employees have now had their access removed and I am satisfied that this finding has been appropriately implemented.

5. Member Actions from 20th September 2016

- 5.1 At the meeting of this Committee on 20th September, a Member enquired as to whether CenSus accounts could be configured to renew periodically and expire if they are not renewed. It was confirmed that with CenSus that:
- CenSus user account passwords if set up for single sign-on have a requirement for renewal every 60 days. The account will not be automatically revoked but the system cannot be accessed until the password has been renewed.
 - CenSus user accounts which are set up for shared service sign-on are linked to the network passwords which no longer have a requirement for renewal.
 - CenSus System Admin are currently undertaking a full review of all users with a view to this being carried out on a 6 monthly basis.
 - It may be possible to create a script to identify accounts which have not been accessed for a specified period and automatically set them to revoked.

- 5.2 Whilst the renewal of passwords every 60 days is a strong control, it is weakened by the fact that network passwords are no longer required to be changed. This means that it would be potentially possible for an ex-member of staff to access the network and reset their Housing Benefit password.
- 5.3 I have asked the Auditor at Horsham District Council, who is undertaking the CenSus Housing Benefit audit to discuss further with CenSus the possibility of creating the script referred to above, to automatically revoke passwords.
- 5.4 Ultimately, the best control is for managers to inform CenSus when staff have left the respective Council.
- 5.5 A Member also wished to know if there is a function to find 'ghost' accounts in other Council systems. As part of the fundamental systems work that is due to commence in November, we will seek to confirm that for each system under review, only current employees of the Council have access to these systems.
- 5.6 I will also be reporting back in March 2017 on how the Council deals with the 'gap' between when the system is offline and online, and whether there is a process of dealing with transactions during this downtime.

Background Papers

Internal Audit reports relating to 2016/2017
Working papers relating to 2016/2017

Appendix A

**Mid Sussex District Council
Internal Audit Plan 2016/2017
Summary of Recommendations from 1st April 2016– 31st March 2017**

Audit Area	Draft Report	Final Report	Rating of Recommendations				Nature of Recommendations						
			High Priority	Medium Priority	Low Priority	Total	Policies and procedures	Staff training	Record keeping/maintenance	Data/Financial security	Authorisation of transactions	Contract/budget setting	System error
CenSus													
Council Tax													
Payroll													
Income Collection (Cashiers)													
Treasury Management													
Payments (Creditors)													
Sundry Debtors													
Capital Accounting and Asset Management													
Budgetary Control													
FMS													
E&Y Top up Testing													
Procurement													
Anti-Fraud Work inc. NFI													
Car Parking	8/07/2016	13/07/2016		1						1			

Appendix B

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