

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Premises Security	Recent events globally have sparked a heightened awareness of the need to address Premises Security arrangements across all the council's sites.	<p>The Premises Security policy was dated 2013 and did not cover such aspects as bomb/terrorism threats and consideration of national treat levels.</p> <p>Access to the post room at County Hall could be tightened.</p> <p>Front reception staff had received no terrorism related training/instruction.</p> <p>A large number of 24/7 access passes have been issued (144 for County Hall).</p> <p>The auditor observed many instances at County Hall of employees not wearing passes and tail-gaiting to gain access.</p> <p>Due to a variety of reasons staff passes are not always cancelled in a timely way when people leave the council's employment.</p>	Significant Improvement Needed	<p>Update the premises security policy; consider developing a security plan to be shared with the Police; and, consider assigning someone as a Security Coordinator. <b>(H)</b></p> <p>The post room door at County Hall to be kept locked at all times. <b>(H)</b></p> <p>Postroom and front of office staff to be provided with procedures and training on what to look out for and action to take in relation to terrorism threats. <b>(H)</b></p> <p>Only staff with a direct business need should have a pass allowing 24/7 access to council premises. <b>(H)</b></p> <p>Access door systems should be fitted in a way where they cannot be left open. <b>(H)</b></p> <p>Security guidance, together with promoting a changed culture in relation to security awareness should be driven by senior management. <b>(H)</b></p> <p>A more robust process should be implemented to manage the administration of staff passes for starters and leavers. <b>(H)</b></p>





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Premises Security Cont'd	Recent events globally have sparked a heightened awareness of the need to address Premises Security arrangements across all the council's sites.	<p>Where agency staff leave before their contract period, facilities will not know to cancel their access pass unless the manager arranges for the pass to be returned to facilities.</p> <p>Audit testing identified one example of a suspended member of staff whose access pass had not been cancelled. From discussion with HR it was apparent there was no process in place to notify facilities of any suspensions.</p> <p>There is no clear guidance on security over members of the public attending public meetings at County Hall. Sometimes visitors sign in, but sometimes, especially if it is a large group there are escorted without signing in. Visitors are not always required to sign out.</p> <p>The CCTV system at County Hall requires improvement and the adequacy of the CCTV set up at Consort House, Fairmount House and Quadrant Court should be assessed by a specialist.</p>	Significant Improvement Needed	<p>A periodic review of current agency staff should be undertaken to confirm building access passes continue to be required. <b>(H)</b></p> <p>Update procedures to ensure the facilities team are informed promptly of any employee being suspended. <b>(H)</b></p> <p>Entry/exit arrangements for members of the public attending meetings should ensure records reflect each person entering and exiting the building. <b>(H)</b></p> <p>Security to be strengthened between the public gallery at County Hall and secure areas of the building. <b>(H)</b></p> <p>The alarm system at County hall should be set up so that different areas can be independently alarmed. <b>(H)</b></p> <p>CCTV at County Hall to be improved and a review of other sites performed for adequacy. <b>(H)</b></p>

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SAP Application and Interface Controls	<p>The SAP application supports key Council functions including Finance, Human Resources Payroll and Procurement. The modules in use are the Enterprise Resource Planning ('ERP'), Supplier Relationship Management ('SRM') and Business Information Warehouse ('BIW').</p> <p>Four systems were selected for testing: (ContrOCC - ICS (Children's Social Care), SIMS (Schools), Paritor (Surrey Arts) and Maximo (Highways).</p>	<p>A review of user access to ensure that user functions are in line with job descriptions was not performed in the current year. Where user access reviews are not performed, there is an increased risk that inappropriate accounts on the system are not restricted or disabled. This in turn increases the risk of unauthorised access to the application.</p> <p>Files are transferred from ContrOCC to SAP server via unsecure FTP and are in csv format, these files can be edited before they are manually uploaded. Reconciliations performed between ContrOCC and SAP are not signed off.</p> <p>SIMS feeds into SAP via a monthly electronic income and expenditure report from schools. Manual intervention is required for the interface to be completed, the SAP Interface Developer is responsible for uploading the files on SAP, files are transferred to SAP via unsecure FTP and are in csv format, and the files can be edited before they are uploaded on SAP. Payment and credit files can be changed before they are sent for processing.</p> <p>The auditor did not identify any issues in respect of the Paritor and Maximo interfaces with SAP.</p>	Some Improvement Needed	<p>Periodic and formalised review of user accounts should be performed to ensure the appropriateness of the accounts active on the system. The review should also ensure that user functions are in line with their job descriptions. <b>(M)</b></p> <p>Implement secure FTP to transfer files from ContrOCC to SAP server; and ensure reconciliations between ContrOCC and SAP are reviewed and signed off by a senior manager within the CSF Social Care Department before processing. <b>(M)</b></p> <p>The SAP / SIMS interface should be reviewed and consideration given to automation to avoid manual intervention; and secure FTP should be implemented for the transfer of files from Babcock4S to the SAP server. <b>(M)</b></p>





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Cyber Security	<p>In April 2014 Central Government introduced the “Cyber Essentials” Scheme to provide clarity to organisations on what good cyber security practice is and the steps they need to follow to help manage cyber risks.</p> <p>Given the nature of the threat, the UK Government believes that action should begin with a core set of baseline controls which all organisations should apply in order to confidently conduct business securely.</p>	<p>Surrey County Council has established a generally robust control framework for managing Cyber Security risks, supported by a range of documented conformance criteria in policies and procedures.</p> <p>The Information and Risk Governance Board cannot easily demonstrate awareness and management of the ICT risk and ownership arrangements of known ICT vulnerability resolution actions.</p> <p>SCC is not currently accredited under the Cyber Essentials Scheme - a government-backed scheme that sets out a good baseline of cyber security suitable for all organisations.</p> <p>While configuration settings were generally satisfactory, neither Logon Success nor Logon Failure auditing are enabled. Also, the intention to audit the “Account Lockouts” by success is being compromised by the current account lockout policy configuration settings and no auditing events have been configured for “Privilege Use” activities.</p> <p>Examination of the IT Security Policy found that the IT password control requirements are clearly defined. However, review of the new world laptop SekChek report noted that the password control configuration settings do not comply with the corporate IT Security Policy.</p>	Some Improvement Needed	<p>The Information and Risk Governance Board should receive and review a summarised report to assist trend analysis and governance over the resolution actions taken to eliminate or mitigate the impacts of known ICT vulnerability risks. <b>(M)</b></p> <p>Consider joining the Cyber Essentials Scheme (£300 p.a.) to transparently demonstrate the effective cyber security assurance credentials to the general public and other key stakeholders. <b>(M)</b></p> <p>For system configuration, use should be made of the audit policy and account lockout settings to enforce robust system accountability. <b>(M)</b></p> <p>Configure password access control settings to enforce compliance with the corporate IT Security Policy. <b>(M)</b></p>

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Trust Funds – Follow-up	<p>Surrey County Council acts as custodian to 44 trust funds, of which 38 are as sole trustee.</p> <p>An audit of trust funds was undertaken in December 2013. Concerns with the findings led to a follow up audit in August 2015. Both audits concluded the council was not making best use of the money within the funds.</p>	<p>In June 2016 the Council Overview Board set up a Task and Finish Group (TFG) to review all trust funds. This resulted in recommendations to Cabinet including transferring the majority of funds where the council is the sole trustee to the Community Foundation for Surrey (CFS). The CFS is a charitable trust which works with donors to give something back to local communities and charitable groups providing vital services to local people.</p> <p>The process to transfer the first tranche of (31) trusts to the CFS is well managed and should enable money from previously dormant trusts to be put back into use for residents.</p> <p>Some trusts remain to be reviewed by the TFG including the Henrietta Parker Trust (£1,287,571) and the Charity of Robert Phillips (£2,011,437)</p>	Effective	No audit recommendations arising.





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<p>Health and Safety (H&amp;S)</p>	<p>Surrey County Council, as an employer and a council has a statutory obligation to comply with the Health and Safety at Work Act 1974 Act and supplementary guidance. The council also has a duty of care to ensure its employees and members of the public are able to conduct their business in a safe environment.</p> <p>This audit considered performance in Adult Social Care; Children, Schools and Families; and, Surrey Fire &amp; Rescue (SFRS) together with related corporate health and safety arrangements. Additionally a review of procedures in place to manage the risk from trees was completed which was an area of concern specifically highlighted to the auditor.</p>	<p>Following the death of a young person on a school bus the coroner raised concerns regarding the provision of basic life support training for drivers.</p> <p>It is not currently possible to generate reports on H&amp;S training from the e-learning system. Analysis of data provided to the auditor suggested over 80% SCC staff have not had recent basic health and safety training. It is not normal practice to provide H&amp;S training to agency staff.</p> <p>There is no framework in place to collate the results of the tree inspection data nor is there any overview of whether the remedial work is being performed in a timely manner. This leaves the council with little or no assurance that the risk from trees is being adequately managed.</p>	<p>Significant Improvement Needed</p>	<p>SCC should review its vetting procedures where drivers and escorts are used to transport children and vulnerable adults to ensure they have received basic life support training. <b>(H)</b></p> <p>Ensure H&amp;S training records are managed centrally with learning priorities tailored to each individual (including agency and non permanent staff). The system should provide email reminders when follow up/refresher training is required and management overview should be facilitated by enabling reports to be generated of training completed. <b>(H)</b></p> <p>The Tree Risk Management Strategy 2016 should be formally adopted and implemented by all internal and external parties responsible for managing tree related risk. <b>(H)</b></p> <p>Develop a uniformed tree risk and tree works response time methodology to be followed by all parts of the organisation including relevant partners. <b>(H)</b></p> <p>Develop a corporate reporting framework to ensure oversight of tree inspections and completion of remedial works across SCC and relevant partners. <b>(H)</b></p>

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<p>Health and Safety (H&amp;S) Cont'd</p>	<p>Surrey County Council, as an employer and a council has a statutory obligation to comply with the Health and Safety at Work Act 1974 Act and supplementary guidance. The council also has a duty of care to ensure its employees and members of the public are able to conduct their business in a safe environment.</p> <p>This audit considered performance in Adult Social Care; Children, Schools and Families; and, Surrey Fire &amp; Rescue (SFRS) together with related corporate health and safety arrangements. Additionally a review of procedures in place to manage the risk from trees was completed which was an area of concern specifically highlighted to the auditor.</p>	<p>The auditor reviewed ASC H&amp;S Reporting for 2015/16 and found that incidents reported on the ASC H&amp;S Quarterly reports were not consistent with figures reported on the Corporate Scorecard. A total of 1,021 incidents were reported for 2015/16 in the Corporate Scorecards however in the service a total of 938 incidents were reported. A comparison for each quarter was undertaken and only data for one quarter was consistent with that reported by ASC.</p> <p>SFRS did not have access to up to date KPI data relating to “safety event “ injuries for monitoring purposes, limiting the ability of SFRS management to take appropriate action in a timely manner.</p> <p>Examination of OSHENS showed a number of cases categorised as “set up in error” should have been recorded as incidents and therefore subject to appropriate management review.</p>	<p>Significant Improvement Needed</p>	<p>Accident and training data used in the Scorecards and ASC Quarterly H &amp; S Reporting should be factual, consistent and validated before being shared. <b>(H)</b></p> <p>Information required from “My HR” to compile the quarterly SFRS KPI summary report should be provided in a timely manner. <b>(H)</b></p> <p>Employees should be encouraged to record all H&amp;S incidents whilst carrying out council related business. It is recommended that the OSHENS system which is accessible on the intranet is used as a mechanism to report this. <b>(H)</b></p>





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Information Governance (IG)	<p>Information Governance (IG) is a term relating to the processes and systems used by an organisation to manage the information they hold. This is legislated through the Data Protection Act 1998 (the DPA) and the Office of The Information Commissioner is responsible for enforcing and promoting compliance. This requires that adequate procedures are in place to manage information to ensure that:</p> <ul style="list-style-type: none"> <li>• Confidentiality is respected;</li> <li>• Records are held in secure conditions; and</li> <li>• Information is recorded clearly and accurately, so that it can be easily read and relied upon by others.</li> </ul>	<p>The process for managing Multi Agency Information Sharing Protocol (MAISP) related information could be improved. The auditor found that not all MAISP agreements had been signed.</p> <p>The current Information Risk Governance Board (IRGB) meeting and work programme have not operated in accordance with the agreed Terms of Reference.</p> <p>One of the key objectives for IG was to seek support from the Statutory Responsibilities Network and Directorates to help change the culture towards data and recognise its value through communication campaigns on information security and IG.</p> <p>Data retention information on S-Net was not consistent between the IG teams.</p> <p>Breaches data is currently not available on a real time basis as each team records and maintains its own breaches data.</p>	Some Improvement Needed	<p>An easily accessible register/log of MAISP forms should be maintained to ensure quick reference as well as ensure that a signed agreement exists for every organisation that has signed up to the MAISP. <b>(M)</b></p> <p>The IRGB terms of reference should be reviewed and updated to agree with current practices and work programmes. This should include monitoring of progress towards GDPR, Information Asset Register and setting out a Privacy Impact Assessment. <b>(M)</b></p> <p>Appropriate, regular communication campaigns to address regular and emerging issues such as training and data security could work to change attitudes and overall help to promote a change in culture across the organisation. <b>(M)</b></p> <p>A central hub of data retention information including IICSA requirements should be maintained on S-Net. Any changes should be broadcast through communication campaigns. <b>(M)</b></p> <p>Breaches data should be recorded and held centrally. <b>(M)</b></p>

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Information Governance (IG) Cont'd	<p>Further compliance is required by Surrey County Council (SCC) to support the Independent Inquiry into Child Sexual Abuse (IICSA) following the letter sent to the Chief Executive by Hon. Lowell Goddard DNZM the former Chair of the Inquiry. The letter required that authorities retain all data relating to allegations of abuse in children.</p> <p>Organisations in the UK will have to comply with the EU's General Data Protection Regulation (GDPR) framework which is due to be implemented by 28 May 2018. Notwithstanding the decision for Brexit, the Authority will need to consider progress towards compliance.</p>	<p>There are currently no governance arrangements in place over IG training as a result the uptake is low across the Council.</p> <p>The S-Net pages for IG continue to be held separately for each of the Corporate, ASC and CSF Teams.</p>	Some Improvement Needed	<p>The Council should ensure that all staff have completed appropriate IG training. <b>(M)</b></p> <p>Internal and external websites should be regularly maintained to ensure accuracy of information. <b>(M)</b></p>



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Highways Contract Management (Lot 5) – 2016/17	<p>The Lot 5 (Flood Prevention) contract includes responsibility for cyclical and reactive gully cleansing, soakaway cleansing, catchpit cleansing and maintenance of an electronic asset register for drainage assets. It was initially let to May Gurney (latterly Kier) in 2010.</p> <p>Performance has remained an issue under the sub-contractor's delivery, and a performance improvement plan is in the process of being agreed. Instances have been highlighted where the integrity of the data provided by the subcontractor has been substandard, and Members remain concerned around perceived shortcomings in delivery.</p> <p>A review of Highways Contract Management was therefore included as part of the 2016/17 Annual Internal Audit Plan.</p>	<p>The contract deliverables have never been completed to schedule. Despite this, the contract is currently in the process of being extended subject to agreement of a Service Improvement Plan. No formal annual review of contractual performance has taken place during the life of the contract, in contravention of contractual provision.</p> <p>The contract does not allow for retention of payment in the event of poor contractor performance. SCC is paying over the contractually agreed rates in order to maintain standards.</p> <p>A number of instances of poor contract management by the contractor were noted. Contractually prescribed audits were not being carried out, and the governance meeting structure does not appear to be effective. Inadequate record keeping by the subcontractor was noted. Officers have to spend considerable time managing the contract when the contractor is paid to do this.</p> <p>From a sample of audit testing, 25% of the gullies the subcontractor claimed to have attended to had not been cleansed.</p>	Significant Improvement Needed	<p>Management should ensure that all contract management provisions specified in current and/or future contracts are correctly followed. Management should ensure that future contractual arrangements allow for performance to be robustly monitored. <b>(H)</b></p> <p>Whilst it is noted that the decision has been taken to extend the contract, management should ensure that a viable procurement strategy is in place to ensure business continuity at the time of reprocurement, taking account of the lessons learnt during the duration of the current Lot 5 contract. <b>(H)</b></p> <p>Management should investigate the specific contract management issues raised and ensure that they are remedied by the contractor and/or subcontractor. As part of the contract extension process, management should ensure that the contractor is required to demonstrate robust contract management principles. <b>(H)</b></p>

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### <sup>1</sup> Audit Opinions

<b>Effective</b>	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Some Improvement Needed</b>	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Significant Improvement Needed</b>	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Unsatisfactory</b>	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

### <sup>2</sup> Audit Recommendations

**Priority High (H)** - major control weakness requiring immediate implementation of recommendation

**Priority Medium (M)** - existing procedures have a negative impact on internal control or the efficient use of resources

**Priority Low (L)** - recommendation represents good practice but its implementation is not fundamental to internal control