

TAYSIDE FIRE AND RESCUE BOARD**Performance Monitoring Sub-Committee – 30 November 2009****INTERNAL AUDIT UPDATE AND FOLLOW-UP****Report by the Chief Internal Auditor****ABSTRACT**

This report presents a summary of Internal Audit's work for 2009/10 including the follow-up of previously agreed action plans.

1. RECOMMENDATION(S)

The Performance Monitoring Sub-Committee is asked to:

- (i) note the progress of Internal Audit's work against the plan for 2009/10 and the current position in respect of outstanding agreed actions arising from previous internal audit work;
- (ii) consider the most appropriate action to be taken to progress the agreed action plans, taking into account the recorded audit opinions.

2. BACKGROUND

CIPFA's 'Code of Practice for Internal Audit in Local Government in the United Kingdom' ("the Code") requires that the Chief Internal Auditor presents interim reports on the progress with planned audit work.

Appendix A shows a summary of the status of Internal Audit's current assignments against the 2009/10 plan, as at November 2009. Planned issue dates are shown in the third column and the status of each audit is highlighted in the fourth column.

The Code places upon management the responsibility for ensuring that the agreed actions arising from audit reports are implemented. It is the duty of the Chief Internal Auditor to seek assurance that the actions have been completed and to put in place 'escalation procedures' where this does not appear to have been the case. To assist the Sub-Committee, Appendix B provides information on those actions that have not been implemented in accordance with the agreed timetable or where there is insufficient information on the current situation.

Appendix B records the agreed implementation dates (with revisions where relevant) along with management's explanations. It also notes Internal Audit's opinions on the adequacy of the actions being taken, taking into account the current circumstances and the nature of the underlying risks.

3. PROPOSALS

It is recommended that the Performance Monitoring Sub-Committee notes the timetable for the delivery of the 2009/10 audit plan and that it seeks

assurance that there are clear and achievable action plans for completing the agreed actions arising from previous audit work.

4. CONSULTATION

The Head of Corporate Services has been consulted in the preparation of this report.

5. RESOURCE IMPLICATIONS

There are no resource implications arising from this report.

6. CONCLUSION

This report presents a summary of Internal Audit's work for 2009/10 against the annual plan, including the follow up of previously agreed action plans.

J CLARK
Acting Chief Internal Auditor

Note: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

Contact Officer: Jackie Clark, Ext. No. 75522, j.clark@pkc.gov.uk
Address of Service: Council Building, 2 High Street, PERTH, PH1 5PH
Date: November 2009

If you or someone you know would like a copy of this document in another language or format, (on occasion only, a summary of the document will be provided in translation), this can be arranged by contacting Jackie Clark



Council Text Phone Number 01738 442573

INTERNAL AUDIT UPDATE

Schedule Of Planned Audits With Issue Dates For 2009/10

Audit Number	Audit Title	Actual (Planned) Issue Date	Comments
09/046	Recruitment, retention & selection	(March 10)	
09/047	Training	(March 10)	
09/048	Capital Projects	(March 10)	
09/049	Financial reserves	(March 10)	
09/050	Partnerships	(May 10)	
09/051	Regionalisation	(May 10)	
09/052	Implementation of new communications system	(May 10)	

**Appendix B - Internal Audit Follow-up
Tayside Fire and Rescue Board
(Reporting for All dates on or before October 2009)**

Action Plan	Dates	Status/Explanation
<p>07/069 - Procurement</p> <p>Action Point 3</p> <p>Importance: Medium</p> <p>Procurement policies and procedures will be reviewed, redrafted, issued to staff, and training given as necessary, following appointment of the Procurement Manager.</p> <p>(J Iannetta, Head of Corporate Services)</p>	<p>Mar 2009</p> <p>Jun 2009</p> <p>Mar 2010</p>	<p>The review of policies and procedures is being deferred until the results of a Procurement Capability Assessment are known. The Assessment will take place around the start of November and the results of this will drive changes in policies and procedures so as to keep us in step with the other Fire and Rescue authorities. The collective intention is to have all eight Fire & Rescue authorities working to the same policies and procedures for resilience purposes. The Procurement Manager has indicated a completion date of March 2010.</p> <p>Internal Audit Opinion: Accepted</p>
<p>08/049, 08/050 - Payroll and Pensions</p> <p>Action Point 1</p> <p>Importance: Medium</p> <p>TFRB will update the payroll procedures held within the Finance Manual to reflect the needs of the new payroll software package. The payroll procedures in the Finance Manual will detail the need to check supporting documentation prior to processing entries. The procedures will detail the roles and responsibilities of</p>	<p>Sep 2009</p> <p>Dec 2009</p>	<p>Staff sickness has delayed progress on this action, however it is proposed the payroll procedures will be updated by the end of December.</p> <p>Internal Audit Opinion: Accepted</p>

Action Plan	Dates	Status/Explanation
<p>staff such as stating the job title of the officer responsible for a task. The procedures will also be dated and identify their author.</p> <p>(A Milne, Finance Coordinator)</p>		
<p>08/049, 08/050 - Payroll and Pensions</p> <p>Action Point 6</p> <p>Importance: Medium</p> <p>TFRB advised that a template has already been developed for a SLA for Pensions Administration and will be agreed and signed shortly. The SLA will detail the roles and responsibilities in relation to this service, such as the responsibilities for applying increases to pensions, ceasing pension payments for deceased pensioners and the maintenance of HM Revenues and Customs requirements.</p> <p>(B Hammond, Finance Manager)</p>	<p>Jun 2009 Nov 2009</p>	<p>An SLA has been drafted by Dundee City Council (DCC) Pensions and has been reviewed by the TF&R's Finance Manager. Once this has been reviewed by DCC Pensions, it is anticipated that it will be approved by both parties.</p> <p>Internal Audit Opinion: Accepted</p>
<p>08/052 - Single Status</p> <p>Action Point 1</p> <p>Importance: Medium</p> <p>The adoption of a standard project management methodology, which will be used across TFRB, is being considered.</p> <p>(S Gunning, Group Manager)</p>	<p>Sep 2009 Feb 2010</p>	<p>A project management methodology is currently being developed and will be presented to the Management Team early 2010 for approval.</p> <p>Internal Audit Opinion: Accepted</p>

Action Plan	Dates	Status/Explanation
<p>08/054 (b) - Matters Arising</p> <p>Action Point 1</p> <p>Importance: Medium</p> <p>The Fraud Response Plan will be reviewed. This review will ensure that there is a consistent approach reflected in both the Fraud Response Plan and the Financial Regulations regarding the allocation of responsibilities.</p> <p>(J Symon, Head of Finance)</p>	<p>Aug 2009 Dec 2009</p>	<p>This action has not yet been completed but will be completed by the end of the year.</p> <p>Internal Audit Opinion: Accepted</p>
<p>08/054 (b) - Matters Arising</p> <p>Action Point 2</p> <p>Importance: Medium</p> <p>The Board's Scheme of Administration will be reviewed in consultation with the Head of Democratic Services at Perth & Kinross Council.</p> <p>(J Symon, Head of Finance)</p>	<p>Aug 2009 Mar 2010</p>	<p>The Clerk to the Board is currently progressing this but other priorities have required that the completion date for the action is revised to January 2010.</p> <p>Internal Audit Opinion: Accepted</p>
<p>08/055 - Information Security Management System</p> <p>Action Point 1</p> <p>Importance: Medium</p> <p>The ISMS has been approved by TFR management team and an action plan will be implemented in mid-June 2009. The Head of Technical Services has responsibility of the ISMS and a letter has been sent out with the ISMS to the representative bodies</p>	<p>Jun 2009 Nov 2009</p>	<p>A Final Draft is to be submitted to the ISMS Steering Group on 19 November for approval</p> <p>Internal Audit Opinion: Accepted</p>

Action Plan	Dates	Status/Explanation
<p>in line with our consultation and negotiation in the workplace framework. After the consultation is complete the ISMS will be held within our corporate document library and a signpost emailed to all employees. This is also reinforced with an article in our internal newsletter to ensure all employees are aware of the document.</p> <p>(S Edgar, Head of Technical Services)</p>		
<p>08/055 - Information Security Management System</p> <p>Action Point 3</p> <p>Importance: Medium</p> <p>The ICT Manager and HR Manager have been tasked to establish a specific mobile computing policy and a mobile computing Acceptable User Policy. This is now in draft format and ready to be finalised prior to being distributed for consultation with the recognised representative bodies.</p> <p>(G Bellfield, ICT Manager & M Nicholson, HR Manager)</p>	<p>Sep 2009 Dec 2009</p>	<p>Work is ongoing, and a first draft covering both policy requirements has been completed. However, no formal consultation has taken place to date.</p> <p>Internal Audit Opinion: Accepted</p>
<p>08/055 - Information Security Management System</p> <p>Action Point 4</p> <p>Importance: Low</p> <p>TFR will pursue the route of encrypting static computer data.</p>	<p>July 2009 Mar 2010</p>	<p>The issue of encrypting data at rest is still under investigation.</p> <p>Internal Audit Opinion: Accepted</p>

Action Plan	Dates	Status/Explanation
(G Bellfield, ICT Manager)		
<p>08/055 - Information Security Management System</p> <p>Action Point 5</p> <p>Importance: Medium</p> <p>As the ISMS Steering Group is formalised the issue of undertaking periodic active directory network access control reviews will become a standing agenda item and reviewed on a quarterly basis.</p> <p>(G Bellfield, ICT Manager)</p>	<p>Sep 2009 Mar 2010</p>	<p>Ongoing work to create schedule reports on the network access controls is progressing with a first draft to be produced for a scheduled meeting of the ISMS steering group.</p> <p>Internal Audit Opinion: Accepted</p>
<p>08/055 - Information Security Management System</p> <p>Action Point 10</p> <p>Importance: Low</p> <p>The Chief Fire Officers Association (CFOA) is in the process of assessing a new information classification scheme. Once the classification scheme is ratified by the CFOA, the relevant parts will be adopted by TFRB and the system will be implemented.</p> <p>(C Wade, Administrative Co-ordinator)</p>	<p>Sep 2009 Mar 2010</p>	<p>This project has been delayed at CFOA level but it is anticipated to be implemented in 2010.</p> <p>Internal Audit Opinion: Accepted</p>
<p>08/055 - Information Security Management System</p> <p>Action Point 11 (1)</p> <p>Importance: Medium</p> <p>TFR has policies in place to</p>	<p>Aug 2009 Dec 2009</p>	<p>TFR has a complex password policy that underpins access to the core network. Individual applications that require additional authentication are currently being audited with the results of the audit being collated for</p>

Action Plan	Dates	Status/Explanation
<p>ensure minimum password lengths and password ageing. That said, the ISMS Steering Group will progress the formalisation of application password policies.</p> <p>(S Edgar, Head of Technical Services)</p>		<p>the next scheduled meeting of the ISMS steering group.</p> <p>Internal Audit Opinion: Accepted</p>
<p>08/055 - Information Security Management System</p> <p>Action Point 14</p> <p>Importance: Medium</p> <p>The Head of Technical Services will ensure that on any induction programmes carried out by TFR, there will be a session on IT/ISMS and records will be maintained.</p> <p>(S Edgar, Head of Technical Services)</p>	<p>Jun 2009 Mar 2010</p>	<p>This action remains outstanding owing to other work priorities.</p> <p>Internal Audit Opinion: Accepted</p>
<p>08/055 - Information Security Management System</p> <p>Action Point 15</p> <p>Importance: Medium</p> <p>The ICT Manager and HR Manager have been tasked to establish a specific Acceptable User Policy. This is now in draft format and ready to be finalised prior to being distributed for consultation with the recognised representative bodies.</p> <p>(G Bellfield, ICT Manager & M Nicholson, HR Manager)</p>	<p>Jul 2009 Dec 2009</p>	<p>The draft policy is to be discussed by the ISMS steering group before being ratified by the Management team.</p> <p>Internal Audit Opinion: Accepted</p>