

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

8 MARCH 2012

INTERNAL AUDIT WORK ON CORPORATE THEMES

Report of the Head of Internal Audit

1.0 PURPOSE OF THE REPORT

- 1.1 To inform Members of the internal audit work performed during the year ended 31 January 2012 on corporate/cross-cutting themes and to give an opinion on the systems of internal control in respect of the areas examined.
- 1.2 To consider the Corporate Risk Register.

2.0 BACKGROUND

- 2.1 The Audit Committee is required to assess the quality and effectiveness of the corporate governance arrangements operating within the County Council. In relation to corporate themes, the Committee receives assurance through the internal audit work of Veritau Ltd, the Annual Governance Statement, the Corporate Risk Register and progress made to date by management to address the areas for improvement and identified risks.
- 2.2 Accordingly there are normally two appendices to the report:

Appendix 1

A summary of **the internal audit reports** issued in the previous year on corporate themes. Specific attention is drawn to any Priority 1 recommendations that management have chosen not to implement.

Appendix 2

A copy of the current **Corporate Risk Register** and the proposed actions to manage these risks.

- 2.3 The Risk Prioritisation System used to derive all risk registers across the County Council categorises risks as follows:
 - Category 1 and 2 are high risk (Red)
 - Category 3 and 4 are medium risk (Amber)
 - Category 5 and 6 are low risk (Green)

- 2.4 These categories are of course relative not absolute assessments – equally the Corporate Risk Register is designed to identify the dozen or so principal risks that may impact on the achievement of the County Council's corporate objectives and priorities – it is not a full Register of all the risks that are managed within the County Council.
- 2.5 On this occasion the Corporate Risk progress to date column has not been completed as the Committee is scheduled to receive a detailed update at the April 2012 meeting.

3.0 WORK DONE DURING THE YEAR ENDED 31 JANUARY 2012

- 3.1 A summary of the internal audit reports issued on corporate themes during the year ended 31 January 2012 is attached at **Appendix 1**. This is the third annual report on corporate themes to be presented to this Committee. It should be noted that most of the reports detailed in **Appendix 1** do not relate to a single directorate but may apply to a number of directorates depending on the theme under review.
- 3.2 Veritau officers have also been involved in a number of other areas relevant to corporate matters:
- the Head of Internal Audit attends the Corporate Governance Officers Group
 - the Audit and Information Assurance Manager attends the Corporate Procurement Group and the Corporate Risk Management Group
 - the Audit and Information Assurance Manager and the Information Governance Officer attend the Corporate Information Governance Group
 - the Information Governance Team is involved in progressing the Information Governance agenda and has been instrumental in developing the County Council's overall Information Governance policy framework
- 3.3 As with previous audit reports an overall opinion has been given for each of the specific systems or areas under review. The opinion given has been based on an assessment of the risks associated with any weaknesses in control identified
- 3.4 The opinions used by Veritau are provided for the benefit of Members below:

High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Moderate	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.

Limited	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

3.5 The following categories of opinion are also applied to individual actions agreed with management:

Priority 1 (P1) – A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.

Priority 2 (P2) – A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.

Priority 3 (P3) – The system objectives are not exposed to significant risk, but the issue merits attention by management.

3.6 It is important that agreed actions are formally followed up to ensure that they have been implemented. Veritau now formally follows up all agreed actions on a quarterly basis, taking account of the timescales previously agreed with management for implementation. **On the basis of the follow up work undertaken during the year, the Head of Internal Audit is satisfied with the progress that has been made by management to implement previously agreed actions necessary to address identified control weaknesses.**

3.7 All internal audit work undertaken by Veritau is based on an Audit Risk Assessment. Areas that are assessed as well controlled or low risk are reviewed less often and in our experience continue to be satisfactory between audits. Veritau's audit work is focussed on the higher risk areas. Veritau officers work closely with senior managers to address any areas of concern.

4.0 **AUDIT OPINION**

4.1 Veritau works to the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom. In connection with reporting to Audit Committees, that guidance states that:

The Head of Internal Audit's formal annual report to the organisation should:

- (a) include an opinion on the overall adequacy and effectiveness of the organisation's internal control environment
- (b) disclose any qualifications to that opinion
- (c) present a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies

- (d) draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement.
- (e) compare work actually undertaken with the work that was planned and summarise the performance of the Internal Audit function against its performance measures and criteria
- (f) comment on compliance with these standards and communicate the results of the Internal Audit quality assurance programme”.

4.2 The overall opinion of the Head of Internal Audit on the controls operated in respect of corporate themes is that they provide **Moderate Assurance**. There are no qualifications to that opinion and no reliance has been placed on the work of other assurance bodies in reaching that opinion.

5.0 CORPORATE RISK REGISTER

- 5.1 One recommendation made in the review of the Effectiveness of the Audit Committee was that the annual report on corporate and thematic audits, as prepared by the Head of Internal Audit, should include details of the risks identified in the County Council’s Corporate Risk Register. As internal audit work is focussed on those areas of highest risk to the County Council, Veritau officers regularly review the content of the corporate and directorate risk registers to ensure that audit resources are directed in the most efficient and effective way.
- 5.2 The Corporate Risk Register is also considered each year by the Corporate Affairs Overview and Scrutiny Committee.
- 5.3 **Appendix 2** summarises the risks identified when the CRR was last reviewed in December 2011. Cross-referencing is also provided, where appropriate, between **Appendices 1 and 2** to assist Members consider the internal audit work undertaken, or to be undertaken, in relation to those areas detailed on the CRR. As indicated in **paragraph 2.5** above a progress report on Actions Taken is scheduled for the April 2012 meeting of the Committee.

6.0 **RECOMMENDATION**

- 6.1 That Members consider the information provided in this report to determine whether they are satisfied that the internal control environment operating in relation to the corporate themes examined is both adequate and effective.

MAX THOMAS
Head of Internal Audit
Veritau Ltd

Background Documents

Relevant audit reports kept by Veritau Ltd at 50 South Parade. Contact Roman Pronyszyn 2284.

Report prepared by Roman Pronyszyn, Audit & Information Assurance Manager and presented by Max Thomas, Head of Internal Audit

County Hall
Northallerton

21 February 2012

APPENDIX 1 – CORPORATE AUDIT REPORTS ISSUED IN THE YEAR ENDED 31 JANUARY 2012

	System/Area	Ranking	Area Reviewed	Date Issued	Comments	Management Actions Agreed
A	<p>Recruitment and Selection 2010/11</p> <p><i>(The outcome of this audit was also reported to Members of this Committee in a separate report on Corporate Themes – Follow Up as presented to the meeting held on 21 April 2011).</i></p>	Limited Assurance	The audit tested, on a sample basis, the application of recruitment and selection processes across the County Council (excluding schools). The audit examined compliance with relevant policies and legislation in respect of pre-employment checks on prospective employees.	01/04/11	<p>This year's sample testing identified some improvement regarding the retention of evidence that requisite employment checks have been carried out (e.g. evidence of medical clearance was found to have been retained in all of the sample tested). However, there are still areas where evidence of all employment checks (references, eligibility to work in the UK) proved to be insufficient. In addition, a contract of employment was not evident for four out of 20 cases examined.</p> <p>One of the sample selected had not had the required CRB check carried out and this clearance has since been obtained. However, it was found that CRB checks are being carried out for posts that do not require such a check, which could represent a breach of the Data Protection Act. It was also noted that the online application form included a mandatory question asking whether an applicant had ever been in care. The auditors considered that the collection of this information for all job applicants represented a</p>	<p>Three P1, one P2 and three P3 actions were agreed with management and documented within the audit report.</p> <p>Responsible Officers:</p> <p>Recruitment Manager, CEG</p> <p>Corporate Property Operations Manager, FCS</p> <p>The recruitment and selection policy is developed by HR. It is the responsibility of individual managers to meet the requirements as detailed in the policy and procedures. HR will provide support and guidance to help advise managers however the ultimate responsibility and decision making is that of the recruiting manager.</p> <p>Following the latest audit, a number of actions have been agreed with management as follows:</p> <p>Remote access system (RAS) users will be asked to either retain a draft copy of the Statement of Particulars on</p>

	System/Area	Ranking	Area Reviewed	Date Issued	Comments	Management Actions Agreed
					<p>possible breach of the Data Protection Act. This question has now been removed from the standard County Council application form. For the apprenticeship talent pool application form, the questions relating to care have been made optional.</p> <p>It should be noted that whilst HR are responsible for developing a policy and guidance framework, responsibility for compliance with that framework rests with the individual recruiting managers across the County Council.</p>	<p>file until a signed copy has been returned or to make a note on the new starter form to this effect. Once eDRMS is in place, an electronic copy of the contract will be retained on file.</p> <p>A compliance email will be sent to recruiting managers informing them of their responsibilities for obtaining outstanding references. Awareness of the revised policy on obtaining references will be raised via Key Messages, the Intranet and guidance issued to recruiting managers.</p> <p>Discussions are being held between the Recruitment Team and the relevant service area to assess how the specialist knowledge of the Recruitment Team can support the recruitment process in this area.</p> <p>A review of all posts requiring a CRB check will be undertaken.</p> <p>Awareness of the employment check evidence required will continue to be raised.</p>

	<i>System/Area</i>	<i>Ranking</i>	<i>Area Reviewed</i>	<i>Date Issued</i>	<i>Comments</i>	<i>Management Actions Agreed</i>
B	Health & Safety	High Assurance	The audit reviewed how directorate management teams are demonstrating their commitment to health and safety matters. It also considered how identified health and safety actions are being progressed according to agreed timescales.	07/03/11	The audit did not identify any major concerns. Minor points were raised regarding the need for health and safety to be a regular agenda item at directorate management team meetings and for adequate documentary evidence to be retained to support the completion of all action plan items.	<p>Two P3 actions were agreed with management and documented within the audit report.</p> <p>Responsible Officers:</p> <p>Directorate Health and Safety Champions</p> <p>It was agreed that Health and Safety would be added as a regular agenda item to all directorate management team meetings (as highlighted in the Corporate Health and Safety policy that all Directorates have signed up to). This was to be implemented from the beginning of the financial year.</p> <p>For all items identified in the health and safety action plans, documentary evidence of completion will be retained on file. This was to be implemented to coincide with the Directorate H&S Action Plans.</p>

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C	Risk Management	High Assurance	A review of the County Council's risk management arrangements and its mechanism for identifying and managing the key risks facing the organisation at corporate, directorate and service level.	31/03/11	<p>The audit identified that the arrangements for managing the risks facing the County Council were operating well. However, further work is required, particularly by ACS and CYPS, to update and maintain the data contained on the Violent Warning Marker System.</p> <p>A recommendation was also made that all reports submitted to the Executive or Portfolio Holder, which require a decision to be made, should contain a section detailing the risks associated with that decision.</p>	<p>One P2 and one P3 actions were agreed with Management.</p> <p>Responsible Officers:</p> <p>Assistant Director, Performance and Change Management, ACS</p> <p>Performance and Outcomes Manager, CYPS</p> <p>Corporate Director, Finance and Central Services</p> <p>It was agreed that ACS and CYPS (as the most affected directorates) would examine the current information held, cleanse as required, and then determine the best option for updating and maintaining a Violent Warning Marking System. This action is ongoing and progress made is reported to the Corporate Information Governance Group.</p>
D	Absence Management	Moderate Assurance	The audit reviewed compliance with the County Council's procedures for managing staff absence.	09/03/11	<p>Samples testing identified the following issues:</p> <ul style="list-style-type: none"> ▪ increments being paid to staff who had exceeded the specified level of absence 	<p>Five P2 actions were agreed with management and documented within the audit report:</p> <p>Responsible Officer:</p>

	<i>System/Area</i>	<i>Ranking</i>	<i>Area Reviewed</i>	<i>Date Issued</i>	<i>Comments</i>	<i>Management Actions Agreed</i>
					<p>without any associated explanation as to why an increment had still been awarded.</p> <ul style="list-style-type: none"> ▪ issues were noted with the accuracy of the input of absence data into the system. ▪ one establishment visited during the audit was not receiving absence reports from HR Systems Support. This has since been corrected. ▪ the audit identified a number of instances of non compliance with the absence management policy, including the failure to use appropriate documentation and to carry out return to work interviews on a timely basis. ▪ little evidence to demonstrate that contact meetings or home visits were taking place during long term absences. 	<p>Assistant Chief Executive – HR and Organisational Development, CEG</p> <p>It was agreed that the HR Shared Service Centre will improve its monitoring of all cases of incremental progression.</p> <p>The new leave management system should improve the monitoring that managers can do e.g. managers will be able to input the working patterns of individuals into the new system and the system will produce prompts (for managers) to ensure that employees who are on sick leave are contacted and visited at the appropriate time. There will be a training programme and new guidance prior to the implementation of the new system. This together with the functionality of the system should lead to improvements.</p> <p>Work is presently being done with a view to replacing the self certification form with an online version. This will lead to an improvement in data input.</p>

	System/Area	Ranking	Area Reviewed	Date Issued	Comments	Management Actions Agreed
E	Workforce Planning – Redundancy and Redeployment	Limited Assurance	The audit focussed on compliance with redundancy and redeployment procedures. A sample of ten employees (in receipt of redundancy payments) was reviewed in order to check the accuracy of the payments made and whether those payments were in line with the County Council's policy. A small sample of redeployment cases was also reviewed to ensure that pay protection was being correctly applied.	13/05/11	<p>The audit identified the following weaknesses:</p> <ul style="list-style-type: none"> ▪ two personnel files requested as part of the sample reviewed were not provided to the auditors as the files could not be located. Both of these files related to school based staff. ▪ inconsistency was noted in the level and format of information being retained on file to detail the redundancy process. ▪ incorrect allocation of costs regarding compensation agreements and pay protection. ▪ limited usage of the case management system, which would have provided information on the sample of cases, selected as part of this audit. 	<p>One P1, one P2 and three P3 actions were agreed with Management.</p> <p>Responsible Officer:</p> <p>Head of HR – BES, CEG and FCS</p> <p>Once EDRMS rollout is completed, there will no longer be any paper based personnel files. School files are due to be completed by July 2011 and the non-school based staff are due to be completed by December 2012.</p> <p>Leavers' codes have now been rationalised and RAS users will receive training to raise awareness of which codes to use. Also the case management system (Lagan) is now being used by HR staff, which should allow case files to be held in one central location.</p> <p>HR Management will review the coding arrangements for compromise agreements and the issue of coding will also be addressed through RAS user training.</p>

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						The case management system is now in use by HR staff, however staff are still learning how to use the new system. It is anticipated that it will be utilised much more within the next six months.
F	Information Security Checks	Limited Assurance	A series of unannounced visits by internal auditors to a sample of County Council premises outside of usual working hours in order to identify the extent to which staff are adequately securing sensitive or personal information (or assets containing such information). See also I below.	10/02/11	The audit identified that many staff were failing to secure sensitive and personal information (or assets i.e. laptops containing such information) at the end of the working day. The auditors identified several cases of laptops being left unsecured and unattended in addition to numerous incidents of sensitive and personal paper information not being locked away.	One P1 action was agreed within the audit report. Responsible officer: Corporate Director – Finance and Central Services and Senior Information Risk Owner The detailed findings of the audit have been reported to the Corporate Information Governance Group (CIGG2) and Directorate Information Governance Champions (DIGCs) have been asked to address the weaknesses within their directorates. Corporate and directorate messages have been circulated to raise staff awareness of the need to adequately protect sensitive information. Unannounced audit visits will continue to be carried out until such time as the 'High' risk assessment is reduced to an acceptable level.

	System/Area	Ranking	Area Reviewed	Date Issued	Comments	Management Actions Agreed
G	Handling complaints	Substantial Assurance	A review of the arrangements within each Directorate for complying with the Corporate Complaints Procedure.	11/01/12	The audit established that the Corporate Procedure has been adopted in a consistent fashion by Directorates, with the exception of CYPs where the definition of what is a complaint differs from what has been specified and the appointment of an investigating officer is not always in line with established best practice. A variety of methods are used to record complaints by the various Directorates.	<p>Four P3 actions agreed.</p> <p>Responsible Officer: Staff Officer to the Chief Executive</p> <p>A corporate complaints recording and monitoring system is to be introduced shortly which should provide the opportunity to eliminate differences in the application of the Corporate Procedure. The Staff Officer to the Chief Executive is to liaise with CYPs about the other discrepancies found.</p>
H	Agency Staff 2010-11	Substantial Assurance	A review of compliance with the corporate contract with a neutral vendor for employing agency staff which was introduced on 1 st November 2010.	18/05/11	Satisfactory procedures were found to be in place. However, the lack of a agency policy resulted in managers being unaware of their obligations under the contract. In addition, concerns were expressed about the checking arrangements for the electronic invoice submitted by the neutral vendor for agency costs.	<p>One P2 and One P3 actions agreed</p> <p>Responsible officer: Assistant Chief Executive – HR and OD</p> <p>Recruitment Manager</p> <p>Following the introduction of the Agency Workers Regulations in October 2011 an Engaging Agency Workers Policy has been adopted and the implications of the regulations have been widely publicised to all managers. In</p>

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						<p>addition, there is active monitoring of any use made of agencies outside the neutral vendor contract.</p> <p>Arrangements are now in place to ensure that managers check timesheets submitted to the neutral vendor and then review charges made against their budgets.</p>
I	Information Governance Compliance - Information Security Checks	Limited Assurance	<p>The assignment was designed to assess the level of security awareness of NYCC staff at specific locations.</p> <p>There were three risk scenarios being addressed:</p> <ul style="list-style-type: none"> • Casual / opportunist theft by a person who has valid access to the offices. • A person who has valid access to the offices accessing information that they are not authorised to access • The potential loss of valuable equipment following a criminal break in to the premises. 	21/10/11	<p>NYCC offices at the following locations were visited; North Yorkshire House Scarborough, Swaledale House Colburn, Ryedale House Malton and Sharow View Ripon.</p> <p>34 laptops were found that had not been secured. In two cases the PGP hard drive encryption password for the laptop was found written down on a label and stuck to, or near to, the laptop.</p> <p>At 3 locations valuable and attractive equipment, such as TV and video equipment, were found that had not been secured.</p> <p>At the Swaledale House Colburn offices occupied by H&AS, the keys to cupboards, filing cabinets and staff pedestals were found to be kept in two key</p>	<p>Twelve P1 and six P2 actions were agreed with the Directorate Information Governance Champions for HAS and CYPS</p> <p>The relevant Directorate Information Governance Champions took the findings seriously and have instigated focussed follow up work and a comprehensive awareness raising programme including training where appropriate. All actions were to be completed by October 2011. Follow up work to confirm implementation is in progress.</p>

	System/Area	Ranking	Area Reviewed	Date Issued	Comments	Management Actions Agreed
					<p>safes. However, these key safes were left unlocked and free standing on the top of a cupboard. Each key had been clearly marked with either the number of the cupboard/filing cabinet or the name of the individual pedestal they were for. Above the free standing key safes was a location map showing where each cupboard and filing cabinet was located. While many of the file storage areas were locked, access could have been gained to any desk, cupboard or filing cabinet on the floor.</p> <p>In addition, documents worthy of protection and confidential waste for shredding had not been secured.</p> <p>It is pleasing to report that at Ryedale House a Senior Night Resource Worker working late in an office correctly challenged the audit team; unfortunately two other employees working late in an open plan office did not. While there was no evidence of information compromise the exercise highlighted areas of poor practice and non compliance with basic security procedures.</p>	

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J	Travel & Subsistence	Limited Assurance	The assignment was a system based audit of the processes around the paying and accounting for staff travel and subsistence claims.	08/11/11	<p>The arrangements for managing risk were assessed as poor with significant control weaknesses in key areas such as:</p> <ul style="list-style-type: none"> • Insufficient guidance concerning the required level of detail for a claim • The level of detail supplied to support claims was vague and yet still authorised for payment • The failure of staff to retain VAT receipts • A number of subsistence claims with no supporting description. • The late submission of mileage claims led to the underpayment of mileage expenses, in one case by £158. • New users of the software being paid twice, claims in excess of the re-imbursment limits and a potentially fraudulent claim that has been passed to management and HR to investigate. 	<p>One P1, six P2s and one P3 actions agreed.</p> <p>Responsible officers: Assistant Director – Central Finance, Payroll Manager and HR System Support</p> <p>Internal Audit attended and presented the findings to the Finance Management Team.</p> <p>Specific cases have been followed up by management. An appropriate action plan has been put in place to address the weaknesses identified to be completed by 30 November 2011.</p>

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K	The Co-Op Travel arrangements	Moderate Assurance	As a result of an emerging perceived risk, Internal Audit were asked to review the use of Co-Op Travel to book travel and accommodation for officers.	11/08/11	<p>The arrangements for managing risk were satisfactory with a number of weaknesses identified as follows:</p> <ul style="list-style-type: none"> • First class travel • Exceeding the accommodation limits • The level of authorisation • The amount of checking of the monthly invoice • The high number of users set up to use the system 	<p>Four P2 and one P3 actions agreed.</p> <p>Responsible officer: Assistant Director – Central Finance</p> <p>The guidance to staff has been improved and clarified. The enforcement of the e-mail alert arrangements, together with guidance to bookers and their managers on the role they must play in the control regime, has been agreed and implemented.</p> <p>The number of users to be reviewed in detail and reduced to those that need such access.</p> <p>All actions to be completed by 30 September 2011.</p>
L	Flexible Working 2010/11	Moderate Assurance	<p>The County Council has invested in a variety of new ways of working. The objective of the assignment was to consider the extent to which managers and their staff were making efficient use of the resources to support flexible/mobile working arrangements. In particular:</p> <ul style="list-style-type: none"> • Video conferencing; • Blackberrys; 	14/06/11	<p>The arrangements for managing risk were satisfactory with a number of weaknesses identified:</p> <ul style="list-style-type: none"> • Incomplete published lists of touchdown points and their very low utilisation in some cases. • The use of car sharing spaces should be monitored by the superintendents and letters sent to offenders. On reviewing the records the last 	<p>Four P2 and four P3 actions agreed.</p> <p>Responsible officer: Assistant Director – Corporate Property Management</p> <p>Management welcomed the visibility that the assignment had provided and actions have been put in place to more effectively manage to use of such resources.</p>

	System/Area	Ranking	Area Reviewed	Date Issued	Comments	Management Actions Agreed
			<ul style="list-style-type: none"> • Laptops; • Car sharing; and • Touchdown points. 		<p>letter was sent in 2009. This suggests that either there are no offenders or that monitoring may not be sufficient.</p> <ul style="list-style-type: none"> • It was not possible to book video conferencing facilities on-line. • Over a 5-month period reviewed, It was found that the highest utilisation was 5.3%. Three sites were not used at all, and another site at Selby was only used for two hours over the sample period. • The average utilisation of all the facilities was 1.9% based on an average working day of 7.4 hours. • The analysis of blackberry usage records revealed that 58% were barely used for data downloads where an ordinary mobile phone would be more appropriate. • The issues surrounding laptops has lead to a separate focussed audit on the matter. 	<p>All actions should be completed by April 2012.</p> <p>The flexible working issue is also an identified theme within the One Council Property workstream. The audit has been very useful in pulling together a range of issues which can now be progressed under the One Council banner.</p>

	System/Area	Ranking	Area Reviewed	Date Issued	Comments	Management Actions Agreed
M	Mobile Working	Moderate Assurance	<p>Following on from the audit of flexible working, (see L above) this assignment reviewed the setup and oncosts of certain facilities so that management could make an informed decision as to whether they provide value for money as follows:</p> <ul style="list-style-type: none"> • Touchdown Points • Webex • Video Conferencing • VPN links to enable staff to work remotely 	09/11/11	<p>A number of issues were identified where low utilisation significantly impacted on the cost benefit analysis.</p> <ul style="list-style-type: none"> • Touchdown points, for a 6-month period, the cost varied between £1 to £29 per use. • NYCC purchased 10 WebEx licences to roll out the facility but only a further 5 licences were ever purchased by Sections. • The utilisation of the video conferencing facility for a 9-month period varied from 2 minutes to 48 hours and 40 minutes. A notional cost of between £55 and £65,714 per hour. 	<p>Four P2 actions agreed.</p> <p>Responsible officers: Assistant Director – Corporate Property Management and Assistant Director – ICT Services</p> <p>As explained above under Item L The One Council Property workstream is addressing flexible working practices in NYCC offices. It will develop a platform of HR and management policies, IT and property solutions to enable staff to work flexibly. Managers will be expected to use this platform to increase the culture of flexible working across the authority. To be completed by April 2012.</p>
N	Venue Costs	Substantial Assurance	<p>The audit reviewed the procedures followed when venues are booked for training and meetings and the effectiveness of the controls in place to ensure value for money is considered. The scope also included consideration of monitoring of such expenditure and the approval / authorisation process.</p>	09/12/11	<p>Following discussion with management, it was agreed that this audit would be treated as a System Under Development and the main focus of the audit changed to working with management to identify improvements.</p> <p>The conclusion arrived at was that the project was progressing well and was subject to effective control.</p>	<p>Responsible officers – Assistant Director – Central Finance and Assistant Director – Corporate Property Management</p> <p>The audit report was a discussion document that highlighted possible areas that could be considered to improve the processes, polices and procedures being developed.</p>

APPENDIX 2 - CORPORATE RISK REGISTER

Risk Register					
Risk		Current Risk Rating	Post Risk Rating	Internal Audit Ref	Progress to date
A	Failure to be sufficiently prepared for Health responsibilities and deliver integrated approaches with Health partners resulting in lost financial opportunities through joint provision of services, inability to protect the public adequately and not making sufficient progress in health improvement	2	2	Review included on the Audit Plan 2012/13	Progress on all risks will be reported to the April 2012 Committee meeting
B	Failure to deliver waste strategy	2	3	Audits detailed in report on Contract Arrangements	
C	(a) Failure to deliver the 4 year MTFS (2011/15) including savings programme, resulting in inability to balance budget, potential distortion of priorities and public dissatisfaction (b) Potential adverse effect of Government review of business rates and council tax benefits and their impact on future funding levels	2	3	Audit of Savings in progress	

Risk Register

Risk		Current Risk Rating	Post Risk Rating	Internal Audit Ref	Progress to date
D	Failure to plan, respond and recover effectively to major emergencies in the community resulting in risk to life and limb, impact on statutory responsibilities, impact on financial stability and reputation	3	3	Audit planned for 2012/13	
E	Failure to deliver the One Council Change Programme resulting in financial costs, poorer service outcomes, lost opportunities, need to revisit savings on front line services	2	3	Audit planned for 2012/13	
F	Failure to effectively inform, consult, engage and involve public/staff/members, resulting in public dissatisfaction, loss of reputation, low morale, criticism from Members and missed opportunities	2	4	Audit planned for 2012/13	
G	Lack of focus on performing at service, team and individual level resulting in poorer service delivery, public dissatisfaction, criticism, increased costs and lost opportunities	4	4	Systems development work on Performance Framework ongoing	