

London Borough of Hammersmith & Fulham

Report to: Audit and Pensions Committee

Date: 15/09/2020

Subject: Head of Internal Audit Annual Report 2019/20

Report of: David Hughes, Director for Audit, Fraud, Risk and Insurance

Responsible Director: Director for Audit, Fraud, Risk and Insurance

Summary

This report summarises the work of Internal Audit in 2019/20 and provides the opinion of the Director of Audit, Fraud, Risk and Insurance on the adequacy and effectiveness of the Council's framework of governance, risk management and control. This opinion is provided for the use of the London Borough of Hammersmith and Fulham and is used to support its Annual Governance Statement.

The report sets out a continuing trend of improvement in assurance being obtained and provided for 2019/20 through the work of internal audit. The reflects the commitment to a robust assurance framework being led by the Chief Executive, through monthly SLT Assurance meetings, and through the delivery of the Ruthlessly Financially Efficient programme led by the Director of Finance.

Recommendation

For the Committee to note and comment on the report.

Wards Affected: None

H&F Values

Our Values	Summary of how this report aligns to the H&F Priorities
Being ruthlessly financially efficient	The work undertaken by Internal Audit helps to ensure that management have robust controls and practices in place to safeguard the Council's assets, controlling expenditure and maximising potential income to protect and invest in essential frontline services which are in place to meet the Council's priorities

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Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

1. From the Internal Audit work undertaken in the financial year 2019/20, reasonable assurance can be provided that the systems of internal control in place are effective with 85% of the audits undertaken receiving a positive assurance opinion (88% in 2018/19), with no Nil Assurance audits being reported for the fourth consecutive year.
2. There are some areas where control improvements are required and compliance with agreed systems could be improved. In each case, action plans are either in place, or have already been implemented, to remedy the weaknesses identified. These will be followed up by the internal audit team until they are completed.
3. The Council was found to be effective, in most areas, at implementing recommendations where concerns in respect of controls were identified.
4. The report is a key element of the evidence supporting the Annual Governance Statement (AGS), which will be presented separately to the Committee with the Annual Accounts.

Internal Audit Work 2019-20

5. The Audit and Accounts Regulations 2015 require the Council to conduct a review of effectiveness of the system of internal control. This contributes to the Council priority of being Ruthlessly Financially Efficient. Detailed reports on the performance and outcomes of the internal Audit work undertaken, have been presented regularly to the Council's Section 151 Officer and at each meeting of the Audit and Pensions Committee.
6. Wherever possible, when planned audits are postponed, alternative audit work is identified or alternative sources of assurance are sought, for example, through external inspections and reviews of Council services. During the past year, the Council has secured positive outcomes from a number of external inspections. The outcome of these and other inspections is set out in and also supports the overall assessment in the Council's Annual Governance Statement for 2019/20.
7. The internal audit service has been provided in accordance with the UK Public Sector Internal Audit Standards (PSIAS). During 2019/20 the Internal Audit Service undertook a self-assessment to verify PSIAS compliance which has identified general compliance with the Standards with minor improvements which will be addressed during 2020/21.

Internal Audit Opinion

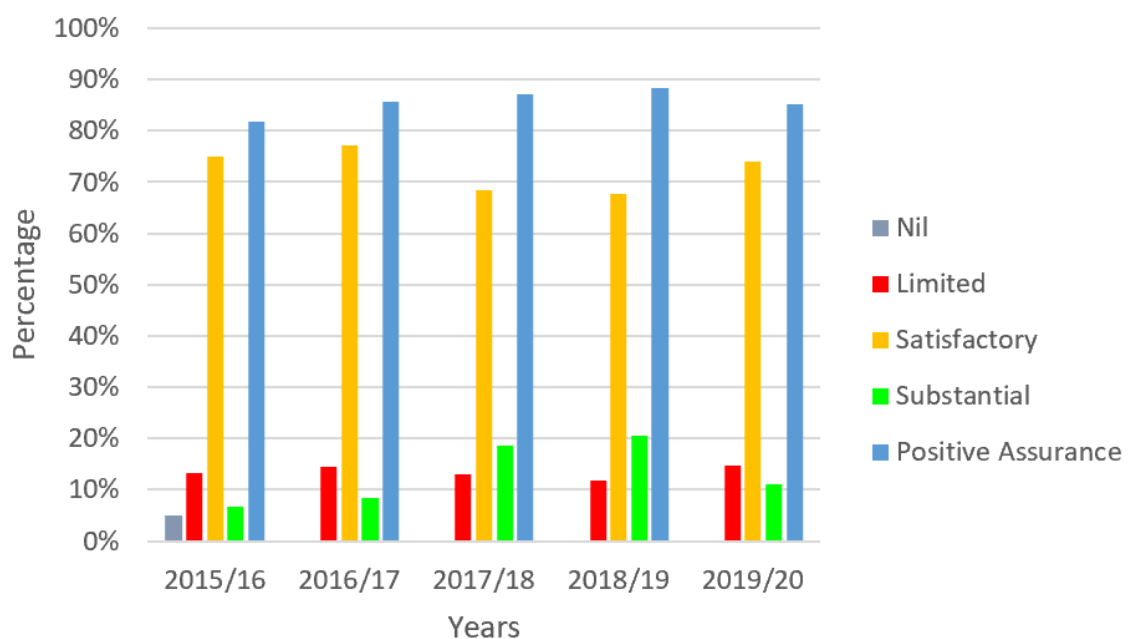
8. As the provider of the internal audit service to the London Borough of Hammersmith and Fulham, the Director of Audit, Fraud, Risk and Insurance is required to provide the Section 151 Officer and the Audit and Pensions Committee with an opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements. In giving this opinion it should be noted that assurance can never be absolute. Even sound systems of internal control can only provide reasonable and not absolute assurance.
9. The opinion is that, at the time of preparing this report and based upon the work completed this year, the Council's governance, risk management and internal control systems in the areas audited were adequate with the exception of those areas detailed as Limited assurance (see paragraph 4.15 below), all of which have been reported to the Audit and Pensions Committee. This is a positive opinion which means that the Council generally

has effective internal control systems with 85% of audits receiving a positive assurance opinion, including 11% receiving a Substantial assurance rating. This is a slight reduction from the outcomes in 2018/19 when 88% of audits received a positive assurance opinion. However, given that the audit plan is risk based and no Nil Assurance reports have been issued again this year, this slight reduction is not a cause for concern

10. In the above context it should be noted that:

- This opinion is based solely upon the areas reviewed and the progress made by the Council to action internal audit recommendations;
- Assurance can never be absolute neither can internal audit work be designed to identify or address all weaknesses that might exist;
- Responsibility for maintaining adequate and appropriate systems of internal control resides with Council management, not internal audit.

Assurance Levels of Reports from 2015/16 to 2019/20



Managed Services - Finance, HR and Payroll systems

11. Following the implementation of the new Managed Service in December 2018, the Head of Internal Audit and the Shared Services Director of Audit, Fraud, Risk and Insurance have been liaising with the Hampshire County Council's (HCC) Internal Audit Service, Southern Internal Audit Partnership (SIAP), to ensure that appropriate audit work can be planned to provide the Council with assurance over the adequacy of controls following the implementation of the new finance, HR and payroll systems.
12. HCC commissioned an external review of the suitability of the controls and control objectives operated within the Integrated Business Centre (IBC), with a Service Organisation Controls Type 1 Report provided on the suitability of the design of controls as at 31 March 2019, which was based on International Standard Assurance Engagement (IASA) 3402.
13. During 2019/20, HCC commissioned a Type 2 Report on the suitability of the design and operating effectiveness of controls which was prepared in accordance with ISAE 3402 and covered the period 1 April to 31 December 2019. It was reported that, the controls operated effectively to provide reasonable assurance that the Control Objectives were

achieved if complementary user entities assumed in the design of the IBC controls, operated effectively throughout the period reviewed.

14. In addition to the assurances provided by HCC, as part of the Council's drive to be Ruthlessly Financially Efficient (RFE), Internal Audit have been reviewing compliance with the local controls in respect of Finance, HR and Payroll processes. Outcomes from the RFE testing was previously reported to the Audit and Pensions Committee in December 2019.

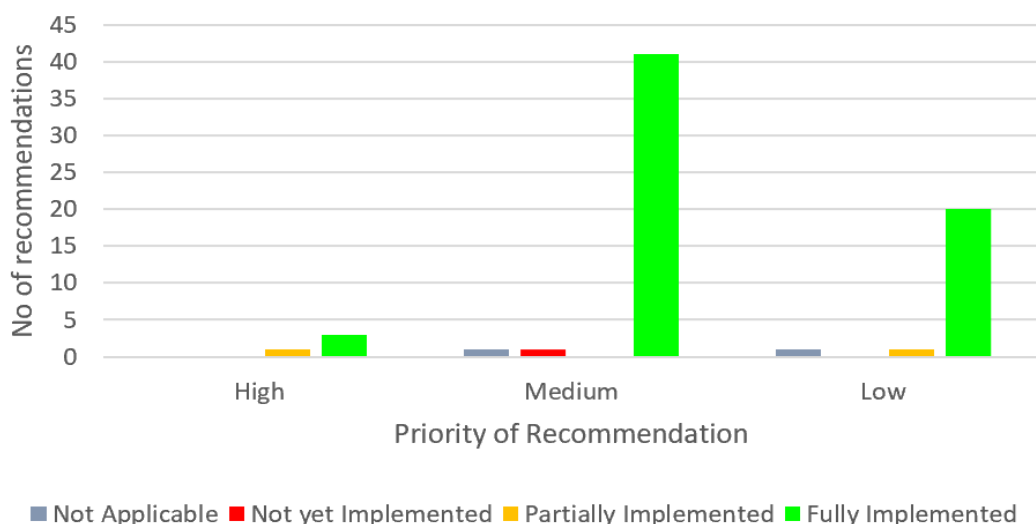
Schools Audit Work

15. In addition to full audits at three schools, two surveys were undertaken to provide a thematic assessment of the budget management and procurement processes across the Council's maintained and voluntary schools. The responses to these surveys provided some assurance that, in most cases, the schools had appropriate controls in place in respect of how they manage their budgets and procure goods and services. However, the responses also indicated areas where improvements could be made and Internal Audit will be working with the Education Finance Team on how to implement improvements, identify potential training requirements and consider where good practice can be shared across the schools.

Follow ups

16. The implementation of audit recommendations is reported regularly to SLT Assurance and to the Audit and Pensions Committee.
17. Sixty-nine recommendations were followed up in 2019/20 and confirmed that the implementation of medium and high priority recommendations has been consistently effective:
 - 94% of medium and high priority recommendations followed up in 2019/20 were fully implemented with a further 2% partly implemented.
 - 75% of high priority recommendations followed up were found to be fully implemented with the remaining 25% partly implemented.

Follow up results for 2019/20



18. Issues arising from Internal Audit work which have significant implications for the Council's control assurance framework have been included in the Annual Governance Statement which is reported separately to this Committee. The monitoring process in respect of the

Annual Governance Statement also ensures that follow up action is taken to remedy the key control weaknesses found.

Limited assurance reviews

19. There were a few areas where improvements in compliance with controls were needed with a total of four audits being designated as limited assurance as set out in the table below:

Service Area	Audit	Reported to APC
Children's	Engaging Support Workers	Sep-2020
Environment	Highways Deposits & Refunds	Sep-2020
Finance	Housing Management Service Charges (debt management element).	Sep-2020
Resources	Cyber Security	Sep-2020

The findings from these audits are summarised in Appendix 3 of this report and the full internal audit reports are also provided as separate appendices (Appendices 5 to 8).

Consultation

The Director of Audit, Fraud, Risk and Insurance is required to provide an annual report and opinion on the Council's system of internal control under the Public Sector Internal Audit Standards. To enable this, an annual Internal Audit Plan covering the Council's key risks is devised in consultation with the Strategic Leadership Team and the work performed through this plan forms the basis of the annual opinion.

Legal Implications

Regulation 3 of the Accounts and Audit Regulations 2015 sets out the Council's responsibility for ensuring that it has a sound system of internal control which:

- a. facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- b. ensures that the financial and operational management of the authority is effective; and,
- c. includes effective arrangements for the management of risk.

Regulation 5 requires the Council to ensure that it undertakes an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

There are no particular legal implications arising from this report.

Implications verified by Janette Mullins Chief Solicitor (litigation), tel: 020 8753 2744

Financial Implications

The Internal Audit Plan is delivered within the revenue budget for the service. Actions required as a result of audit work, and any associated costs, are the responsibility of the service managers and directors responsible for the areas which are reviewed.

The proposals contained in this paper have no additional resource implications for the audit service.

Implications completed by Andre Mark, Finance Business Partner, 020 8753 6729 and verified by Emily Hill, Director of Finance, 0208 753 3145.

Risk Management

The Internal Audit Plan is developed and delivered to cover the key risks faced by the Council, to provide assurance on the key controls in operation and the effective management of key risks.

Implications verified by Michael Sloniowski, Risk Manager, telephone 020 8753 2587

List of Appendices:

- Appendix 1 A summary of audits completed in 2019/20 with assurance opinions
- Appendix 2 A summary of changes to the agreed 2019/20 audit plan
- Appendix 3 Limited Assurance reports issued since the previous meeting
- Appendix 4 A summary of the Internal Audit Service performance indicators
- Appendix 5 Final Report – Engaging Support Workers Through Agencies
- Appendix 6 Final Report – Highways Deposits and Refunds
- Appendix 7 Final Report – Housing Service Charges
- Appendix 8 Final Report – Cyber Security

Appendix 1

Audits completed in 2019/20 with assurance opinions

Department	Audit	Audit Opinion				Issued	Reported to Cttee
		Nil	Limited	Satisfactory	Substantial		
FINAL REPORTS ISSUED							
Children's	St Thomas of Canterbury School					31/01/2020	Sep-2020
	All Saints School					08/06/2020	Sep-2020
	James Lee Nursery					18/06/2020	Sep-2020
	Supporting People Claims (ongoing in year)					quarterly	Sep-2020
	Engaging Support Workers					03/082008	Sep-2020
Economy	Corporate Gas Safety					13/02/2019	Sep-2019
	Major Works S20 Notices					25/06/2020	Sep-2020
	Temporary Accommodation					09/07/2020	Sep-2020
Environment	Cemeteries & Bereavement Service					13/08/2019	Sep-2019
	Council Tax					13/01/2020	Sep-2020
	NNDR					13/01/2020	Sep-2020
	Housing Benefit					18/02/2020	Sep-2020
	Highways Deposits & Refunds					01/09/2020	Sep-2020
Finance	Housing Rents					24/07/2019	Sep-2019
	Savings Management					17/09/2019	Dec-2019
	Capital Programme					28/01/2020	Dec-2019
	Budgetary Control					13/02/2020	Sep-2020
	Bank Reconciliation					01/06/2020	Sep-2020
	Housing Management Service Charges			SAP & Debt	operations	06/04/2020	Sep-2020
	Ruthlessly Financially Efficient					On-going	Dec-2019
Resources	BT Agilisys Contract Monitoring					30/07/2020	Sep-2019
	Coroner Service					06/08/2020	Sep-2019
	Cyber Security					17/07/2020	Sep-2020
	Induction Process					13/07/2020	Sep-2020

Department	Audit	Audit Opinion				Issued	Reported to Cttee
		Nil	Limited	Satisfactory	Substantial		
Social Care	Client Affairs					18/06/2020	Sep-2020
	CLCH Contract Monitoring					12/05/2020	Sep-2020

Audits in Progress		Status
Children's	Shared Services Costs	Draft report issued July 2020 – Co-ordinated response required from LBHF and RBKC/WCC

Audit work requested by departments (carried out as advisory reviews, where no assurance rating was provided)

Department	Audit	Issued	Committee
Children's	Queensmill School	09/03/2020	Dec-2019
	Schools Thematic Reviews	n/a	Sep-2020
Economy	Corporate Facilities Management	30/06/2020	Sep-2020
Environment	Parks and Sports Facilities Bookings	05/09/2019	Dec-2019
	Advertising Hoarding Income – Bentworth Park	13/02/2020	Dec-2019
Finance	Corporate PMO Assurance	10/03/2020	Mar-2019
	Role of Chief Financial Officer	10/04/2019	Sep-2019
	Role of S151 Officer	25/10/2020	Dec-2019
	Commissioning (DRAFT)	25/03/2020	Sep-2020
Social Care	Community MH Team	06/07/2020	Sep-2020
	Deprivation of Liberty Standards	09/06/2020	Sep2020
	Nazareth House	18/12/2019	Sep-2020

Changes to the 2019/20 Internal Audit Plan

Audits added to the 2019/20 audit plan are included in the table in Appendix 1. The table below shows any audits removed from the 2019/20 plan, following discussions with management, or deferred to a future year.

Department	Auditable Area	Reason Audit not Undertaken
Children's	Family Support Services	No longer required following external reviews
Economy	Housing Repairs (DLO and new Contracts)	Too soon to evaluate the relatively new processes and contract performance. To consider in 2020/21.
	Housing Capital Works Procurement	Changes in Service need to consider for a future year.
	Geometra	To link to the H&S audits which have been deferred to 2020/21
	Housing Health & Safety Compliance Checks	Delayed to 2020/21 as new contracts being procured.
Environment	Waste Contract Procurement	Not appropriate timing for a review of the procurement process.
Finance	Statutory Reporting	Meeting in Sept 2019 with expectation of further engagement but not forthcoming. To consider whether IA to be added to 2020/21 IA plan.
Resources	People & Talent – Pensions Administration – Monitoring of Provision	Audit commenced, delays in obtaining information from the monitoring team. Subsequently, a review of the Administration provision instigated by LBHF to consider and review service provided. Director for Internal Audit, Fraud, Risk Management & Insurance is involved in this service review.
	People & Talent – Establishment Control	Agreed to concentrate on RFE in year 1. Pick this audit up in 2020/21 to consider a cross cutting audit. Managers now maintain the structure. This should tie up to the agreed structure for the service and also with the budget.
	IT – Governance, Application Process	Originally an advisory followed by an assurance audit planned. Now an assurance only audit planned for 2020/21
	IT – Resilience & Service Continuity	Agreed to defer to 2020/21 due to timing of the review.
	IT – Access Management	Originally an advisory followed by an assurance audit planned. Now an assurance only audit planned for 2020/21
	IT – Asset Management	Originally an advisory followed by an assurance audit planned. Now an assurance only audit planned for 2020/21
Social Care	Safeguarding	Peer review undertaken in June 2019 and no additional benefit from an internal audit.
Social Care	Management Information (previously protecting residents' data)	Discussions around scope and potentially moving to be a review of Mosaic but not progressed. Consider inclusion in a future year depending on risk.
Social Care	Public Health Outcomes (was PH Grant)	Change of process and timing not appropriate. Swapped for the review of CLCH Contract Monitoring review.

Summary of Limited and Nil Assurance Reports since last meeting

APPENDIX 3

Audit and Scope	Details	Rating
<p>Children's Services Engaging Support Workers</p> <p>The objectives of this review were to assess and evaluate the controls in the following areas:</p> <ul style="list-style-type: none"> • Commissioning of support workers • Supervision and performance management. 	<p>Support Workers are social care professionals who provide assistance and guidance to children and families in need. The duties of a Support Worker may vary based on the setting. The Workers are required to work alongside Social Workers to plan and provide the support a client needs, such as helping them improve their home management or parenting skills and providing emotional support. The Support Worker role may also include:</p> <ul style="list-style-type: none"> • Supporting people with social and physical activities; • Booking assistance or transporting people to appointments; • Helping with personal care such as support with showering and dressing; • Supporting people with eating and drinking; • Monitoring individuals' conditions and possibly helping with medication. <p>There is a small team of in-house Support Workers supplemented as needed through employment agencies and care providers. Commissioning of Support Workers is undertaken by the Council's Commissioning team.</p> <p>Two high and three medium recommendations were raised as follows:</p> <ol style="list-style-type: none"> 1) Agencies used to deliver personal care to children should be registered with CQC. The Council should obtain assurance from their provider that the agencies used by the Council are compliant with this requirement prior to Support Workers starting work. Management should ensure that the sourcing of support workers is consistent across departments by ensuring that referral forms are completed properly and correctly by including sufficient details of the requirements of the support workers. 2) Management should implement a formal process for Social Workers to monitor and review the performance of Support Workers. Where issues are identified, appropriate action should be taken and used to determine whether the Support Worker should continue to be used in the current role and in future allocations. 3) Where a Support Worker is required, Social Workers should ensure that a referral form is completed and approved by their manager. Support workers should not be sourced unless a form has been completed. Where a referral is made via email, the approved referral form should be attached to the email. Approved referral forms should be retained. 4) Briefings with the Support Workers should always be requested and held prior to the Support Worker commencing their role with the client. Briefings should be recorded for future reference. Where a briefing is not required, then the reasons should be clearly recorded. 5) A process map should be developed for all Council departments who are involved in offering Child and Family Care Services involving support workers. The process map should include, but not limited to, the following: <ul style="list-style-type: none"> • Instructions on how organise a care package involving support workers; and • The roles and responsibilities of all individuals involved in the care of the client including the Support Worker. <p>Consideration should also be given to how cases where both children and adults are receiving support can be coordinated between Children's Services and Social Care.</p>	<p>Limited Assurance</p>
<p>Management Update: The recommendations have been agreed and the audit was considered helpful and the service has identified a number of practice improvements which management are aiming to implement by the end of September 2020.</p>		

Audit and Scope	Details	Rating
<p>Highways Deposits & Refunds</p> <p>The objectives of this review were to assess and evaluate the controls in the following areas:</p> <ul style="list-style-type: none"> • Policies and procedures • Rechargeable works, final accounts and refunds • Separation of duties <p><i>Note: This review was requested by the Strategic Director</i></p>	<p>Rechargeable street works are undertaken, and the cost of the works recharged back to a liable third party. This is done so that individuals requiring the work to be undertaken do not undertake the work themselves as there is the potential for the end result to not meet required safety and aesthetic standards. The majority of works undertaken by the Council are based on applications made for works such as vehicle crossovers (dropped curbs); enabling works that allow the temporary relocation of entrances, bus stop and loading sites; trench works completed for utility companies; as well as other ad-hoc private rechargeable works. In addition to this, there are also enforcement works undertaken as a result of proactive inspections that identify areas where works are needed to be undertaken.</p> <p>An estimate is prepared prior to commencement of work and the developer is required to pay the Council the value of the estimate before the work commences. Once works are completed a final account is prepared and either:</p> <ul style="list-style-type: none"> • The developer is sent an invoice if the final account is greater than the estimate; or, • The Council refunds the developer the difference if the final account is less than the estimate. <p>Two high and two medium recommendations were raised as follows:</p> <ol style="list-style-type: none"> 1) The Private Works Team and Finance Team should undertake action to clear the long outstanding jobs and ensure that the clients are either invoiced or refunded. The agreed timetable to clear the backlog should be monitored against on a regular basis to ensure that the required actions are being completed and clients invoiced/refunded. Going forward, management should ensure that once final accounts have been prepared, that an invoice or refund is issued promptly. 2) The Finance Team should undertake further verification of the bank details provided prior to issuing a refund, to confirm they are legitimate. Alternatively: <ul style="list-style-type: none"> • A separate officer should check the bank details applied to each refund, either before or after it has been sent for payment; or • The Finance Team should contact the client to notify them of where the refund has been paid into thus confirming that it is the correct account. <p>The above process should be included in the procedure notes and compliance with this requirement should be monitored.</p> 3) Procedure notes should be regularly reviewed to ensure they reflect current practice. In addition, these should be available to staff with guidance on the process for completing tasks. 4) Refunds should be issued based on the final account, but where there are amendments to be made, these should be returned for revision and approval should be obtained from Senior Finance Officer before refunds are processed, where appropriate. Refunds should be processed in a timely manner following completion of the final account. Performance against target for the processing of refunds should be monitored and reported on. Action should be taken where performance is below target. 5) Management should agree an appropriate cause of action where clients do not provide confirmation of their bank details following repeated requests. This could be by making the account dormant after a defined period until the client makes contact with the Council. Guidance on this should be included within the procedure notes and compliance on adhering to the guidance should be monitored. 	<p>Limited Assurance</p>
<p>Management Update: The recommendations have been agreed and actions are already in progress to address them with the backlog of outstanding jobs expected to be cleared by March 2021.</p>		

Audit and Scope	Details	Rating
<p>Housing Management Service Charges – Debt Aspect Only</p> <p>The objectives of this review were to assess and evaluate the controls in the following areas:</p> <ul style="list-style-type: none"> • Policies & Procedures • Identification of Leaseholders • Identification & allocation of attributable costs • Estimates & Invoicing • Collection • Debt Management 	<p>Service charges are levied to recover the costs incurred in providing services to a building. The way in which the service charge is organised is set out in the leaseholder's lease. The charge normally covers the cost of such matters as general maintenance and repairs, insurance of the building and, where the services are provided, lifts, lighting cleaning of common areas etc. The Council calculates the service charges as a percentage, as set out in the lease. There are two types of charges made by the Council to leaseholders. These are the annual service charge, which covers services delivered by the Council to a building or estate, and major works bills, which are for significant periodic works done to buildings. Major works were not reviewed as part of this audit with a separate audit of major works undertaken.</p> <p>The service charge estimated invoices for the financial year ahead are sent out in March each year. The actual charges (where the actual costs incurred are adjusted after being calculated) are sent in September after the end of the financial year. A detailed breakdown of how the charges are allocated is included within the invoices.</p> <p>Controls were found to be effective in the areas of identification of leaseholders, identification and allocation of attributable costs, and invoicing of estimated and actual service charge costs. However significant weaknesses were noted with regards to the identification of outstanding service charges and debt management. These weaknesses were in the main due to the implementation of SAP and is a corporate issue. As such a Limited Assurance opinion has been provided for controls relating to debt management.</p> <p>Management were aware of operational issues with SAP in relation to payments not always posting to customer accounts, aged debt reports not distinguishing between major works and service charges debt, and the dunning service on SAP being deactivated. The situation has since improved with receipt of payment being allocated to the correct account, separation of debts between major works and service charges and plans to reactivate the dunning service.</p> <p>One high priority recommendation was made as follows:</p> <ol style="list-style-type: none"> 1) Management should liaise with the service provider, SAP, to resolve the functionality issues, preventing service charge debt from being automatically pursued via the 'Dunning' service. Once resolved, debt recovery procedures should be developed and include the timescales for sending out reminder letters. A plan of action to pursue outstanding service charge debts should also be developed. 	<p>Limited Assurance</p>
<p>Management Update:</p> <p>The team have a number of workarounds in place to pursue arrears, service charge debts are distinguishable. Following the Covid-19 outbreak a corporate decision has been taken to put on hold dunning debt recovery letters issued from SAP GUI. Once this restriction is lifted dunning will be switched back on. The longer-term plan to resolve the functionality issues is to move service charge recovery out of SAP GUI and into the Integrated Housing Management system – Northgate. A project team has been set up to implement this change and it is hoped to have progressed this by December 2020.</p>		

Audit and Scope	Details	Rating
<p>Cyber Security</p> <p>The objectives of this review were to assess and evaluate the controls in the following areas:</p> <ul style="list-style-type: none"> • Governance • Culture, awareness & user education • Secure configuration • Network security • Identify & Access management • Malware prevention • Incident management • Removable media 	<p>The 2015 National Security Strategy confirmed that cyber remains a Tier 1 threat to the UK's economic and national security and there is a recognition that cyber-attacks are becoming more frequent and of greater sophistication. At the same time Government Departments have plans to dramatically increase the services that will be provided digitally. Users expect digital services to be user friendly and quick but also secure.</p> <p>This review was based on the National Cyber Security Centre (NCSC)'s "10 steps to security" framework. It will also form an opinion on the current level of compliance against the Cyber Essentials framework that the Council is working towards.</p> <p>Two high and three medium recommendations were raised as follows:</p> <ol style="list-style-type: none"> 1) Management should liaise with BT to amend the content of the patch reports to focus on actionable information (e.g. list of patches including their criticality that have not been installed) and, then, review them on a monthly basis. In addition, management should ensure updates are applied to all software installations, including non-Microsoft applications, on a regular basis. 2) A backup policy should be defined and implemented across all systems and the Council should receive formal assurance that the backups are regularly tested (at least annually) through formal restoration tests and the results are followed-up. In addition, the Service Continuity Plan should be tested at least annually or after each major infrastructure change. The results of the test should be documented, and any lessons learned should be captured for updates to the plan, thus introducing a mechanism of improvement of the process. 3) Within cyber security, risk management reporting lines and roles have not been clearly designated, neither in the Risk Management Strategy or another document. It has been recommended that the reporting lines should be formalised in the Risk Management Strategy, a terms of reference should be formalised for the Cyber Security meetings and the IT Security Manager's job description should be updated to include responsibility for cyber security. 4) Management should consider implementing a pro-active process to review the network logs to identify possible security threats and incidents. 5) The User Access Management policy should be reviewed and approved by Management to clarify and improve the link between HR and IT. The process should ensure leavers are pro-actively recorded in the online tool in order to allow IT to act upon accordingly. In addition, management should consider amending the process so that the notifications about new joiners/leavers/movers are issued by HR as it is often more efficient and reliable than line managers. If it is no longer required, the generic administrator account should be disabled. 	<p>Limited Assurance</p>
<p>Management Update: The recommendations have been agreed with 50% of the high and medium recommendations already implemented, and others in progress. All recommendations are expected to be implemented by December 2020.</p>		

Internal Audit Performance Indicators

Internal audit performance is summarised below against a range of performance indicators:

Performance Indicators	Target	Actual	Comments
Delivery			
Percentage of audit jobs completed by 31 March 2020*	90%	90%	
Percentage of draft reports issued within 10 working days of fieldwork being completed*	90%	90%	
Percentage of audits finalised within 5 days of a satisfactory response	95%	95%	
Quality			
External audit conclude they can place reliance on Internal Audit work (annual)	Yes	Yes	Liaison with external auditors to provide evidence of internal audit work.
Percentage of recommendations implemented or in progress by management	95%	96%	94% implemented and 2% in progress (high & medium priority)

* final sign-off and issue of draft reports was slightly delayed by Covid19 and pragmatic decisions made on concluding some audits where a small amount of information was still required but not deemed to be significant in terms of the scope of the audit.