



INTERNAL AUDIT REPORT

Confidential

To: ICT Unit Manager

cc: Head of Service – Organisational Development
Head of Finance
Chief Executive

From: Service Manager - Internal Audit

ICT Unit – Executive Services

1. Executive Summary

The auditee is the ICT Unit Manager who is line managed by the Head of Organisational Development.

ICT are currently undergoing a re-organisation and with the exception of the Unit Manager, a relatively new committed management team is in the process of being established.

One key audit issue has been identified, and a few policy and control issues have been identified in the course of this audit. All recommendations made have been accepted with an agreed action plan in place.

It is recognised that significant improvements have been made in the ICT inventory of hardware, however there are still several areas where further administrative improvements could be made. It should be noted that the controls surrounding procurement, purchasing, authorisation and payments are exceptionally well administered within the ICT Unit.

2. Audit Scope

2.1 This is an audit of the ICT Unit.

2.2 The audit encompassed a review of the administration and controls surrounding the application of statute and Council policy, system access controls and their alignment with job responsibilities and segregation of duties, access to end-user systems, application of value for money, business continuity and travel; Human Resource Management including



staffing arrangements; overtime, staff terminations and transfers, employee performance reviews, holiday entitlements, recruitment, staff screening, absence management and security of personnel records; Financial Management incorporating purchase orders, budget monitoring, invoices, petty cash, income, lease payments and security of credit cards and office keys; Capital Expenditure covering representation of enhancement, approval and monitoring; Contract Management involving contractually enforceable arrangements, contract conditions, and service level agreements; Project Management covering legislative requirements, best practice and technical and financial vetting; Asset & Inventory Management incorporating acquisition and disposal, security and usage and registers; and ICT Management Procedures including network access, help desk procedures, vehicle usage and statistical returns.

2.3 The audit scope period within which audit tests were performed was the nine months to 31st May 2009.

Details of areas tested during the course of the audit are attached, Appendix 1.

3. Key Audit Issues

3.1 Existing employees who require a disclosure check should be renewed / disclosed with immediate effect. Advice should be sought from HR regarding which other posts require disclosure checks and thereafter, relevant posts should be disclosed and included in the three year rolling programme of renewal.

4. Audit Issues

4.1 Inventory / Track-It Database

- Disposals must be signed for at the point of uplift
- Stock taking policies and procedures should be reviewed and developed e.g. rolling programmes
- Procedures surrounding the handling and recording of new stock should be reviewed
- Track-It should be updated with 'movers' and 'leavers', resulting in an up to date database
- All current and older allocations on Track-It to ICT personnel should be reviewed and updated
- Inventory allocations should be recorded in a more precise and consistent format
- The new help desk / inventory software should have reporting features that should be appropriately set up at the outset to produce reports.

4.2 Employee review and development should be carried out for all staff regardless of line management vacancies. Review and development documentation / information must be secure and confidentiality maintained.

- 4.3 Annual charges to external bodies must be in accordance with the relevant service level agreement and charges detailed with the sales invoice for transparency.
- 4.4 Annual leave should be authorised prior to being taken. Annual leave cards should be reconciled at the year end and retained by ICT for 3 years.
- 4.5 Robust controls surrounding password re-setting for network access should be implemented.
- 4.6 The policies and administration of deleting leavers and temps etc from the network should be reviewed / enforced and appropriately communicated.

5. Other Observations

- 5.1 We would like to take this opportunity to thank all staff for the time, patience and assistance afforded to Internal Audit during the course of the audit assignment. The positive attitude shown by staff was much appreciated during the audit.
- 5.2 This audit will be followed up in approximately twelve (12) months time when areas of concern identified will be reviewed.

6. Auditee Response

- 6.1 Attached as Appendix 2 is a formal agreed action plan that constitutes the ICT Unit Manager's response. Any further comments should be forwarded to all recipients of this report, including Internal Audit.

Date: 11th August 2009

Report No: IAR/ICT