

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

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| COMMITTEE: Joint Audit and Standards Committee | REPORT NUMBER: JAC/18/9 |
| FROM: Corporate Manager – Internal Audit | DATE OF MEETING: 12 November 2018 |
| OFFICER: Paul Jarvis - Internal Audit and Risk Management Officer | KEY DECISION REF NO. N/A |

INTERIM ANNUAL INTERNAL AUDIT REPORT 2018/19

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform Councillors of the work undertaken within the Internal Audit Service for the first half year, 2018/19 and provides Councillors with a review of the variety and scope of projects and corporate activities which are supported through the work of the team.

2. OPTIONS CONSIDERED

- 2.1 This is a regulatory report and there are no options to consider.

3. RECOMMENDATION

- 3.1 That the contents of this Internal Audit report, supported by Appendix A, be noted.

REASON FOR DECISION

For the Committee to note the Internal auditors half year report for 2018/19.

4. KEY INFORMATION

- 4.1 Requirement of Internal Audit - Public Sector Internal Audit Standards (PSIAS)

The PSIAS require the Corporate Manager – Internal Audit to report periodically to senior management and this Committee on Internal Audit's performance relative to its Internal Audit Plan including significant risk exposures and control issues where relevant, fraud risks and governance issues.

- 4.2 As the Councils' Delivery Programme continues and re-shapes and transforms its services the demand on Internal Audit's services to provide assurance, support and guidance on a diverse range of activities continues. The Corporate Manager – Internal Audit monitored requests, with a risk-based approach, for the re-allocation of Internal Audit resources from the approved 2018/19 Internal Audit Plan.

This Plan has been enhanced following the 20% increase in hours of a member of the Internal Audit Team and the transfer on 8th October 2018 of Business Continuity responsibility out of the team. The work has been assumed by a new Corporate Manager along with Health and Safety and Emergency Planning.

- 4.3 There was due consideration in conducting this year's audits to ensure that Internal Audit maintained its objectivity and independence. As further demonstration of organisational independence, the Corporate Manager – Internal Audit can confirm that there has been no inappropriate scope or resource limitations placed upon him.
- 4.4 In line with the Councils' Internal Audit Charter the work was conducted to ensure that it delivers against the PSIAS and the requirement to produce an annual Head of Internal Audit opinion. In doing this it can be confirmed that the work conducted covered the following activities:
- Governance processes
 - Monitoring
 - Ethics
 - Information and Information technology governance
 - Risk Management
 - Fraud management
- 4.5 Audits conducted (as opposed to Audit investigations) are also split into two types, 'Fundamental' and 'Risk' reviews. Historically, 'Fundamental' reviews had been conducted in the latter half of the financial year to meet with External Audit testing requirements.

5. LINKS TO JOINT STRATEGIC PLAN

- 5.1 The delivery of a comprehensive Internal Audit service supports the Councils' objectives, in particular:

An enabled and efficient organisation – The right people are doing the right things, in the right way, at the right time, for the right reasons.

- 5.2 However, all Internal Audit work has been associated with the Councils' strategic themes and the attached report, Appendix A, provides a summary of the work undertaken by theme. This work will contribute to the 2018/19 overall Internal Audit opinion on the Councils' control environment provided by the Corporate Manager – Internal Audit, as required by the Accounts and Audit (England) Regulations 2015.

6. FINANCIAL IMPLICATIONS

- 6.1 **There are no direct financial implications arising from this report. All Internal Audit recommendations must be considered in terms of their cost effectiveness.**

7. LEGAL IMPLICATIONS

- 7.1 There are no direct legal implications arising from this report.

8. RISK MANAGEMENT

- 8.1 This report is not directly linked with any one of the Councils' Significant Risks. The key risk, however, is set out below:

| Risk Description | Likelihood | Impact | Mitigation Measures |
|---|------------|--------|---|
| <p>Internal controls within each Council may not be efficient and effective.</p> <p>As a result each Council may not identify any significant weakness that could impact on the achievement of their aims and/or lead to fraud, financial loss or inefficiency.</p> | Unlikely 2 | Bad 3 | <p>Councillors receive and approve the internal audit work programme and other reports on internal controls throughout the year.</p> <p>The work programme is based on an assessment of risk for each system or operational area.</p> |

9. CONSULTATIONS

- 9.1 The 2018/19 Internal Audit Plan was approved by the Joint Audit and Standards Committee on 12th March 2018 (Paper JAC/17/20), having previously been endorsed by the S151 Officer and the Senior Leadership Team.

As part of the preparation for this Plan, auditors engaged with senior management to identify their view of the coming year's risks linked to the Joint Strategic Plan and Delivery Programme, and to gather and map management assurance across the Councils' functions.

- 9.2 During preparation this report has been shared with both Chairs of the Joint Audit and Standards Committee; Cabinet Lead Members for Organisational Delivery; the Senior Leadership Team, including the Section 151 Officer and the Assistant Director, Law and Governance and Monitoring Officer.

10. EQUALITY ANALYSIS

An equality analysis has not been completed because the report content does not have any impact on the protected characteristics.

11. ENVIRONMENTAL IMPLICATIONS

There are no environmental implications arising from this report.

12. APPENDICES

| Title | Location |
|--|----------|
| (a) Appendix A - Overview of Internal Audit Work | Attached |

13. BACKGROUND DOCUMENTS

- 13.1 There are no further documents.



Appendix A

Overview of Internal Audit Activity, 6 Months to 30th September 2018

1. Introduction

- 1.1 The work completed by Internal Audit to date for the Financial Year 2018/19 is reported here to the Joint Audit and Standards Committee.
- 1.2 Internal audit within the public sector in the United Kingdom is governed by the Public Sector Internal Audit Standards (PSIAS) which have been in place since 1 April 2013, were revised on 1 April 2016 and have been further revised on 1 April 2017.

The standards require periodic self-assessments and an independent assessment, by an external source, every five years.

The Committee will recall, a review was carried out during February 2018 where the External Assessor identified **no areas of non-compliance** with the standards that would affect the overall scope or operation of the internal audit activity.

The team were commended for their structured and focussed approach. Auditees clearly value their input, requesting reviews, consultancy and their advice.

A few minor areas were identified where the standards have not been followed. The External Assessor made some practical and pragmatic recommendations to address these. Since this was last reported to the Committee the Corporate Manager – Internal Audit has materially completed these actions.

Further enhancements have been made to our reporting and recording in the period. The changes strengthen oversight; simplify communication; and clarify interpretation and understanding. These were discussed with both Chairs and are outlined in the following paragraphs (1.3 to 1.5 below).

- 1.3 Discussions with the recipients of audit reports, and outcomes from interviews conducted during the External Assessment, indicated that a clearer audit opinion should be provided in audit reports.
Research and analysis of the offerings of neighbouring local authorities audit teams ensured a solution that was clearer in narrative and appearance, was produced. The outcome now has a clear 'Red Amber Yellow Green' (RAYG) status applied with a narrative clearly indicating the condition of the control environment and potential consequence to the service area objectives. This has been implemented in recent audit reports and is attached in Annexe 1 below.
- 1.4 To comply with the audit standards the full audit report is naturally a comprehensive, and potentially lengthy document. Again, in line with client feedback, we have developed a single page executive summary as the frontispiece to all audit reports to provide 'result on a page'.

1.5 Following the Independent external review of Internal Audit compliance with PSIAS the Councils' Senior Leadership Team determined that all Audit Reports should be sent to Assistant Directors, who would file them on a dedicated folder on the SLT drive, and that the AD would copy the appropriate Cabinet Lead. The Audit Charter has been amended in Section 16 to reflect this.

2. Internal Audit reports with Adverse Opinions

2.1. One audit with an Audit opinion of 'Limited' or 'No Assurance' (Formerly 'Poor' or 'Ineffective') has been issued this period and is detailed below. All Audits conducted this period are listed in Section 6 below.

The reviews that returned an audit opinion on the control environment of "Ineffective" in the last financial year (2017/18) where actions were outstanding have been kept under review by audit and, where appropriate, the management actions have been reassessed with the appropriate manager. These audits, with their present status are outlined below:

2017/18

- 1. General Ledger (Reconciliation processes)
- 2. Receivables / Debtors (Debt Management)
- 3. Payroll (IR 35 processing)

2018/19

- 4. Land Charges (Fee reconciliations)

2.1.1 2017/18 General Ledger: Internal Audit Opinion: "Ineffective"

| Key Risk | Issue Raised | Management Response |
|--|---|---|
| Control accounts and reconciliations are mismanaged or ineffective and misposting may go unnoticed. | Material arrears in key reconciliations undermine controls. | Staff resources are in place and being trained. These will address the backlog. |
| <p>Present status at this report date:</p> <p>The reconciliations are up to date as changes in staff have introduced more robust delivery of reconciliations. The Corporate Manager Finance has further tasked the reconciliation team to undertake a comprehensive review of the supporting review and reporting framework and to fully reappraise and document these new processes.</p> <p>A representative of Internal Audit has been aligned to support this exercise as a 'critical friend'. To ensure independence a second member of Internal Audit will conduct a formal audit review of the processes later in this Financial Year.</p> | | |

2.1.2 2017/18 Receivables / Debtors: Internal Audit Opinion: "Ineffective"

| Key Risk | Issue Raised | Management Response |
|--|---|---|
| Poor, or lack of, management information on the application of the Debt Recovery policies result in customers with poor credit history ratings continuing to be serviced, and /or accounting report figures that are incorrect. | Debt management has not received as much attention from management and staff over the long term, as is necessary to maintain sound debt recovery and credit management support to Services. | <p>A prolonged period of sickness absence has stalled progress on the planned debt recovery project, however work has now commenced on this project. The findings and recommendations from this audit report will help to inform this, along with support from the audit team and shared legal services.</p> <p>The Corporate Manager Finance is confident that they will be in a more robust position in quarter 2 with the Councils' aged debt and recovery procedures.</p> |
| <p>Present status at this report date:</p> <p>Internal Audit have supported the finance transaction team, as a 'critical friend', in developing procedures, resulting in:</p> <ol style="list-style-type: none"> 1. devolution of invoice raising into the service areas; 2. improved engagement of shared legal services; 3. major review of historic debt levels; 4. enhanced reporting suite and system support; 5. more finance support and challenge to the service on income management; and 6. refinement of debt reporting and management within core transactions. <p>Internal Audit have agreed with the Corporate Manager Financial Services that a further audit (by an independent auditor) of the new process (once embedded) will take place in early 2019.</p> | | |

2.1.3 2017/18 Payroll (IR 35 processing) Internal Audit Opinion: "Ineffective"

| Key Risk | Issue Raised | Management Response |
|--|---|--|
| Penalty or censure arising from incorrect treatment for contractors and temporary employees assessed as inside IR35. | <p>A lack of awareness of the legislation by Corporate Managers.</p> <p>Procedures require clarity on roles and responsibilities.</p> | <p>A new officer (start Nov18) working on the recruitment toolkit.</p> <p>A brief including IR 35 roles and responsibilities stored on Connect, and linked in Working Together IR35 raised at the next ELT with a request to cascade down.</p> |

| Key Risk | Issue Raised | Management Response |
|---|--------------|--|
| | | <p>Recruitment (IR35) added to Business Partner agenda with Corporate Managers.</p> <p>Monthly - list of contractors from Commissioning and Procurement verified against HR records. Implementation Q3 2018.</p> |
| <p>Present status at this report date:</p> <p>These actions will need time to embed and Internal Audit will therefore follow up on the above early in 2019.</p> | | |

2.1.4 2018/19 Land Charges (Limited Assurance)

| Key Risk | Issue Raised | Management Response |
|---|--|--|
| Fee income is not recognised through inadequate process and controls. | <p>Fee levels have not been reviewed recently;</p> <p>nor the two largest self-billing customers' invoices reconciled to searches conducted.</p> | <p>We need to annually review the land charges search fees to ensure that the income covers the cost of delivery of the service, (which is currently the case).</p> <p>Formal annual reviews to be established December 18.</p> <p>Regular reconciliation of searches against income will be established, along with a retrospective reconciliation.</p> <p>Immediate effect Oct 18.</p> |
| <p>Present status at this report date:</p> <p>These actions will need time to embed and Internal Audit will therefore follow up appropriately, early in 2019.</p> | | |

2.2 As well as conducting audit reviews Internal Audit had significant involvement within the period in a variety of different Council activities/issues, which included:

Section Reference:

- 3 Council Governance**
- 4 Risk Management**
- 5 Probity**
- 6 Audits conducted**
- 7 Business support activities**

3 Council Governance

3.1 Annual Governance Statement (AGS)

Internal Audit has led on the production of the AGS which was completed again as at the end of the financial year 2017/18, presented to this Committee on 14th May 2018, alongside an Assurance Mapping exercise across the Councils designed to identify gaps in good practice and aid the 2018/19 Internal Audit planning process. The outcome of the planning was reported to this Committee on 12th March 2018 (Paper JAC17/20).

3.2 Health and Safety Board

The Corporate Manager – Internal Audit is called to attend this meeting at appropriate times to provide, and ensure, a robust process exists for risk identification and information gathering.

3.3 Statutory Officers Working Group

The Corporate Manager – Internal Audit attends this meeting when required, should Governance matters arise that require appropriate professional determination. This Group has responsibility for managing Information Governance and compliance with the requirements of the Information Governance General Data Protection Regulation (GDPR) 2018.

3.4 Deputy Monitoring Officer

The Corporate Manager - Internal Audit undertakes the role of Deputy Monitoring Officer for the Councils with the specific duty to ensure that the Councils, their officers, and Elected Councillors, maintain the highest standards of conduct in all they do, pursuant to Section 5 of the Local Government and Housing Act 1989, as amended by Schedule 5 paragraph 24 of the Local Government Act 2000.

3.5 Developing our Values

The Councils have championed a development of values through a natural team approach. The Corporate Manager - Internal Audit believes that a clear set of values and behaviours is a cornerstone to supporting good governance and has provided team resource to support the project.

4 Risk Management

- 4.1 Internal Audit continues to maintain and facilitate development of the Significant Risk register with Councillors and Senior Management. As a living document Internal Audit regularly review the content with management and half yearly to Cabinet (Next report due in November 2018). The End of Year Significant Risks register was reported to this Committee. (14th May 2018). This report also includes areas where we have strengthened the Risk Management process.
- 4.2 Audit have provided support to Corporate Managers in the development of their operational risk registers, which forms part of their service plans.

5 Probity

- 5.1 Full details of the anti-fraud and corruption work undertaken during the year was reported to this Committee in a report entitled 'Managing the Risk of Fraud and Corruption'. The last report was for 2017/18 and presented on 12th March 2018 (Paper JAC17/21).
- 5.2 The data requirements and data specifications for the 2018/19 National Fraud Initiative (NFI) exercise will commence October 2018 using the NFI's secure electronic upload facility. Elections and Single Discounts data will be uploaded in Dec 2018. The release of matches and data investigations by Officers will commence in Jan 2019. Fair Processing Notices are complied with and follows GDPR guidelines.

The release of matches of information across all the contributor's data is managed on a risk-based approach by the system users, supported by Internal Audit. The system users access their data from the NFI and can investigate, in conjunction with the matched partner / contributor, to evaluate the potential fraud indicated by the match.

6 Audits conducted

- 6.1 In line with the 2018/19 Internal Audit Plan reporting of outcomes is associated with all the Councils' strategic themes. Both audits in progress and completed are reported below, with the latter given with their associated audit opinion on the control environment.

6.1.1 Assets and investment

| AUDIT | PURPOSE OF AUDIT | KEY RISK(S) | SUMMARY OF KEY FINDINGS | AUDIT OPINION |
|--|--|--|---|---|
| 1 Receivables (Focus on debt management, analysis and reporting) | Audit have worked with Finance Staff to review and evaluate the revised working practices in the transaction team. | Monies due to the Councils are not recognized, accounted for or collected on a timely basis. | See 2.1.2 above This was consultative and advisory work and does not result in a report with findings. However, this area will be subject to a subsequent review in early 2019. | No formal opinion is currently offered. |

6.1.2 Business Growth

| | | | | |
|------------------|--|--|--|--|
| 2 BMS Invest | Internal audit are to provide services to BMS Invest. At present contracts for service have been agreed and work scheduled. | The actions of the Board, including the development of strategic objectives and legal frameworks, are taken without due consideration of the impact on the organisation. | Outcomes will be reported in the full year Audit report to this Committee. | |
| 3 Procurement | Work is underway on a 3 phase review of the procurement process, from identification of requirements through to management of the contract delivery. | Loss of money through poor and/or inadequate contractual arrangements for supplier services | Outcomes will be reported in the full year Audit report to this Committee. | |

6.1.3 Community capacity building and engagement

| | | | | |
|------------------------------------|---|---|---|-----------------------|
| 4 Land charges | The Corporate Manager Information Management requested Audit to assess the effectiveness of the control environment, in the context of the project transitioning from two systems to one. | Fee income is not recognised through inadequate process and controls. | See 2.1.4 Above Whilst statistics on the data migration status and Land Charges performance are regularly reviewed fee levels have not been reviewed recently, nor the invoices for the two largest self-billing customers reconciled. | Limited Assurance |
| 5 Community Infrastructure Levy | This audit has been requested by Assistant Director, Planning & Growth, and the CIL team requested Internal Audits involvement in ensuring that CIL has sound controls and processes. | Funding (Income) is lost or misapplied, with ensuing adverse publicity or Regulatory Intercession | There is clear accountability in fund allocation and the review process follows CIL policy and demonstrates collaborative working. | Substantial assurance |

6.1.4 Housing Delivery

| | | | | |
|---------------------------------|------------------------------|--|--|--|
| 6 Disabled Facilities Grants | Work is underway on a review | Funding is not given to the correct people, meeting the correct criteria or reclaimed appropriately. | Outcomes will be reported in the full year Audit report to this Committee. | |
|---------------------------------|------------------------------|--|--|--|

| | | | | |
|-----------------------------------|--|---|--|-------------------------------------|
| 7 BMBS (Not a formal Audit) | Following a request from Housing management Internal Audit were able to provide support as a critical friend to evaluate management proposals. | That decisions would be based on misleading or erroneous information. | A detailed critique was presented to staff engaged in the development and delivery of the document, with suggestions for enhancements and change to clarify the report | No opinion is offered for this work |
|-----------------------------------|--|---|--|-------------------------------------|

6.1.5 An enabled and efficient organisation

| | | | | |
|--|--|---|--|--|
| 8 General Data Protection Regulation compliance | A review of the compliance with the requirements of GDPR and the management of data requests is underway | Fine, Censure or regulatory intercession after errors or omission managing our data in the requirements of the Act. | Outcomes will be reported in the full year Audit report to this Committee. | |
| 9 Ethical Behaviour | Work has started on a review to include Declaration of Interests and Gifts and Hospitality. | Undeclared gifts or interests may lead to challenges of independence and fair, lawful actions. | Outcomes will be reported in the full year Audit report to this Committee. | |

6.1.6 Environment (Waste & Leisure)

| | | | | |
|---|---|--|--|-----------------------------------|
| 10 Waste – Brown Bin (Garden Waste) Service delivery | This audit was conducted to support the Corporate Manager Waste Services in identifying potential enhancements to service delivery. | Weak or ineffectual process mean that Brown bin income and customer service management is not optimised. | Whilst the audit identified some procedural issues, service income is effectively reconciled, and performance is reported regularly. | (Sufficient Reasonable Assurance) |
|---|---|--|--|-----------------------------------|

6.2 In undertaking this work there was due consideration to ensure that Internal Audit maintained its objectivity and independence. The prioritisation of special work took account of the requirements of the approved audit plan.

Objectivity was maintained in that the auditors had no personal or professional involvement with or allegiance to the area audited. The determination of appropriate parties to which the details of an impairment to independence or objectivity is disclosed was dependent upon the expectations of the activity and was expressed during the planning of each audit.

Annual declarations of interest were signed by each auditor.

7 Business support activities

7.1 Internal Audit aim to retain close working relationships with colleagues and have provided support and advice on proposed system and control developments, enhancements and changes. The material of which have been described above.

In addition, Internal Audit will undertake specific investigations and reviews at the request of management. These are often not in the original audit plan and, if not appropriate to an existing piece of work, are conducted at the discretion of the Corporate Manager, Internal Audit.

7.2 Business Continuity

Internal Audit have commenced a series of exercises to test individual services' Business Continuity Plans in practise. The Plans are "corporate" documents which give guidance to senior managers tasked with leading recovery activities and prioritising resources in the event of an incident/ emergency. The first exercise, 25 July 2018, tested Customer Services, Stowmarket. Several scenarios were acted out and learning points were noted. The exercise was positively received and learning points are being actively actioned. The second exercise planned will be at Creting Road depot. The exercise date is not yet confirmed, but is envisaged for later in the year, and undertaken by the new Corporate Manager; Health & Safety, Business Continuity and Emergency Planning.

8. Resources

As reported to this Committee in 'Key Information' above (pp4.2) one part-time member of staff has increased hours and the section has passed oversight of the Business Continuity activity from 8th October 2018. This has provided an increase over the original audit plan of 70 days. Whilst the Corporate Manager – Internal Audit continuously reviews the delivery of the plan to ensure that coverage and the consequent annual audit opinion are not compromised this opportunity to undertake further work has seen additional audits added to the original plan.

Consequently, reviews of: Ethical Values, Culture & Behaviour; New public access arrangements; and Fixed and Flexible Tenancies have been added to the plan for the second half year. These were included in the original 2018/19 plan as 'Bank of work'.

8.1 In outline these proposed audits will cover:

Ethical Values, Culture & Behaviour ('An enabled and efficient organisation')

An ethics audit is a comparison between actual employee behaviour and the guidance for employee behaviour provided in policies and procedures. Evaluate the tangible ethics measures that are in place and consider the ethical treatment associated with known violations.

New public access arrangements ('An enabled and efficient organisation')

Audit to work with Management to consider the efficiency of all forms of public access to information, documents, officers and members and physical sites, and compliance with appropriate regulations and legislation.

Fixed and Flexible Tenancies ('Housing Delivery')

Review of the provision of flexible housing tenancy agreements within the Councils, ensuring that it is correctly applied and managed to assist the Councils to prioritise housing need and respond to tenancy types and changes.

9 Professional Practice

9.1 Membership of audit bodies

It is important to keep abreast of best professional practice. Internal Audit has strong links with audit colleagues both within Suffolk and nationally and are members of the Suffolk Working Audit Partnership (SWAPs) and the Midland Audit Group.

9.2 Public Sector Internal Audit Standards (PSIAS)

The team have fully reviewed their working practices to ensure that our Internal Audit documents and processes comply with, and can be evidenced to, the PSIAS.

This has resulted in a refining of the Internal Audit Charter Strategy; Internal Audit Services Manual; Internal Audit Risk Log; Quality Assurance and Improvement Programme; procedure notes; and working papers. These documents are published on the Councils' intranet, 'Connect', and remain subject to regular review.

Subsequent to this exercise the actions arising from the review are materially implemented.

9.3 Independence

Internal Audit will remain sufficiently independent of the activities that it audits to enable auditors to perform their duties in a manner, which facilitates impartial and effective professional judgements and recommendations.

The Corporate Manager – Internal Audit (and Deputy Monitoring Officer) is also responsible (up to 30th September 2018) for overseeing the Risk Management and Business Continuity* arrangements across both Councils.

Separate Audit Leads are assigned to these two disciplines which allows a degree of independence to be monitored through the Corporate Manager – Internal Audit (and Deputy Monitoring Officer). Each of these roles has an independent sponsor to champion reports and proposals. These are vested in the Assistant Director, Law & Governance and Monitoring Officer, for Risk; and in the Strategic Director, for Business Continuity*.

* As mentioned in paragraph 4.2 of the 'Key Information', of the covering report above Business Continuity has moved from the remit of the Corporate Manager – Internal Audit (and Deputy Monitoring Officer) from 8th October 2018.

10 Conclusions

The Corporate Manager – Internal Audit considers that there are no additional audit related issues that currently need to be brought to the attention of this committee.

Annexe 1

Changes to the Audit Assurance terminology

| Current Wording: | Proposed Wording: | Unchanged: |
|---|--|---|
| <p style="text-align: center;">High standard</p> <p>Systems described offer all necessary controls. Audit tests showed controls examined operating very effectively and where appropriate, in line with best practice.</p> | <p style="text-align: center;">Substantial assurance</p> <p>The system, process or activity should achieve its objectives safely and effectively and key controls are in place and operating satisfactorily.</p> | <p style="text-align: center;">Action required</p> <p>Further improvement may not be cost effective.</p> |
| <p style="text-align: center;">Effective</p> <p>Systems described offer most necessary controls. Audit tests showed controls examined operating effectively, with some improvements required.</p> | <p style="text-align: center;">(Sufficient) Reasonable assurance</p> <p>The system, process or activity should achieve its objectives safely and effectively. However, whilst there are some control weaknesses most key controls are in place and operating effectively.</p> | <p>Implementation of recommendations will further improve systems in line with best practice.</p> |
| <p style="text-align: center;">Ineffective</p> <p>Systems described do not offer necessary controls. Audit tests showed key controls examined were operating ineffectively, with a number of improvements required.</p> | <p style="text-align: center;">Limited assurance</p> <p>The system, process or activity is at risk to achieving its objectives safely and effectively as key controls are in place but operating poorly, or are inadequate.</p> | <p>Remedial action is required immediately to implement the recommendations made.</p> |
| <p style="text-align: center;">Poor</p> <p>Systems described are largely uncontrolled, with complete absence of important controls. Most controls examined operate ineffectively with a large number of non-compliances and key improvements required.</p> | <p style="text-align: center;">No assurance</p> <p>No assurance can be given that the system, process or activity will achieve its objectives safely and effectively as key controls are not in place or are failing</p> | <p>A total review is urgently required.</p> |

Introduction of Executive Summary - Illustrative Example Only



Executive Summary

June 2018

Progress towards General Data Protection Regulation (GDPR) compliance

| Overall Assurance Assessment | Overall Conclusion | | | | | | |
|---|--|--------|--------|--------|---|---|---|
| <p>Reasonable Assurance</p> <p>Adequate and effective risk and control processes</p> <ul style="list-style-type: none"> Substantial Reasonable Limited None | <p>Comprehensive training provided to all designated champions and members, and online training for all staff. Site established on Connect to retain all documents and records. Training records for all staff not complete at time of report.</p> <p>Shared Legal Services are working closely with the Transformation Project Manager GDPR and the Service champions to identify and review contracts. Key documents have been reviewed / created and approved by SLT.</p> <p>The data cleanse is incomplete and will continue. This is especially true with some systems that require field corrections to securely manage auto cleansing. Audit identified lack of ownership in Housing, which was referred to the AD Housing.</p> <p>Legal team continue to determine contracts, and 3rd party communications are linked to GDPR champions for ownership.</p> | | | | | | |
| Rationale and Scope | Action Points | | | | | | |
| <p>This audit follows from the Audit review undertaken in January 2018 to evaluate the Council's readiness for the start of the GDPR regulatory framework in May 2018. The GDPR came into force in the UK on 25 May 2018 and replaced the Data Protection Act 1988. The new regulations are an evolution of existing UK data protection law and aim to harmonise data protection laws across the European Union and put individuals in control of their data. They will remain in force until the UK leaves the European Union and amends or repeals the legislation.</p> <p>It is planned that a subsequent post implementation review will occur after the 25th May launch.</p> | <table border="1"> <thead> <tr> <th data-bbox="1160 1066 1384 1107">High</th> <th data-bbox="1384 1066 1615 1107">Medium</th> <th data-bbox="1615 1066 1868 1107">Verbal</th> </tr> </thead> <tbody> <tr> <td data-bbox="1160 1107 1384 1149">4</td> <td data-bbox="1384 1107 1615 1149">0</td> <td data-bbox="1615 1107 1868 1149">0</td> </tr> </tbody> </table> | High | Medium | Verbal | 4 | 0 | 0 |
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